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Staff Report for a Resolution Approving a Consulting Services Agreement with Magellan Advisors for a Fiber Optics Master Plan (in an amount not to exceed $60,000)

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council approve a resolution authorizing the City Manager to execute an agreement with Magellan Advisors to help staff develop a fiber optics master plan. The not to exceed amount of the contract is $60,000.

BACKGROUND

The City of San Leandro owns its own fiber optics network, consisting of several miles of conduit and fiber strands throughout the City. In 2011, the City entered into a License Agreement with San Leandro Dark Fiber to build a commercial fiber optic network using the City's existing 10.5 miles of conduit.

San Leandro Dark Fiber, and Lit San Leandro, were created by Dr. Patrick Kennedy, CEO and Founder of OSIsoft, to own and lease the dark fiber network. In exchange, the City owns 10% of the fiber (approximately 30 strands) installed by San Leandro Dark Fiber. There are no use restrictions related to the City's ownership of these fibers. See Attachment D.

In 2012, the City of San Leandro received a $2.12 million matching grant from the U.S. Economic Development Administration (EDA) to expand the conduit network for fiber optics. This expansion of 7.5 additional miles was needed to extend Lit San Leandro into commercial and industrial areas where broadband access was unacceptably limited. Due to a favorable construction bidding environment, the expansion loop was extended to 10 miles.

Analysis

The City's fiber-optics assets have grown in recent years, especially when including fiber strands available to the City via its license agreement with San Leandro Dark Fiber. At the same time, the City has begun to embark on projects that require fiber-optics communication technology. Staff recognizes the need to develop a long-range vision and strategic plan to guide the funding, implementation, policies and management of its fiber optics assets as they relate to future project needs.

In short, the plan intends to answer two questions:

1. How can San Leandro maximize the value of its fiber optic assets?
2. What is the most effective strategy for future expansion of the network?

In May 2017, Staff issued a Request for Proposals (RFP) to consulting firms to develop a Fiber

Optics Master Plan. Several bidders responded, including two standout proposals from Magellan Advisors and a joint proposal from DKS Associates/International Data Corporation (IDC). After interviewing both teams, Staff decided to award the contract to Magellan Advisors, based on its deep policy-related experience and recent successes with cities similar to San Leandro, such as Concord, CA and Vallejo, CA.

This plan would address the City's future planning for fiber-optics installations and evaluate fiber optics through the prism of current and potential use-cases, such as: integrated parking systems, connected traffic signals and street lights, public Wi-Fi, along with emerging technologies like drones and autonomous vehicles. Through this analysis, the plan will assist the City in continued implementation of "Smart City" technologies that leverage fiber optic infrastructure. The Master Plan will use data from the City's geographic information system (GIS) to identify and present a strategic planning vision for how the City's fiber-optics network should be managed and planned to meet these needs.

Legal Analysis

- The City Attorney's office reviewed and approved the Consulting Services Agreement.

Fiscal Impacts

- The total not to exceed amount of this agreement is $60,000.00.

Budget Authority

- The Finance Director determined there are sufficient funds in the 2017-18 operating budget Account 688-13-121-7410 for $60,000.00.

Attachment(s) to Staff Report

- Consulting Services Agreement between the City of San Leandro and Magellan Advisors
- RFP 56151 - Fiber Optics Master Plan

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