

South Bay Cities Council of Governments

REVISED

April 12, 2021

TO: SBCCOG Steering Committee

FROM: Jacki Bacharach, SBCCOG Executive Director and Staff

RE: South Bay Fiber Network: Approval of Work Order #4 & Change Order for Work Order #3

Adherence to Strategic Plan:

Goal A: Environment, Transportation and Economic Development. Facilitate implement and/or educate members and others about environmental, transportation and economic development programs that benefit the South Bay.

Background

South Bay Cities Council of Government's (SBCCOG's) South Bay Fiber Network (SBFN) has been under construction since November 2019 when the Board approved issuing Work Order #1 (WO #1) for the construction of the Core Ring. In February 2020, the Board approved WO #2, to connect the first 32 designated sites. In June 2020, the Board approved both WO #3, which included an additional 10 sites and a change order (CO) to WO #2, that removed 4 sites for which services were no longer sought by the affected cities. In November 2020, SBFN was declared operational, with core ring complete and 23 South Bay sites connected and operational.

Under the Master Services Agreement (MSA) with the prime contractor, American Dark Fiber (ADF), aggregate recurring minimum services revenue (non-capital) must meet or exceed \$35,000 monthly to its internet service provider, Race Communications (Race). There are incentives and other rebates at higher levels, along with reductions in monthly costs to subscribing cities.

Current Project Status – April 2021

SBFN now provides broadband connectivity at a minimum of 1 Gbps services to all 15 South Bay Cities, with some cities receiving 10 Gbps service. In addition, several other public agencies are connected or under pending contract, including Los Angeles County Metropolitan Transportation Authority (Metro), Los Angeles Department of Public Works (DPW), West Basin Municipal Water District (WBMWD), and several non-governmental organizations,

Of the 38 contracted sites, all but 2 will be connected by May 2021. While service contracts for all but one of 38 sites have been signed, due to contractual commitments with legacy communications providers, several sites have not yet set a service turn-up date to avoid redundant payments. Despite these service deferrals, as of May 2021, aggregate monthly revenue is expected to exceed \$39,000, satisfying SBCCOG's contractual minimum commitments with ADF.

SBFN Outreach

SBCCOG holds bi-monthly Tech Talks, with all participating agency representatives invited. Depending on topic, focus is on information technology, economic development, and/or public works.

SBCCOG and ADF are planning the next phase of network expansion. SBFN team are soliciting additional city locations, planning for extensions to Los Angeles District 15 (San Pedro) via Council motion, and connections to perhaps other City or State government buildings, all while maintaining the transportation nexus required for use of Metro funds.

Project Status – Funding and Accounting

At Metro’s March 2020 Board meeting, Metro increased SBFN funding to \$6.9 million from the original \$4.4 million. As of March 31, 2021, status of committed Measure M funding is as follows:

Event	Amount	Comment
Work Order #1 (NRC):	\$3,084,465.28	Approved by SBCCOG Board, 11/21/19 (Core Ring / 2x POPs)
Work Order #2 (NRC):	\$1,053,665.41	Approved by SBCCOG Board, 02/27/20 (32 sites)
CO to WO #2 (NRC):	(\$95,823.32)	Approved by SBCCOG Board, 06/25/20 (removed 4 sites)
Work Order #3 (NRC):	\$1,069,775.85	Approved by SBCCOG Board, 06/25/20 (10 sites)
Sub-total:	\$5,112,083.22	Committed to ADF, as of 03/31/2021

INCREASED ONE-TIME COST ESTIMATES:

In October-November 2018, prior to SBCCOG award of SBFN contract to American Dark Fiber (ADF), ADF performed preliminary assessments of available physical fiber infrastructure that could be leased from Crown Castle or others, or that would have to be constructed. These assessments formed the basis for ADF’s 2018 construction estimates. One year later, in October 2019, SBCCOG Board approved the SBFN contract with ADF.

Since that time, Crown Castle and other entities have continued to expand their footprint and offer services within the South Bay region. Offerings of services have utilized capacity and assets that had, in 2018, been available, but now, in early 2021, are either no longer available (which will require additional SBFN fiber construction) or for which offered leased prices have increased (due to increased regional demand).

The two specific sites that caused the increase from the original estimate are:

1. Cypress Water Plant (26112 Cypress Street, Lomita, CA). After review, the Nov 2018 plan had assumed it would be connected using existing aerial plant. That aerial plant is no longer available, requiring new underground build, including a nearly 500’ new fiber span that adds over \$60K to the segment cost.
2. Lomita Park (24428 Eshelman Avenue, Lomita, CA). The Nov 2018 plan had been to use existing fiber that ran directly past the park. That access condition no longer exists. As such, ADF will need to build an entirely new path. That path includes both aerial and trenched deployment adding substantially to the costs as anticipated in 2018.

RECOMMENDATION:

That the Board approve:

1. SBFN Change Order to Work Order #3 - net increase of \$254,777.00 These increases are due to unexpected changes to construction techniques, modifications to implementation tactics required by Cities to satisfy new protocols and/or to reduce surface remediation.
2. SBFN Work Order #4 - for three additional sites, with capital costs estimated at \$278,794.70.

Sub-total:	\$5,112,083.22	Committed to ADF, as of 03/31/2021
Event	Amount	Comment
CO to WO #3 (NRC):	\$254,777.00	Requested for SBCCOG Board approval, April 2021
Work Order #4 (NRC):	\$278,794.70	Requested for SBCCOG Board approval, April 2021
April SBCCOG Board:	\$533,571.70	Additional Committed to ADF, as of 04/30/2021
Revised Sub-total:	\$5,645,654.92	Expected Committed to ADF, as of 04/30/2021
Unallocated:	\$1,243,710.08	a/o April 30, 2021
Measure M Committed:	\$6,889,365.00	