

REQUEST FOR COUNCIL ACTION



CITY COUNCIL MEETING DATE:

NOVEMBER 17, 2020

TITLE:

**APPROVE AN APPROPRIATION
ADJUSTMENT AND AMEND AGREEMENT
WITH MAGELLAN ADVISORS LLC TO
INCREASE THE CONTRACT AMOUNT BY
\$36,685 FOR THE REMAINING TERM OF
THE AGREEMENT FOR CITYWIDE FIBER-
OPTIC AND WIRELESS BROADBAND
NETWORK CONSULTING SERVICES
(PROJECT NO. 18-6065)
(NON-GENERAL FUND)**

/s/ Kristine Ridge

CITY MANAGER

CLERK OF COUNCIL USE ONLY:

APPROVED

- ☐ As Recommended
- ☐ As Amended
- ☐ Ordinance on 1st Reading
- ☐ Ordinance on 2nd Reading
- ☐ Implementing Resolution
- ☐ Set Public Hearing For _____

CONTINUED TO _____

FILE NUMBER _____

RECOMMENDED ACTION

1. Approve an appropriation adjustment recognizing the remaining balance of the loan proceeds with the trustee in the amount of \$1,475,047 into the Capital Outlay, Miscellaneous Revenue, Prior Year Carry Forward revenue account, and appropriating the same amount into the Capital Outlay, Streetlights, Improvements Other Than Building expenditure account.
2. Authorize the City Manager to execute an amendment to the agreement with Magellan Advisors LLC to increase the contract amount by \$36,685, which includes a \$33,350 project fee and a 10% contingency of \$3,335 for a total contract amount not to exceed \$261,685, for the remaining term of the agreement from November 17, 2020 to April 2, 2021, with two one-year extensions exercisable by the City Manager and the City Attorney, to provide citywide fiber-optic and wireless broadband network consulting services subject to non-substantive changes approved by the City Manager and the City Attorney.

DISCUSSION

On April 3, 2018, the City Council approved the purchase of streetlights from Southern California Edison along with a financing agreement for the purchase in the amount of \$7,052,662 through Holman Capital Corporation (Holman). Purchasing the streetlights provided the City the opportunity to meter and upgrade the streetlights from High Pressure Sodium (HPS) light fixtures to energy efficient Light Emitting Diode (LED) fixtures. The City was able to leverage the substantial energy cost savings from the light fixture upgrades to fund the repayment of the loan, upgrade the streetlights, install streetlights in under lit areas, and evaluate the City for a fiber-optics and wireless network.

There is a remaining balance of \$1,475,047 which staff seeks to appropriate to complete the light fixture upgrades and the purchase of the final streetlights. Additionally, staff seeks to utilize a portion of the appropriation to increase the capacity of the Citywide Fiber-optic Broadband Network

Approve Appropriation Adjustment and Amend Agreement

November 17, 2020

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Consulting Services agreement with Magellan Advisors LLC, established during the aforementioned City Council action, in order to develop a Request for Proposals (RFP) to evaluate options for the City to enter into public-private partnerships with wired and wireless internet service providers (Exhibit 1). The RFP will be designed to collect responses from multiple private parties interested in using the City's fiber, conduit, poles, and other broadband assets to deliver services to both residents and businesses in the community, expanding access to broadband and working with the City to develop a business model in which free or low-cost services are available for virtual education and telehealth.

FISCAL IMPACT

Approval of the requested appropriation adjustment will recognize \$1,475,047 into the Capital Outlay, Miscellaneous Revenue, Prior Year Carry Forward revenue account (No. 05117002-50001) and appropriate the same amount into the Capital Outlay, Streetlights, Improvements Other Than Building expenditure account (No. 05117620-66220). These funds are the remaining balance of the loan proceeds with the trustee from the financing agreement. Funds will be available for expenditure in Fiscal Year 2020-21 to continue work on this project. A portion of the approved appropriation will fund the requested increase to the Magellan Advisors LLC agreement of \$36,685 as follows:

Fiscal Year	Accounting Unit - Account No.	Fund Description	Accounting Unit - Account No. Description	Amount
FY 2020-21	05117620-66220	Capital Outlay	Streetlights, Improvements Other Than Building	\$36,685
Total				\$36,685

Fiscal Impact Verified By: Kathryn Downs, CPA, Executive Director – Finance and Management Services Agency

Submitted By: Nabil Saba, P.E., Executive Director – Public Works Agency

Exhibit: 1. First Amendment to Agreement with Magellan Advisors LLC

**FIRST AMENDMENT TO AGREEMENT TO PROVIDE CITY-WIDE
FIBER OPTIC BROADBAND NETWORK CONSULTING SERVICES**

THIS FIRST AMENDMENT to the above-referenced agreement is entered into on November 17, 2020, by and between Magellan Advisors LLC (“Consultant”), and the City of Santa Ana, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California (“City”).

