



AGENCY:	City Council
MEETING DATE:	May 28, 2024
DEPARTMENT:	Public Works
PRESENTED BY:	S McCormick
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AGENDA ITEM SUMMARY

TITLE:

Receive Report and Consider Adoption of City Council Resolution Approving Professional Services Agreement with Palni, Inc. for Broadband Engineering and Design Services, Assistance with Associated Project Management, and Authorizing City Manager to Execute Contract (Amount Not to Exceed \$24,052.00; Account No. 329-6134-0630)

BACKGROUND:

On December 15, 2022, the City received two (2) timely proposals from qualified firms interested in contracting with the City of Fort Bragg to finalize network design, complete construction documents, and inform the business model to deploy city-wide municipal broadband infrastructure. Staff reviewed the proposals and recommended Palni, Inc. to assist the City with this project. Council awarded Palni, Inc. the contract by Resolution No. 4684-2023 on April 24, 2023.

ISSUE:

Change orders over 10% of the original contract amount require approval by the City Council per Fort Bragg Municipal Code §3.20.050 & §3.20.060.

ANALYSIS:

Palni, Inc. has been working closely with staff to bring the high-level design and cost estimates of the 2021 Fort Bragg Digital Infrastructure Plan to project level detail. The initial step included completing a field survey utilizing Katapult, which involved a 2-man field crew to ensure efficiency, productivity, safety, and less errors. The field team walked past every premise to capture GIS coordinates of proposed equipment locations and images with topography, which was shared with the design team in real time.

This data informed the Outside Plant (OSP) design and computer-aided design (CAD) drafting to create construction level drawings. The team also developed Traffic Control Plans (TCP) and a permit schedule and tracking system to avoid construction delays. Additionally, the Palni Project Manager is completing the electronics design for end user's service, as well as placement of huts, location of passive cabinets serving the distribution areas, conduit/fiber sizes, backhaul circuits, and core electronics for upstream communications. Network architecture includes connection up to and including the home/business.

Palni is also providing assistance with business modeling, including a 10-year proforma in a spreadsheet format with project revenues and expenses adjusted for churn and take rate assumptions. This proforma financial information has been used to inform the financing strategy and several grant applications.

When the cost of California's 10,000 miles of middle-mile network experienced budget constraints, and the segment going through Fort Bragg was removed, the City stepped up and offered to partner with the California Department of Technology (CDT) to ensure our community would not miss out on this historic investment to close the digital divide. This created an opportunity to co-locate City conduit with the State's network as a joint design/build - CDT taking the lead, and Caltrans overseeing the construction effort. It also created additional design work for the Palni Team, which necessitates the requested change order.

Unfortunately, the original contract has expired, so rather than present Council with a Change Order a new agreement will need to be executed to reflect the additional expense for services related to the joint design/build with CDT.

GENERAL PROJECT UPDATE:

The California Department of Technology (CDT) is proud of the partnership with the City of Fort Bragg to deploy the middle mile segment aimed to connect the City's last-mile project. It has been stated numerous times that the City of Fort Bragg is forward thinking in our effort to create a broadband utility and it is clear folks want to support our efforts. Fort Bragg has been highlighted at regular meetings of the Middle-Mile Advisory Committee, and a production team will be coming soon to interview Councilmembers, business owners, and community members about the importance of the Broadband for All initiative.

The City's ability to deploy a citywide, underground, fiber-to-the-premise (FTTP) digital network is dependent on receiving grant funds through the California Public Utility Commission (CPUC) Last Mile Federal Funding Account (FFA). Given that, the FFA program is oversubscribed and it is unknown whether the City will be awarded funding, CDT is not requiring the City to enter into contract for our fair share of middle-mile infrastructure at this time. If the City were awarded FFA funding, the joint design/build contract would be executed.

Creating a public broadband utility would allow the City to provide reliable connectivity at genuinely affordable rates. It will also support a local workforce to provide excellent customer service, and offer opportunities to expand our community's digital literacy to take advantage of tele-health, education and business opportunities. Reliable and affordable broadband supports the future health, safety and prosperity of our community. When this project is completed, nearly 3,100 residences and 900 businesses will have access to gigabit speeds. A public utility for the public benefit.

FISCAL IMPACT:

The entirety of this contract would be covered by grant funds provided by California Public Utility Commission's Local Agency Technical Assistance (LATA) Program.

ENVIRONMENTAL IMPACT:

There is little environmental impact associated with the design, business modeling and financing strategy to deploy a municipal broadband network.

CONSISTENCY:

During the FY 2021/22 mid-year budget work session, City Council identified reliable and affordable broadband as the top priority in order to support economic development initiatives:

Goal: Foster and help sustain local businesses through public private partnerships; overcome barriers to industry such as broadband, housing and transportation; work with West Company and EDFC; and support business that “keep money here.”

Goal: Emphasize Grants for the City by focusing CDBG funds on City infrastructure projects. Actively pursue all grant and other funding options and possibilities.

RECOMMENDED ACTION:

Approve Professional Services Agreement with Palni, Inc. for Engineering and Design Services Related to Municipal Broadband Infrastructure, Assistance with Associated Project Management, and Authorizing City Manager to Execute Contract (Amount Not to Exceed \$24,052.00; Account No. 329-6134-0630)

IMPLEMENTATION/ TIMEFRAMES

Original Contract Awarded: March 2023

Project Completion Date: December 2024

ATTACHMENTS:

1. Resolution 4682-2023
2. Resolution ____-2024
3. Professional Service Agreement
4. Exhibit A

NOTIFICATION:

Palni, Inc.