

South Bay Cities Council of Governments

June 13, 2022

TO: SBCCOG Steering Committee

FROM: Jacki Bacharach, SBCCOG Executive Director

RE: Fiscal Year 22-23 Contract Amendment with Magellan Advisors for the South Bay Fiber Network

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

The South Bay Cities Council of Governments (SBCCOG) has been working with Magellan Advisors since 2016 and the inception of the studies that have been conducted on a regional fiber network for the South Bay. They wrote the feasibility study and developed the concept for the South Bay regional fiber network (SBFN) and then guided us through the RFP and selection process for the American Dark Fiber team. All of these tasks were paid for by the South Bay Workforce Investment Board with funding contributed for the RFP from Supervisor Ridley-Thomas. Funding from the SBWIB ran out at the end of June 2019.

The SBCCOG Board approved a contract with Magellan Advisors for the time between July 1, 2019, and June 30, 2020, for 400 hours/month at their rate of \$210/hour for a cost not to exceed \$84,000 to be paid for from the Measure M MSP Subregional funds for this project. An additional \$15,000 was added in April 2020 due to the project's many unanticipated implementation issues.

The SBFN is now operational. The middle-mile backbone ring was completed with service "turn-up" in August 2020. Forty-two (42) lateral sites are expected to be connected to the Network by the end of December 2022. Project completion is anticipated for June 2023.

DISCUSSION

Magellan Advisors has proven to be invaluable in providing SBCCOG staff and city staff technical advice, in overseeing the construction of the network and in negotiating with Metro. With Work Order #5 (connection to the Torrance Transit Center) now underway, final project tasks to complete the project will be required. Pursuant to the Metro Funding Agreement, programming of funds must be completed by June 2023. Completion of the project will require the following tasks:

- Programming decisions regarding the balance of construction funds will be required to maximize future utility and growth of the network
- Upon completion of the construction, an anticipated “final audit” by Metro prior to the release of “withheld” funds. Magellan’s expertise and professional capacity will be integral to the completion of this work.

Additionally, as the SBFN works with American Dark Fiber on expansion of the network Task 2 will continue technical services from Magellan Advisors on items that should be considered to ensure the integrity of the network. Funds for this task will come from the SBCCOG’s state grant received for enhancements to the network.

Costs in the Magellan proposal have gone from \$210/hour – based on 2019 rates - to \$255/hour for this contract extension. Magellan principals have informed us that this greater cost per hour reflects Magellan’s increased cost of business during this period of time and yet is a deeply discounted rate from Magellan’s published 2022 rate of \$355/hour.

RECOMMENDATION:

That the Board of Directors approve a contract extension as described in attached “Exhibit A” for fiscal year 22-23. with Magellan Advisors at a cost not to exceed \$65,280 for continued technical assistance and contract management. The funds for the existing network would be paid from the Measure M MSP Subregional funds for this project not to exceed \$49,980. And not to exceed \$15,300 is for services for network expansion to be paid from the SBCCOG’s state grant received for this purpose.

Prepared by: Aaron Baum

Exhibit A: Scope of Work

SBFN Closeout

TASK 1.1 SBFN CLOSEOUT

Magellan's team will support completion of the South Bay Fiber Network, including providing consulting services for the following:

- Work Orders 4, 5 and other Work Orders, should they occur
- Issues resolution
- Documentation review
- Financial review
- Recommendations for acceptance

We will also attend monthly meetings with SBCCOG's team to review status, provide updates on task progress, and track forecasted completion dates.

TASK 1.2 METRO MEASURE M AUDIT

Magellan will support SBCCOG efforts in meeting requirements for Metro's audit of Measure M grant. A successful audit can release all funds held back by Metro as part of the Measure M funding agreement. The funding source for this task will be SBCCOG's operating budget in the short term; once holdback funds are released, the holdback funds can reimburse operating budget for this task.

SBFN Expansion

TASK 2 SBFN ISP/FIXED WIRELESS EXPANSION

Magellan will provide ongoing technical support for SBCCOG to develop new ISPs to serve cities in the region via the SBFN, including fixed wireless offerings. Our Team will provide technical advice and consultative services to support network integrity and expansion of the SBFN including outreach support, influencing, sales, and issues resolution in proposed service agreements.

***Due to the COVID-19 pandemic, Magellan will be limiting onsite visits in adherence to CDC guidelines. Magellan's team will work with SBCCOG's team to conduct meetings remotely and will inform SBCCOG's team of any updates to this policy as the situation progresses.**

Project Timeline

Based on projects of a similar nature, we estimate that the close-out and Metro auditing process tasks for the SBCCOG’s SBFN would take approximately six (6) months to a year to complete.

Task 1, for SBFN and Metro tasks, will begin on July 1, 2022. Depending on Metro’s scheduling of Measure M audit, Phase 1 may extend into fiscal year 2023–24. SBCCOG will be coordinating scheduling with Metro.

Task 2, technical services to support and ensure the integrity of SBFN expansion will begin on July 1, 2022, continuing through December 31, 2022.

Project Costs

Magellan’s hourly rate is \$255 per hour. For the total cost for Task 1 and Task 2, Magellan will invoice SBCCOG only as hours are incurred. Task 1, the maximum expenditure is \$49,980; the maximum expenditure for Task 2 is \$15,300

Magellan will bill on the first day of the month for the current month’s services. Travel and incidental expenses are not anticipated for this project as all work will be performed remotely. Invoices are payable on net 30 terms from the date of invoice.

Description	Hours	Cost
Task 1: SBFN Closeout		
1.1 SBFN Closeout	96	\$24,480
1.2 Metro M Audit Support	100	\$25,500
Task 1 Total	196	\$49,980
Task 2: SBFN ISP/Fixed Wireless Expansion	60	\$15,300
Total Cost	256	\$65,280