

STAFF REPORT

DATE: April 18, 2017

TO: City Council

FROM: Broadband Advisory Task Force
Diane Parro, Chief Innovation Officer
Sarah Worley, Deputy Innovation Officer

SUBJECT: Citywide Fiber Optic Network Feasibility Study

Recommendations

1. Adopt the adopt the Resolution (Attachment 1) Authorizing the City Manager to execute the Consultant Services Agreement with CCG Consulting to prepare the Citywide Fiber Optic Network Feasibility Study (Attachment 1A).
2. Approve the Budget Adjustment (Attachment 2) allocating \$86,000 from Cable Franchise Fund, including \$66,700 for consultant services to prepare the Feasibility Study, \$5,000 for associated legal services, and \$14,300 for costs to create a GIS map of the existing City conduit infrastructure.

Council Goal(s)

Council Goal 2: Drive a Diverse and Resilient Economy, Objective 1, Task D: Create awareness of infrastructure necessary to support business success and collaborate in activities to add capacity. Take steps to increase access to broadband by studying the feasibility of a citywide fiber optic network.

Fiscal Impact

The consultant costs to prepare the feasibility study, associated legal fees and GIS mapping needed will expend \$86,000 from the revenues generated by the Cable Franchise Fees. The \$67,300 cost to prepare the feasibility study includes a 15% contingency, but excludes an optional survey. Staff time to provide Task Force and project support will also be expended.

Implementation of any recommended future upgrades or expansion of our broadband infrastructure will require significant financial investment. The technical analysis required in the consultant services agreement (Attachment 1A) includes identification and evaluation of a range of business operation and financing options, as well as opportunities for grants and other potential funding streams.

Background

On December 1, 2015, Council accepted the Davis Broadband Plan and passed Resolution No. 15-167 approving the formation of the Broadband Advisory Task Force (Task Force). The foundation for the plan was based on the Yolo Broadband Strategic Plan which was accepted by Council on March 3, 2015.

On August 30, 2016 Council concurred with the Task Force recommendation and adopted Resolution No.16-131 authorizing the City Manager to issue a Request for Proposals to prepare Citywide Fiber Optic Network Feasibility Study. The study scope is to assess the feasibility of implementing a Citywide Fiber Optic Network; and prepare a Feasibility Study Report informing the City on which implementation option is best suited for the City of Davis. The technical analysis will include pre-engineering analysis to design and estimate costs for a citywide fiber optic network; identify and evaluate a range of business operation and financial model options to determine potential success of different approaches. The feasibility study is also intended to stimulate creative discussions surrounding the overall concept and feasibility of a Fiber to the Premise (FTTP) high speed network within the City of Davis. Feasibility study work is projected to begin at the end of April 2017 and take approximately 6 months.

The consulting team recommended by the Task Force to conduct the feasibility study was selected after Task Force consideration of: ranking of the 8 RFP responses; review of sample reports; reference checks with submitted references and other previous clients; review of supplemental questionnaires; and oral interviews of top two candidates. The Task Force held additional special meetings in January and February to complete their review. At a special meeting held February 1, 2017 the Task Force voted unanimously (9-0, 1 absent) to recommend CCG Consulting (lead) & Finley Engineering Inc. to prepare the feasibility study.

Attachments

1. Resolution Authorizing City Manager to Execute the Consultant Services Agreement for Citywide Fiber Optic Network Feasibility Study
 - A. Consultant Services Agreement for Citywide Fiber Optic Network Feasibility Study
2. Budget Adjustment

RESOLUTION NO. 17-XXX, SERIES 2017

RESOLUTION AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE AN AGREEMENT WITH CCG CONSULTING TO PREPARE A FEASIBILITY STUDY OF OPTIONS FOR IMPLEMENTING A CITYWIDE FIBER OPTIC NETWORK

WHEREAS, the City of Davis recognizes access to broadband is becoming increasingly essential for: delivery of City services; businesses and residents for purposes of education, health, safety, resource conservation and economic success; and supporting development of new technologies; and

WHEREAS this objective is reflected in Council Goal 2: Drive a Diverse and Resilient Economy, Objective 1, Task D: Create awareness of infrastructure necessary to support business success and collaborate in activities to add capacity. Take steps to increase access to broadband by studying the feasibility of a citywide fiber optic network; and

WHEREAS, on December 1, 2015 the City of Davis approved a Davis Broadband Plan including formation of a Broadband Advisory Task Force to advise the City Council on options to increase broadband access in the community; and

