



## Legislation Text

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**File #:** RES 17-0052, **Version:** 1

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Mark Danaj, City Manager

**FROM:**

Sanford Taylor, Information Technology Director  
Stephanie Katsouleas, Public Works Director  
Leilani Emnace, Information Technology Manager  
Gwen Eng, Purchasing Manager

**SUBJECT:**

Resolution Awarding an Agreement to Magellan Advisors, LLC for Fiber Master Plan Professional Services in the Amount of \$149,875 (Information Technology Director Taylor and Public Works Director Katsouleas).

**ADOPT RESOLUTION NO. 17-0052**

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**RECOMMENDATION:**

Staff recommends that the City Council award RFP No. 1099-17 to Magellan Advisors, LLS and adopt Resolution No. 17-0052 approving an agreement with Magellan Advisors, LLC for Fiber Master Plan professional services in the amount of \$149,875.

**FISCAL IMPLICATIONS:**

Funds totaling \$150,000 are budgeted in FY 2016-2017 Capital Improvement Projects (CIP) for Fiber Master Plan for these services.

**BACKGROUND:**

At the March 1, 2016 City Council meeting, Council requested an update on the benefits of a Municipal Broadband Network for the City of Manhattan Beach. Staff returned to the April 19<sup>th</sup>, 2016 City Council Meeting to give a presentation on the benefits of a Municipal Broadband Network. The benefits presented to build a Municipal Fiber Network would not only address our Smart City initiatives, but would also result in the potential of a new revenue stream for the City. As a result of this discussion, Staff issued a Request for Proposal to select a firm that is a leader in the development of broadband and Smart City technologies plans for municipalities and to assist in the development of comprehensive Fiber Master Plan for the City of Manhattan Beach.

**DISCUSSION:**

*Municipal Broadband Networks*

At the April 19<sup>th</sup>, 2016 council meeting, City Council requested that Staff provide an overview and

benefits of municipal broadband technologies. There were several benefits presented by Staff on investing in a fiber infrastructure. The City can use fiber strands to support connectivity between City facilities, WiFi in public spaces, traffic management, community cameras, LED street lights (Smart Poles), parking meters and other Smart City initiatives that require bandwidth. However, one unique benefit or trend that is emerging is building a Fiber-to-the-Home (FTTH)/ Fiber-to-the-Premises (FTTP) network projects. These network models have created a means for residents to have a variety of traditional cable service providers and content providers to select giving them greater service flexibility and bandwidth, up to a Gigabit Internet speed, at a lower cost for services. There have been many municipalities across the country that have invested in the infrastructure to support Fiber-to-the-Home projects bringing new revenue streams for the municipalities and also serving as a backbone network to support other revenue generating project such as Smart Poles and business Internet offerings. Fiber is becoming the new Utility of the Future.

Below is a list of municipalities that are currently providing these services today or have upcoming deployments scheduled:

- **Longmont, CO**
  - Has deployed Fiber-to-the-Home (FTTH) and citywide through their NextLight project;
- **City of Santa Monica, CA**
  - 100 Gigabit-per-second (GBPS) broadband to community anchors and businesses;
  - Digital Inclusion and Fiber-to-the-Home (FTTH);
  - City Wi-Fi, public security video, intelligent transportation, real-time parking, Smart City initiatives, and economic development;
  - Silicon Beach tech community, \$2M annual broadband revenue;
- **City of Burbank, CA**
  - 10 GPBS, connects community anchors and businesses;
  - Stimulates economic development, \$3.5M+ in annual revenue;
- **City of Pasadena, CA**
  - 10 GBPS broadband to City facilities and businesses;
- **City of Culver City, CA**
  - Groundbreaking for fiber construction on 8/30/2016;
- **City of Beverly Hills, CA**
  - Fiber-to-the-Home (FTTH) construction bids were due 10/13/2016;
- **City of Ontario- Ontario Ranch, CA.**
  - Offer (FTTH) to their Ontario Ranch residents with the Inyo Network Products;
- **City of Chattanooga, TN**
  - Offer 1 Gigabit-per-second Internet speed are available to every home and business - over 150,000 of them - throughout the entire community;
- **City of Ammon, ID**
  - Built a fiber to the Premises model to every parcel in the City; They resell infrastructure rather than network services (Open Access); The natural effect will be the creation of a marketplace wherein competitive forces will reduce the cost of network services to simple commodity pricing;

