

Culver CITY

INTEROFFICE MEMORANDUM

DATE: May 3, 2023
TO: Mayor Vera and Members of City Council
FROM: Michele Williams, Chief Information Officer
THROUGH: John M. Nachbar, City Manager
SUBJECT: HP Communications Contract Execution to support the
Municipal Fiber Network (Culver Connect)
CC: Heather Baker, City Attorney
Jesse Mays, Assistant City Manager
Onyx Jones, Assistant City Manager
Lisa Soghor, Chief Financial Officer

The purpose of this memo is to inform the City Council regarding the execution of an agreement HP Communications, in an amount not to exceed the respective fiscal year Municipal Fiber Network ("Network" or "Culver Connect") budget. This amendment was administratively approved in accordance with the authority the City Council granted to the City Manager on November 14, 2016 to negotiate and execute agreements and other legal instruments for the installation, construction, development, operation and/or maintenance of the Network, provided the aggregate amount of such agreements do not exceed the approved budget for the Network (collectively, "City Manager Network Authority").

Background

Culver Connect is the City's Municipal Fiber Open Access Network. It was constructed to provide high speed, high quality internet service to the business community, the school district and for municipal operations. On June 27, 2016 City Council awarded a contract to HP Communications (the lowest responsive and responsible bidder), for the construction of the network. On July 11, 2016 City Council approved a contract change order with HP Communications to support network design enhancements and to perform fiber infrastructure maintenance. On November 14, 2016 City Council approved an additional construction contract with HP Communications for lateral construction of the network. Additionally, on November 14, 2016 City Council delegated to the City Manager Network Authority described above.

In July 2018, HP Communications completed the physical construction of the Culver Connect backbone and the network was deemed operational. During the operational phase, the City has continued to utilize HP Communications to provide

construction services for the build-out of laterals and to support the construction requirements for onboarding new customers. HP Communications has also provided emergency maintenance and restoration services in the event of fiber infrastructure damage.

On May 21, 2021 City Council approved an amendment to the existing agreement with HP Communications to support ongoing fiber maintenance and construction of Culver Connect laterals. It was noted in the staff report for that item that the amendment was within the City Manager Network Authority; however, staff requested City Council approval because the original HP Communications agreement (June 2016) was approved by City Council prior to the City Manager being granted said Authority.

2022 Procurement Process

In accordance with the City Municipal Code (CCMC) Section 3.07.045, after using the same vendor for more than five years, staff issued Requests for Proposals (RFP) #2318 and #2319 in December 2022. Two RFPs were issued to identify qualified construction vendors to provide emergency restoration services and ongoing construction services, respectively. HP Communications was deemed the lowest responsive vendor for the emergency restoration services RFP #2318. HP Communications also was one of two qualified vendors responding to RFP #2319 to support ongoing fiber infrastructure construction.

Executed Agreement with HP Communications

As a result of the procurement process and in accordance with the City Manager Network Authority, the City has executed an agreement with HP Communications to provide emergency restoration and fiber infrastructure construction services for a term of five years. The contract expenditure does not exceed the approved budget of the Municipal Fiber Network budget (Fund 205) in each respective fiscal year. As a point of reference, the current fiscal year to date expenditure is \$677,667.00. Approximately 60% of this expense is fully recoverable. The City is reimbursed by invoicing Culver Connect customers for recoverable construction fees. A majority of the HP Communications contract value is driven by Network customer demand. Customers who require lateral construction will either pay up front for the construction service or they are billed over time across the term of their customer service agreement.

If you have any questions regarding this matter, please do not hesitate to contact me.

Thank you.