

BACKGROUND:

For the last several years, the South Bay Cities Council of Governments (SBCCOG) has spearheaded the effort for a fiber network to provide rapid and cost-effective Internet access to its member agencies. In June 2018, SBCCOG hired Magellan Advisors to complete a feasibility study and facilitate a Request for Proposals. Four proposals were received, with American Dark Fiber's (ADF) bid being selected as the best fit for the project identified as South Bay Fiber Network (SBFN).

To establish the network, ADF proposed a fiber-optic ring to pass by all of the member agencies' City Halls, with laterals connecting each location to the ring. For the ring and laterals development, ADF surveyed the proposed sites to be served and categorized two types of expenses: 1) the capital expense for the fiber-optic ring build-out, and 2) the monthly recurring cost for internet service. The financing of the capital expense was provided through Metro's Measure M Sub-regional fund.

With regard to the monthly internet service, SBFN, through its service provider Race Communications, has offered four levels of service (from 1 to 10 gigabits of bandwidth) with associated monthly charges for the internet service. In November 2019, SBCCOG requested that the City enter into a Letter of Commitment committing to our ongoing monthly participation in the project. At that time, City staff determined that the City would utilize the 1-gigabit plan for two sites - City Hall and City Yard. The City Council subsequently approved the Letter of Commitment at its November 5, 2019 Council meeting, committing to a monthly cost of \$1,000 per location.

DISCUSSION:

The monthly Internet services that will be a part of the SBFN project will be supplied by Race Telecommunications (Race), the SBCCOG selected vendor. Each participating agency is required to have a separate Internet services agreement that lists the connected sites, desired speed, and contract term. To complete this phase, the City needs to establish a contractual relationship with Race for Internet services.

Race Communications' contract documentation includes the Order Forms for City Hall and City Yard and the related Master Products and Services Agreement (MPSA) (Attachment 2). Each site Order is for the delivery of one-gigabit Internet service for three years (36 months) with \$1,000 monthly cost excluding the government taxes. Staff has estimated an additional 1.5% for applicable taxes, which brings the monthly cost to \$1,015 per site, and the total three-year cost for both sites to \$73,080.

The term for each Order, along with the service payment, will commence on the date Race begins to provide all services as listed on the Order, and will remain in effect until the expiration of the 36-month terms unless terminated by the parties under the MPSA conditions. SBCCOG has indicated that they hope to have Internet service available sometime this summer. The Race Communications contract and insurance documentation have been reviewed by the City Attorney and Risk Manager to ensure City interests are adequately protected.

Staff recommends that the City Council adopt Resolution No. 20-0064 approving a three-year agreement with Race Telecommunications, Inc. for Internet services through South Bay Cities Council of Governments' (SBCCOG) South Bay Fiber Network with a total estimated value of \$73,080.

PUBLIC OUTREACH:

After analysis, staff determined that public outreach was not required for this issue.

ENVIRONMENTAL REVIEW:

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that there is no possibility that the activity may have a significant effect on the environment; therefore, pursuant to Section 15061(b)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

LEGAL REVIEW:

The City Attorney has approved the agreement as to form.

ATTACHMENTS:

1. Resolution No. 20-0064
2. Agreement - Race Communications, Inc.