TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DATE: MAY 6, 2002

DEPARTMENT: UTILITIES

CMR: 210:02

SUBJECT: APPROVAL OF CONTRACT IN THE AMOUNT OF $119,000 WITH UPTOWN SERVICES FOR FIBER TO THE HOME BUSINESS CASE DEVELOPMENT SERVICES

RECOMMENDATION

Staff recommends that Council approve and authorize the Mayor to execute the attached contract with Uptown Services in the amount of $119,000 for the development of the fiber to the home (FTTH) business case study.

DISCUSSION

Business Case Development Project Description
The work to be performed under the contract is to develop a comprehensive analysis of costs and revenues associated with a citywide build-out of a FTTH network. The study will be based on analysis of the local market, the contractor’s extensive knowledge of regional and national markets, and analysis of construction and operating expenses of alternative network designs based on proven equipment and engineering experience related to other telecommunication and FTTH design development. The final report will be presented to Council with recommendations regarding further effort in the FTTH arena.

RFP Process
A notice inviting formal proposals for the FTTH business case analysis was sent on January 28, 2002 to 13 interested consulting firms. The proposal submittal period was twenty-five days. A proposers’ meeting was held on February 14, 2002; 17 individuals attended the meeting. All firms on the proposal list were sent a written summary of the questions and responses discussed in the meeting. Proposals were received from 12 qualified consultants on February 22, 2002, as listed on the attached summary (Attachment A). Proposals ranged from a high of $455,000 to a low bid of $41,000 (the low proposal was disqualified as incomplete). Since the response to the RFP was so extensive there was no attempt to follow up with non-responders. Staff reviewed all
proposals submitted and recommended two for interviews and additional clarification. Upon the selection of Uptown Services, staff requested Uptown to submit quotes for additional engineering work which had been assigned to staff in the original scope of work. Uptown’s final quote for business case services is still the lowest qualified proposal in spite of the increase in the scope of work. The proposal is in the lower cost end estimated by staff.

Staff checked references supplied by Uptown for previous work performed and received positive referrals from all queries.

RESOURCE IMPACT
Funds are available in Utilities Telecommunications Operating Budget

POLICY IMPLICATIONS
The award of this contract does not represent any change to existing City polices. This recommendation is consistent with the Council approved Utilities Strategic Plan Strategy No.4; Deliver products and services for competitive markets, sub-strategy H, Telecom products. The fiber to the home project was also identified as a key project in the Strategic Implementation Plan (CMR 223:01).

ENVIRONMENTAL REVIEW
This contract is not a project as defined by the California Environmental Quality Act (CEQA); and is not subject to CEQA requirements.

ATTACHMENTS
A: Bid Summary
B: Contract for Business Case Development

PREPARED BY:

BLAKE HEITZMAN
Utilities Telecommunications Manager

DEPARTMENT HEAD:

JOHN ULRICH
Director, Utilities

CITY MANAGER APPROVAL:

EMILY HARRISON
Assistant City Manager