RECITALS

- A. The parties entered into Agreement No. A-2018-096, dated April 3, 2018, by which Consultant agreed to provide City-Wide Fiber Optic Broadband Network Consulting Services (“Agreement”).
- B. The Agreement remains in effect through April 2, 2021, with provision for extension.
- C. The parties now wish to expand the scope of work and increase the amount to be expended under the Agreement in consideration of the expanded scope.

The Parties therefore agree:

- 1. **Section 1, Scope of Services**, is amended to include the scope of services described on Exhibit A.
- 2. **Section 2.a., Compensation**, is amended to increase the total sum to be expended under the term of the Agreement by \$36,685, which is comprised of (1) the base sum of \$33,350 as the base amount plus (2) a contingency in the amount of \$3,335 for additional services at the City’s sole discretion.
- 3. Except as modified by this First Amendment, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Agreement on the date and year first written above.

ATTEST

CITY OF SANTA ANA

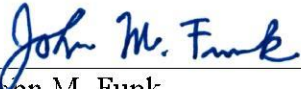
Daisy Gomez
Clerk of the Council

Kristine Ridge
City Manager

[signatures continue on next page]

APPROVED AS TO FORM

Sonia R. Carvalho
City Attorney

By: 
John M. Funk
Senior Assistant City Attorney

CONSULTANT


By: John Honker
Title: President and CEO

RECOMMENDED FOR APPROVAL



Nabil Saba
Executive Director
Public Works Agency

EXHIBIT A



City of Santa Ana, CA

Proposal for Public – Private Partnership RFP

Prepared For: Mr. Jack Ciulla
Chief Technology Innovation Officer
City of Santa Ana, CA
20 Civic Center Plaza
Santa Ana, CA 93701

Prepared By: Jory Wolf
VP of Digital Innovation Magellan Advisors
O: 818.312.7768
E: jwolf@magellan-advisors.com
www.magellan-advisors.com

Introduction Letter



June 2, 2020

Jack Ciulla
City of Santa Ana
20 Civic Center Plaza
Santa Ana, CA 93701

Jack,

Magellan Advisors is pleased to submit this proposal for assisting the City of Santa Ana with developing a Request for Proposals (RFP) for the formation of a public-private partnership that will further the deployment of wired and wireless infrastructure to serve the community. Having developed a Fiber Master Plan for Santa Ana over the last year, Magellan maintains knowledge of best practices for the City to leverage its infrastructure in ways that expands broadband for both businesses and residents, allowing for enhanced online commercial activity, virtual education, and telehealth.

We have helped municipalities across California and around the US form partnerships with the private sector and can assist Santa Ana with selecting a wireless internet service provider that will best serve the City's needs. Magellan proposes to develop a customized RFP to solicit responses from providers, which we will assist the City in promoting using our industry contacts. We will guide the City through the RFP process, including assisting with a bidder's conference, answering questions from interested parties, and evaluating responses. Additionally, we will assist the City with selecting and negotiating with the respondent(s) who proposes a business model that fits best with the needs of Santa Ana. At the request of the City, Magellan will also be prepared to give a presentation to Santa Ana's leadership about the proposed agreement.

Our team's experience in developing public-private partnerships allows us to provide thoughtful insight into how a public-private partnership can provide the most benefits to Santa Ana's community. Magellan Advisors stands ready to assist the City with this work and any further needs to reach Santa Ana's goals of enabling greater broadband connectivity for its numerous businesses and residential neighborhoods. We look forward to the opportunity to work with Santa Ana on this and future projects.

If you have any questions or we can be of assistance in any way, please feel free to contact me with any questions or comments. You can reach me directly at 818.312.7768 or jwolf@magellan-advisors.com.

Sincerely,

A handwritten signature in black ink that reads "Jory Wolf". The signature is written in a cursive, flowing style.

