



MEMORANDUM

TO: CITY COUNCIL

FROM: KELLY WETMORE, DIRECTOR OF LEGISLATIVE AND INFORMATION SERVICES/CITY CLERK

BY: WALT CUZICK, INFORMATION TECHNOLOGY MANAGER

SUBJECT: CONSIDERATION OF A MASTER FIBER AGREEMENT WITH CCO SoCAL, LLC (CHARTER COMMUNICATIONS)

DATE: OCTOBER 28, 2014

RECOMMENDATION:

It is recommended the City Council: 1) approve a one year Master Fiber Agreement with CCO SoCAL, LLC (Charter Communications) in the amount of \$41,000; 2) Approve use of \$24,000 from budgeted contingency funds; and 3) authorize the Mayor to execute the Agreement in a form approved by the City Attorney.

IMPACT TO FINANCIAL AND PERSONNEL RESOURCES:

On June 10, 2014, the Council approved \$30,000 for INet services in the FY 2014-15 Budget Update Report. It was determined at the time that any additional costs over the \$30,000 would be funded from \$50,000 in approved contingency funds. Therefore, no additional appropriation is needed as the FY 2014-15 Budget has sufficient funds to cover the cost of the annual agreement. Of the approved amount (\$30,000), \$13,000 has been used for the purchase of required network equipment to support the new fiber optic network configuration.

BACKGROUND:

In 2002, Charter Communications (Charter) agreed to install a fiber optic Institutional Network (INet) for the City of Arroyo Grande at no cost to the City in exchange for a three-year extension of the existing Franchise Agreement. Since that time, Charter has provided at no cost a dedicated fiber optic system (INet) to City facilities for connection of the City's computer network, resulting in a substantial cost savings for the City. In addition, having a fiber optic network infrastructure has enabled the City to implement a centralized Information Technology (IT) environment while reducing administrative and maintenance costs associated with delivering effective IT services.

In June of this year, the City was notified that charges for INet usage would be implemented upon expiration of the Franchise Agreement on August 27, 2014 based on terms of use and the amount of fiber utilized. At the time of the Budget Update Report,

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the cost was estimated at \$40,000 - \$60,000 annually. City IT staff has since evaluated and determined the most effective use of the fiber to minimize associated costs for a one year period while a cost effective long-term solution can be developed.

ANALYSIS OF ISSUES:

Staff has determined the most cost effective use of fiber by reducing the number of fiber strands required to connect City facilities to a single strand fiber configuration. The initial cost provided by Charter to maintain connectivity as it exists today was approximately \$115,000 for a one year agreement. By reducing the number of fiber strands that are utilized, City staff has determined that effective IT services can be delivered to City facilities for approximately \$35,000 for a one year agreement. However, existing fiber use and network connectivity to the Woman's Center (211 Vernon Ave) is required to remain as-is to support the temporary Police Department until the Police building remodel project is complete. The additional service will be billed on a month-to-month basis at a cost of \$982.00 per month (estimated for up to 6 months), which is included in the cost of the Agreement. During the (1) year agreement, staff will work on developing a cost effective long-term network solution that will enable delivery of IT services to staff, and allow for future growth of the City's IT environment.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Approve the Master Fiber Agreement with Charter Communications for (1) year;
2. Do not approve the Master Fiber Agreement and direct staff to seek new proposals;
or
3. Provide direction to staff.

ADVANTAGES:

A one year fiber agreement will enable City staff to continue delivery of IT services and maintain system integrity while providing sufficient time to develop effective alternatives.

DISADVANTAGES:

There are no identified disadvantages.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted in front of City Hall on Thursday, October 23, 2014. The Agenda and staff report were posted on the City's website on Friday, October 24, 2014.

Attachment:

1. Monthly cost schedule

EXHIBIT A.

This Exhibit A represents those Licensed Fibers which Provider has granted specific license for use to Recipient and the monthly fees to be paid by Recipient to Provider in consideration of such license.

A Location	Z Location	Address	Strand Count	Miles	Feet	Monthly Cost
						Cost at .04 cent
City Hall	Fire Dept	300 E. Branch To 140 Traffic Way	1	0.56	2,931	\$117.24
City Hall	Police Dept	300 E Branch To 200 N. Halcyon	4	1.17	6,170	\$987.20
City Hall	Women's Club	300 E. Branch To 211 Vernon Ave	1	1.55	8,179	\$327.16
City Hall	Recreation Center	300 E Branch To 1221 Ash Street	1	3.36	17,766	\$710.64
City Hall	Council Chambers	300 E. Branch To 215 E. Branch	1	0.13	668	\$26.72
City Hall	Old City Hall	300 E. Branch To 214 E. Branch	0	0.09	475	\$0.00
Recreation Center	Maintenance Yard	1221 Ash St To 1375 Ash Street	0	5.24	27,678	\$0.00
Women's Club	Maintenance Yard	211 Vernon Ave To 1375 Ash Street	1	3.49	18420	\$736.80
				15.59	82,287	\$2,905.76
						Term
						1 Year

A Location	Z Location	Address	Strand Count	Miles	Feet	Monthly Cost
						Cost at .04 cent
City Hall	Women's Club	300 E. Branch To 211 Vernon Ave	3	1.55	8,179	\$981.48
						\$981.48
						Term
						Month-to-Month

SPECIAL PROVISION. Charter agrees to allow the additional three (3) strands at the Women's Club continue on a month-to-month basis if the signed Mater Fiber Agreement is returned to Charter by November 14' 2014. In the event the Agreement is not returned to Charter by the aforementioned date, these additional three (3) strands shall continue on a one year term.

CCO SoCal I, LLC

City of Arroyo Grande

By: Charter Communications, Inc., its Manager

Name: _____

Name: _____

Title: Vice President

Title: _____

Date: _____

Date: _____

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