

# South Bay Cities Council of Governments

May 27, 2021

TO: SBCCOG Board of Directors

FROM: SBCCOG Steering Committee

RE: South Bay Fiber Network: 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 – May 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 1 will be connected by June 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).

Additional costs were incurred due to unanticipated permitting and construction techniques at lateral construction sites including, trenching and/or longer a different leased fiber configuration to reach respective sites, and surface remediation. Included in these costs are additional permitting fees as well as engineering drawings and documents.

**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.

Sub-Total	\$5,112,083.22	Committed to ADF, as of 3/31/2021
Event	Amount	Comment
CO to WO #3 (NRC)	\$254,777.00	Requested for SBCCOG Board approval May, 2021
May SBCCOG Board:	\$254,777.00	Additional Committed to ADF, as of 5/27/2021
Revised Sub-Total	\$5,366,860.22	Expected Committed to ADF, as of 5/27/2021
Unallocated	\$1,522,504.78	a/o May 27, 2021
Measure M Committed	\$6,889,365.00	