*Fiber Master Plan Development Consulting Services*

To move these fiber initiatives forward, local municipalities have contracted with consulting firms to assist with the development of a Fiber Network Design and Business Plan. Their core mission is to assist agencies with analyzing feasibility and determining economic projections for deploying a fiber network. The consultant companies also explore the benefits/risks and feasibility of deploying a fiber network to provide high speed Internet access to Manhattan Beach businesses and residents. The Plan will also create policy to use fiber for connecting city owned assets (light pole conversion to smart pole) to the fiber backbone consolidating cellular technology, reducing the cellular footprint, and creating yet another revenue stream for the City. The consultants bring extensive experience in the broadband fiber network arena providing strategies assisting with the implementation of SmartCities applications for progressive municipal services, public safety, economic development, education, health and smart transportation.

Project deliverables typically include:

- High Level Network Infrastructure Design (to support Fiber-to-the-Home and Smart Cities initiatives)
- Policy Development (operating broadband networks and telecom ordinance development)
- Potential Business Model and Strategy
- Preliminary Financial Model to Assist with Identifying Opportunities and Risks
- Finalized Project Report Summarizing Findings and Recommendations

Staff issued Request for Proposal # 1099-17 to obtain fiber technology firm to develop a Fiber Master Plan and make recommendations regarding the above project deliverables.

Three proposals were received. The firms were evaluated based upon the following criteria: knowledge and experience with similar projects; approach and understanding of the scope of services; references; cost and availability. The firms' comparison in Attachment 1 shows the valuation of services.

Staff reviewed all proposals and interviewed two of the three firms. Two of the three, Magellan Advisors and Iteris, consultants were selected to move forward with reference checks. Upon completion, Staff selected Magellan Advisors as the firm best positioned to successfully facilitate and guide the process. The assessment was based on Magellan Advisors' comprehensive response to the request for proposal, their strong understanding of the required scope of services, project team, strong references and experience in performing these assessments for other municipalities in California (vendor is currently developing a Regional Fiber Master Plan for the South Bay Council of Governments). The company offers a full range of planning and implementation services with unmatched knowledge in connecting technology, communications and utility consulting to create Smart Cities of the future. References reported Magellan Advisors to have successfully completed past projects on time and within budget.

As a result of the proposal's research and interviews, Staff recommends that the City Council award RFP No. 1099-17 to Magellan Advisors, LLS and adopt Resolution No. 17-0052 approving an agreement with Magellan Advisors, LLC for Fiber Master Plan professional services for the amount of \$149,875. If this award is approved, the services would be completed in seven months.

**ALTERNATIVE:**

FY 2016-2017 Capital Improvement Projects (CIP) funds of \$150,000 will not be utilized for the development of a Fiber Master Plan.

**PROS:**

Upon Council discretion, non-utilized Fiber Master Plan funds could be redirected to other CIP projects.

**CONS:**

Missing opportunity to develop Municipal Fiber network that could potentially deliver:

- Fiber-to-the-Home and Premise
- Competitive network services cost for residents and businesses
- New revenue streams for the City
- Smart transportation
- Telecom Ordinance Update

**PUBLIC OUTREACH/INTEREST:**

This bid was advertised on the City's website as well as BidSync, a public bid notification board.

**ENVIRONMENTAL REVIEW**

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

**LEGAL REVIEW**

This agreement has been reviewed by the City Attorney and is approved as to form.

**Attachments:**

1. RFP #1099-17 Comparison for Fiber Master Plan Professional Services
2. PowerPoint Presentation
3. Resolution No. 17-0052
4. Professional Services Agreement with Magellan Advisors, LLC