



# City of Culver City

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## Staff Report

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**CC - CONSENT ITEM: Approval of an Amendment to the Existing Agreement with HP Communications to Support Fiber Maintenance and Continued Lateral Build-out for Culver Connect (Municipal Fiber Network) for an Additional Six-Month Period**

**Meeting Date:** September 12, 2022

**Contact Person/Dept.:** Michele Williams/Information Technology  
**Phone Number:** 310-253-5959

**Fiscal Impact:** Yes ☒ No ☐      **General Fund:** Yes ☐ No ☒

**Attachments:** Yes ☐ No ☒

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

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (09/07/2022)

**Department Approval:** Michele Williams, Chief Information Officer (08/31/2022)

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### **RECOMMENDATION**

Staff recommends the City Council approve an amendment to the existing agreement with HP Communications to support fiber infrastructure maintenance and continued lateral build-out for Culver Connect (Municipal Fiber Network) for an additional six-month period.

### **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, for municipal operations, and potentially the school district. On June 27, 2016, City Council awarded a contract to HP Communications (the lowest responsive and responsible bidder), for the construction of the Municipal Fiber Network (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 a construction contract with HP communications for lateral construction of the Network. In July 2018, HP Communications completed construction of the Network backbone and Culver Connect was deemed operational. Since this time, HP Communications has continued to provide fiber infrastructure maintenance, fiber infrastructure locates, storage of construction materials, and construction of network laterals. On May 21, 2021,

City Council approved an amendment to the contract to support ongoing fiber maintenance, engineering and construction services.

## **DISCUSSION**

HP Communications is very familiar with the Network and have been exceptionally responsive to the ongoing needs of the City as the operation of Culver Connect continues to evolve. The current agreement expired June 30, 2022, marking five years working with this vendor. To ensure continuity of Culver Connect operations, the City Manager approved an additional amendment to the agreement effective July 1, 2022, within his administrative authority, to temporarily extend the current agreement through September 30, 2022. Per Culver City Municipal Code (CCMC) Section 3.07.045, in the event the same vendor has been utilized for a period of five consecutive years, competitive bidding procedures shall apply. Therefore, staff is working with the Culver Connect's network operator to issue requests for proposals (RFP) for the required services. Staff recommends the current agreement with HP Communications be extended an additional six-month period, through March 31, 2023, in order to complete the RFP process and provide additional time to close-out existing construction services in support of commercial lateral build-out and service agreements that have been executed within Culver Connect operations, as well as ensure a seamless transfer if a new vendor is selected.

It should be noted, on November 14, 2016, the City Council granted the City Manager the administrative authority to negotiate and execute agreements and instruments for the installation, construction, development, operation and/or maintenance of the Network within a total amount not-to-exceed the approved budget for the Culver Connect Network (Fund 205). Although the requested amendment falls within that authority, staff is seeking City Council's approval at this time since the original HP Communications agreement and subsequent amendments have all been approved by City Council.

Sufficient funds for this contract were previously approved as part of the budget process, as described above; therefore, no additional funding authorization is needed at this time. Note, the value for the HP Communications agreement is driven by the customer demand. Customers, who contract with Onward (Network operator and ISP partner) for internet service, pay for the cost to construct the fiber lateral connection over the term of the contract which is typically 36 months. The City pays the upfront cost for the lateral and recovers the investment over time as dictated by the customer's contractual agreement.

## **FISCAL ANALYSIS**

Approving an amendment to the HP Communications contract would result in an expenditure that does not exceed the approved budget for the Network (Fund 205 Municipal Fiber Network Fund) in the Adopted Budget for Fiscal Year 2022-2023. The expenditure will be paid from the following Municipal Fiber Network accounts: Acct # 20524500.600200 (R&M - Equipment), 20524500.619800 (Other Contractual Services), and CIP Accounts #20580000.730100.PT003, 20580000.730100.PT004, and 20580000.619800.PT004.

Given the lateral development strategy in partnership with Onward to provide internet service, the

City is being reimbursed for the lateral investments over time. All fiber infrastructure will continue to be owned by the City and will remain a city asset. The City will also receive a revenue share from all ISP customer contracts.

## **ATTACHMENTS**

None.

## **MOTIONS**

That the City Council:

1. Approve an Amendment to the existing agreement with HP Communications to support Fiber Infrastructure Maintenance, Fiber Locates/Storage, Engineering Services and Lateral Construction for Culver Connect (Municipal Fiber Network) for an additional six-month period (expiring March 31, 2023);
2. Authorize the City Attorney to review/prepare the necessary agreements; and
3. Authorize the City Manager to execute such documents on behalf of the City.