Jory Wolf
VP of Digital Innovation, Magellan Advisors

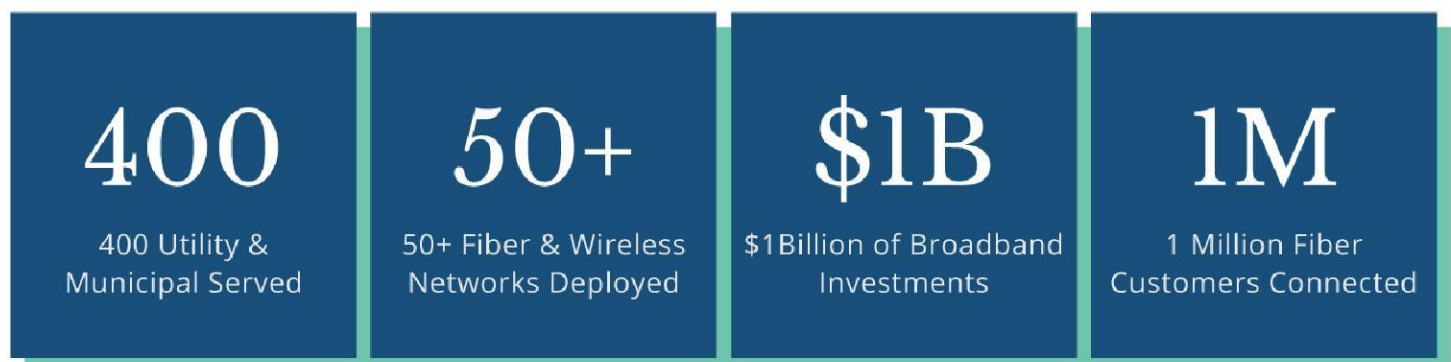
About Magellan Advisors

Magellan provides leading wireless, broadband, Smart City, information technology and security consulting services to public and private organizations. We are a full spectrum planning and implementation firm that brings together technology, communications and utility consulting to create smart gigabit cities of tomorrow. Our professionals bring years of experience from the broadband, telecom, information technology and government sectors. We are thought leaders and real-world implementers of broadband and Smart City networks that keep communities competitive in the digital world.

Unlike most consulting firms, we partner with our clients every step of the way, whether they are deploying institutional fiber networks, developing broadband public-private partnerships or deploying Smart City networks. We are a “hands-on” firm with strong project management abilities and implementation skills to see our clients’ projects through from concept to completion.

We are only successful when our clients are successful. Our goal is to deliver practical broadband and technology solutions that our clients are capable of implementing in their communities. Through our services, over \$1 billion of new fiber investments have been made connecting more than 1,000 schools, hospitals, libraries and governments and passing nearly 1 million homes with fiber.

Our combination of unmatched broadband, telecom, business and operational experience creates actionable strategies that communities use to realize their broadband and Smart City objectives. We have led the planning, funding, construction and management of over 50 fiber-to-the-premise networks passing over 1 million homes and connecting more than 1,000 schools, hospitals, government offices and community organizations. Our work has resulted in over \$1 billion in new broadband investments nationwide. Magellan has helped more communities successfully plan, implement and manage gigabit broadband networks than any other firm in the market.



MAGELLAN ADVISORS

Portfolio of Services

BROADBAND FEASIBILITY STUDIES

Community Needs Assessments
Business Models & Financial Planning
Market Analysis & Current Environment
Design & Engineering
Network Analysis & Inventory
Opportunity, Risk & Benefit Analysis

BROADBAND DESIGN ENGINEERING

FTTH, FTTP, Metro & Long-Haul Fiber
Routing, Switching & MPLS
Fixed Wireless, Microwave & Wi-Fi
Internet, Voice & Video Integration
GPON Active Ethernet & WDM
BSS/OSS Network Management Systems

SMART CITY PLANNING

Asset Assessments
Smart City Solutions Needs Assessments
Strategic Smart City Planning
Vendor Selection
SCADA Consulting
IT Governance

NETWORK IMPLEMENTATION

Standards & Specifications
Sales & Marketing
Vendor Selection & Management

NETWORK IMPLEMENTATION (CONT.)

Construction Management & Inspections
Installation & Activations
Operations & Customer Service

PUBLIC POLICY & GOVERNANCE

Right-of-Way Management Ordinance
Dig Once & Joint Trench Policies
Wireless Ordinance & Guidelines
Telecommunications Master Funding
Fiber Ordinance & Guidelines
Internal & External Working Groups

BUSINESS MODELS & PARTNERSHIPS

Dark Fiber, Open Access, Triple Play
Partner Recruitment & RFQs
Feasibility Analysis of Business Models
Advocacy & Negotiation in Partnerships
Public-Private Partnership Development
Opportunity, Risk & Benefit Analysis

PROJECT MANAGEMENT

Procurement & Contract Negotiation
Construction Management
Network Commissioning & Certification
Content Acquisition & Agreements
Sales, Marketing & Business
Development
Business & Operations Management

Consulting Team

The bios below highlight the experience of the Magellan team proposed to complete work for the City of Santa Ana.



Jory Wolf, VP of Digital Innovation

Jory joined Magellan after 22 years as CIO of the City of Santa Monica, CA where he launched Santa Monica City Wi-Fi, which provides free internet services to the public through a network of 32 hot zones and wireless coverage in most major commercial and transit corridors throughout the city. He created Santa Monica City Net, a 100-gigabit broadband initiative to support an environment for local businesses to compete in the global economy with cutting edge network solutions. Jory has over 35 years of experience in Information Technology, including broadband, FTTH and Smart City initiatives. Jory and his teams have received over 50 awards for information technology projects during his career and in 2012 he received the CIO Lifetime Achievement Award from the Los Angeles Business Journal.



