



City of Culver City

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Staff Report

File #: 21-395, **Version:** 1

Item #: C-12.

CC - (1) Approval of an Agreement with Calix Inc. for the Purchase of Networking Equipment and Maintenance to Support the Deployment of Internet Service Provider (ISP) services using the City's Municipal Fiber Network (Culver Connect) in an Amount Not to-Exceed \$160,000; and (2) Authorize the Chief Information Officer to Approve Amendments to the Agreement in an Additional Amount Not-to-Exceed \$16,000 (10% of Base Contract for Unexpected Costs).

Meeting Date: October 26, 2020

Contact Person/Dept: Michele Williams / Information Technology Department
Phone Number: 310-253-5950

Fiscal Impact: Yes ☒ No ☐

General Fund: Yes ☐ No ☒

Public Hearing: ☐ **Action Item:** ☒ **Attachments:** ☐

Commission Action Required: Yes ☐ No ☐ **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (10/21/2020); Gene Burgess, Regional Sales Manager (10/19/2020), Nick Keeler, President/COO Inyo Networks (10/19/2020)

Department Approval: Michele Williams, Chief Information Officer (10/16/2020)

RECOMMENDATION

Staff recommends the City Council (1) approve an agreement with Calix in an amount not-to-exceed \$160,000 for the purchase of networking infrastructure components and maintenance services; and (2) authorize the Chief Information Officer to approve amendment(s) to the agreement in an additional amount not-to-exceed \$16,000 (10% of base contract for unexpected costs). These items will be procured to support the deployment and operation of Internet Service Provider (ISP) services using the City's Municipal Fiber Network (Culver Connect).

BACKGROUND

On March 18, 2020 City Council approved a five-year professional services agreement with Inyo Networks, Inc to operate, maintain, and provide ISP services using the City's Municipal Fiber Network, Culver Connect. Inyo Networks is a nationally recognized broadband network operator and service provider incorporated in April 2009 and based in Rancho Cucamonga, CA.

DISCUSSION

Inyo Networks will be providing commercial ISP services (such as internet access and voice over internet protocol (VOIP)) to subscriber businesses and institutions in Culver City using Culver Connect networking infrastructure. In order to support the deployment and operation of these services, the City needs to procure additional networking hardware components. Inyo Networks is the provider of the service, but the City retains full ownership of the network hardware and fiber infrastructure that will be used to deploy the commercial ISP services.

The network design and initial purchase of equipment will support up to one thousand (1000) commercial customers. It should be noted that in conjunction with the deployment of commercial ISP services, the City will also continue to build city-owned laterals to property locations where there is interest in obtaining ISP services from Inyo Networks.

Inyo Networks has provided staff with a list of required networking equipment to be procured from Calix Inc. Calix is headquartered in San Jose, CA. They are a global premier provider of scalable hardware/software in support of enterprise network infrastructure. Components purchased from Calix will be used in conjunction with existing Culver Connect network infrastructure.

Pursuant to Culver City Municipal Code (CCMC) Section 3.07.055.B, this purchase is exempt from bidding requirements, as the equipment is a component for equipment or a system of equipment previously acquired by the City, and is necessary to repair, maintain or improve the City's utilization of the equipment. Additionally, this procurement is exempted from formal bidding procedures per CCMC Section 3.07.055.E, which exempts bidding requirements where items to be purchased are computer software, hardware maintenance or software maintenance services.

FISCAL ANALYSIS

There is sufficient funding in the Municipal Fiber Network Fund (Capital Lateral Development) account no. (20580000.730100.PT004) to support this purchase of network equipment and the initial maintenance service agreement.

It should be noted that the City's agreement with Inyo Networks includes a 50% revenue share for commercial ISP services. It is difficult to project expected revenues from the City's 50% share as the amount of revenue depends on the local "take rate," or number of Culver City businesses who subscribe to Inyo's services. Revenue updates will be provided to the City Council during the city's budget update process.

ATTACHMENTS

None.

MOTION

That the City Council:

1. Approve an agreement with Calix Inc for the purchase of networking infrastructure components and maintenance services in the amount of \$160,000 to support the deployment and operation of ISP services using Culver Connect Network; and
2. Authorize the Chief Information Officer to approve amendment(s) to the agreement in an additional amount not-to-exceed \$16,000 (10% of base contract for unexpected costs); and
3. Authorize the City Attorney to review/prepare the necessary documents; and
4. Authorize the City Manager to execute such documents on behalf of the City.