

Council Meeting Staff Report

April 19, 2011

Agenda No.:	C.
Indexes (Council Goals):	FY11 Council Goal - Diversify the Economy-Revitalize WR & LA Downtowns/ Provide Wideband Telecommunications Access Throughout the County
Presenters:	Laura Gonzales; John Jones
Legislative File:	4068-11

Title

Community Broadband Network Update; Award of Services Agreement No. AGR11-3778 For The Initiation And Phase 1 Work In Proposal For A Design And Business Plan Of A Community Broadband Network In Los Alamos County Under Statewide Pricing Agreement SPD-80-361-00697 To Crestino For Design And Consulting Services In The Amount Of \$511,690, Plus GRT; And Approval Of Budget Revision 2011-42.

Suggested Motion

I move that Council award Services Agreement No. AGR11-3778 to Crestino for design and consulting services in the amount of \$511,690 plus GRT and hereby authorize the County Administrator to execute the attached agreement; and approve Budget Revision No. 2011-42 in the amount of \$573,500 from Major Network Maintenance to Community Broadband Network.

Administrator's Recommendation

The Acting County Administrator recommends that Council approve the motion as presented.

Body

During the August 3rd, 2010 Council Meeting, Council endorsed the scope of the Community Broadband Network Study as identified by the deliverables and business plan model sections of the staff report and directed staff to consider this a Phase 2 conceptual design study.

In accordance with the Council direction, the previous Network Expansion capital improvement project has been renamed the Community Broadband Network project and the purpose of the project is to provide open and advanced broadband communications access to all Los Alamos County citizens and institutions.

The scope of the Community Broadband Network is as follows:

1. Develop a plan to provide open and advanced broadband communications access to all Los Alamos citizens and institutions.
2. This purpose will be accomplished through building a fiber to the premise (FTTP) network.
3. The general concept of the fiber backbone as defined in the previous Network Expansion study project will be accepted and used and that work will not be re-performed.
4. New conceptual design work will start with the previous study and build outward from there.
5. The target speed will be a minimum of 1 gigabyte per second (Gbps)
6. The County will not generally be an overall content provider or a service provider. Private business services and content will be provided by private businesses (e.g. phone, cable, internet, gaming, etc). Some County services may be provided through the new network infrastructure.
7. Coordination with any potential radio project will occur.

The deliverables that are expected at the end of the phase 2 study include the following:

Expanded complete conceptual physical design with the following parameters and options:

1. Target 1 Gbps or higher FTTP available (1 Gbps reflects speed of local fiber network available, and does not reflect speed to internet available)
2. FTTP [alternatives for a) to the meter and b) to the curb]
3. Active-Passive Hybrid options
4. Network Operations Center (NOC) - Evaluate Location Alternatives: Parcel A6, near Fire Station 6, Lavy Lane and DP

road.

5. Portal Multi Provider Based

Business model/plan

1. Explore existing fiber infrastructure partnerships as possible partial physical solutions;
2. New market surveys to get current data regarding actual levels of citizen and business interests;
3. Attempt to obtain Provider Commitments (for example providers like Qwest, Comcast, Tewa, Black Rock, LA Comnet, etc.) to add more realistic substance to the business plan (rather than assuming if we build it, they will come.)
4. Attempt to obtain Private network use commitments;
5. Business Plan (operation, models (point to point, portal/customer, service provider (not of network services, but of own business), maintenance, pricing, staffing) ;
6. Financial Plan (capital and operational);
7. Project budget;
8. Legal considerations.

Staff will utilize a combination of methods for source selection including competitive bid and pre-negotiated purchasing agreements, such as GSA and Statewide Pricing Agreements, which meet LAC Procurement Code.

Council will review the study at the 30%, 60%, and 90% completion intervals to consider and renew its commitment to the project. If Council chooses to discontinue this study at any interval or funds are not expended, the remaining budget shall revert to the Major Network Maintenance budget.

Alternatives

Council could wait to approve the budget revision until the 30% completion interval and staff would endeavor to adjust staff time, training and materials as well as eliminate contingency costs to meet the current funding level of \$276,205 through 30%. This would impact the timeline for meetings with the public and businesses as well as planned public information during the 30% phase.

Fiscal and Staff Impact/Planned Item

The cost estimate for the entire study including detailed design, business plan, staff salary, market research, and public relations is \$849,705 including GRT and a contingency of approximately 5.8%. This averages to a cost of about \$100 per premise, including contingency, based upon average utility electric billing per month of residences and business in Los Alamos County totaling 8,450 premises. Based upon information we have received from other communities in the United States implementing FTTP, this is a lower cost for design per premise. This will require a budget adjustment from Major Network Replacement to Network Expansion Conceptual/Community Broadband Network in the amount of \$573,500 in addition to the \$276,205 already available from the previous Phase 1 study. Any remainder from the Community Broadband Network Study will go back into Major Network Replacement if Council chooses to discontinue the project.

Attachments

- A. Services Agreement No. AGR11-3778
- B. CBN PowerPoint Presentation
- C. Budget Revision No. 2011-42