Melanie Downing, Project Management Analyst

Melanie has a background in technical communication and has extensive experience coordinating, researching, and implementing projects across a variety of fields from defense contracts to small business plans. Prior to joining Magellan in 2018, she worked in healthcare management and consulting and was a graduate student at the University of Central studying technical communication in technology and public policy. In her current role as Project Management Analyst, she supports Magellan's West Coast team, assisting more than twenty local governments across California, Oregon, and Washington with broadband initiatives. Melanie coordinates project-related data including the development and completion of scopes of work, timelines, milestones, deliverables, project tasking, and quality control, helping to ensure the success of our clients' communities.

Scope of Services

Task 1. Community Anchor Institution Engagement

Magellan will assist the City of Santa Ana in engaging with the Santa Ana Unified School District to gain an understanding of their current and future broadband needs and ability to partner with the City in deploying distance learning solutions. Magellan's team will meet with the School District to provide background about the City's broadband planning approach and obtain information about how the schools' needs and assets might play a role in furthering internet access and education goals in the community. This scope of work will allow for up to five (5) teleconference meetings.

Task 2. RFP Preparation and Promotion

Magellan's team will prepare a Request for Proposals (RFP) to evaluate options for the City of Santa Ana to enter into public-private partnerships with wired and wireless internet service providers. The RFP will be designed to collect responses from multiple private parties interested in using the City of Santa Ana's fiber, conduit, poles, and other broadband assets to deliver services to both residents and businesses in the community, expanding access to broadband and working with the City to develop a business model in which free or low-cost services are available for virtual education and telehealth. We will develop a customized RFP and release it in coordination with the City to solicit responses from potential partners. Using our industry contacts, Magellan will manage industry outreach to ascertain interest and assist the City in promoting the RFP.

Task 3. Bidder's Meeting and Response Evaluation

After the release of the RFP, Magellan will support the City in conducting a bidder's meeting and answering questions from interested parties. At the close of the RFP process, we will work with the City to evaluate responses to the City's RFP for P3 broadband partners. Magellan's consultants will develop a matrix to assist the City in selecting which bidders offer the most beneficial agreement, including identification of bidders who offer the services and business models best aligned with the City's goals and objectives. Magellan will make recommendations on which partnership agreement(s) should be pursued by Santa Ana.

Task 4. Partnership Agreement Negotiation

Magellan will assist the City by overseeing contract negotiations with up to two selected proposer(s) to ensure that terms are in line with best practice and are beneficial to the City of Santa Ana. Magellan will also review the resultant contract with the lead proposer(s) to ensure that terms are consistent with discussions during negotiations. Magellan's team will not assess the terms of the agreement for legality; this review is solely to ensure that the City is getting what is presented in RFP responses and discussed and agreed upon at the meetings with the proposer.

Project Management, Meetings, and Presentations

Magellan's project team will meet regularly with the City of Santa Ana's project team to discuss the status of the project, major milestones and deliverables, and ensure alignment on project goals. Our team will also be readily available for meetings with City leadership to support the adoption of our recommendations and we are happy to present the final report and any resultant partnership agreement findings to your leadership, City officials or other stakeholders the City believes should be included in the final presentations. Magellan will be available to the City of Santa Ana for up to two (2) onsite* meetings/presentations.

*Due to the COVID-19 pandemic, Magellan's team will follow the Center for Disease Control's guidelines, which may prohibit onsite meetings of more than 10 individuals. Should this be the case, we will attend these meetings virtually.

Cost

Magellan's services will be billed in hourly increments. Magellan's hourly rate for the proposal is \$210 per hour exclusive of overhead and travel. Travel will be billed separately as incurred, including a 10% administrative fee. The travel budget reflected provides for up to two (2) onsite visits if permitted under COVID-19 pandemic guidelines.

Magellan will bill the City of Santa Ana on the first day of the month for the previous month's services. Invoices are payable on net 30 terms from the date of invoice. If additional services are required beyond the stated hours, Magellan will bill on an hourly basis or provide an additional quote for requested services.

Description	Hours	Total
Community Anchor Institution Engagement	25	\$5,250
RFP Preparation & Promotion	30	\$6,300
Bidder's Meeting & Response Evaluation	40	\$8,400
Partnership Agreement Negotiations	40	\$8,400
Project Management, Meetings, and Presentations	20	\$5,250
Subtotal	155	\$32,550
Travel		\$1,000
Total (Not-to-Exceed)		\$33,350