WHEREAS, on August 30, 2016 the City Council approved the Broadband Advisory Task Force recommendation and authorized release of a Request for Proposals (RFP) for consultant services to conduct a feasibility study identifying and evaluating options for creation of a Citywide Fiber Optic Network; and

WHEREAS, the City issued the RFP on September 8, 2016 and received multiple qualified written responses; and

WHEREAS after consideration of written RFP responses, supplemental questionnaires, and oral interviews of top candidates, the Broadband Advisory Task Force unanimously recommends the City Council select CCG Consulting to enter into contract negotiations with to prepare the feasibility study;

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Davis does hereby approve the following actions:

1. The City Manager or his designee is authorized to enter into contract negotiations with CCG Consulting, including minor contract adjustments as necessary, for the purposes of completing the scope of work to produce a Feasibility Study of options for implementing a Citywide Fiber Optic Network providing fiber to the premises (FTTP) to all residences and businesses in the City, for consideration by the City Council; and
2. Expenditure of up to \$66,700 by the City is authorized to fund CCG Consulting services to prepare the Citywide Fiber Optic Network Feasibility Study.

PASSED AND ADOPTED by the City Council of the City of Davis this 18th day of April 2017,
by the following vote:

AYES:

NOES:

ABSENT:

Robb Davis
Mayor

ATTEST:

Zoe S. Mirable, CMC
City Clerk

AGREEMENT FOR CONSULTANT SERVICES

Citywide Fiber Optic Network Feasibility Study

THIS AGREEMENT, including Exhibits “A,” “B,” “C,” and “D” (hereinafter, the “Agreement”) is made and entered into this ___ day of April 2017, by and between the CITY OF DAVIS, a municipal corporation existing under the laws of the State of California, hereinafter referred to as “City,” and CCG Consulting, 55 Austin Avenue, Ashville, North Carolina, 28801 hereinafter referred to as “Consultant.”

RECITALS

WHEREAS, Consultant desires to perform and assume responsibility for the provision of certain services required by the City on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing fiber optic network feasibility study services to public clients and is familiar with the Scope of Services with respect to the Project, as defined below.

WHEREAS, the City desires to engage Consultant to render such energy advisory services in connection with the Citywide Fiber Optic Network Feasibility Study project (“Project”) as set forth in this Agreement.

NOW, THEREFORE, City and Consultant agree as follows:

1. SCOPE OF SERVICES AND TERM.

1.1 Scope of Services. Consultant promises and agrees to furnish to City all labor, services, and incidental and customary work necessary to fully and adequately perform the fiber optic network feasibility study services necessary for the Project (“Services”). The Services are more particularly described in the Scope of Services attached hereto as **Exhibit A**. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state, and federal laws, rules, and regulations. In the event of a conflict

between a provision in this Agreement and a provision in **Exhibit A** or in any other exhibit to this Agreement, the provision in this Agreement shall control.

1.2 Facilities, Equipment, and Other Materials. Except as specifically provided in **Exhibit B**, Consultant shall, at its sole cost and expense, furnish all facilities, tools, equipment, and other materials necessary for performing the Services pursuant to this Agreement. The City shall furnish to Consultant only those facilities, tools, equipment, and other materials specifically listed in **Exhibit B**, according to the terms and conditions set forth in that exhibit.

1.3 Schedule of Services. Consultant shall perform the Services in accordance with the Schedule of Services set forth in **Exhibit C** and any updates to the Schedule of Services approved by the City. Time is of the essence in the performance of this Agreement. Consultant's failure to perform any Service required under this Agreement within the time limits set forth in **Exhibit C** shall constitute a material breach of this Agreement.

1.4 Term. The term of this Agreement shall begin on the date the City approves this Agreement and shall expire upon completion of and final payment for the Services or when terminated as provided in Article 5.

2. PROJECT COORDINATION.

2.1 City's Representative. The City hereby designates the City Manager to act as its representative for the performance of this Agreement. The City Manager shall have the power to act on behalf of the City for all purposes under this Agreement. The City Manager hereby designates Diane Parro as the "Project Manager," who shall supervise the progress and day-to-day performance of this Agreement.

2.2 Consultant's Representative. Consultant hereby designates Doug Dawson to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services under this Agreement, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and

procedures and for the satisfactory coordination of all portions of the Services to be performed under this Agreement. Should the Consultant's Representative need to be substituted for any reason, the proposed new Consultant's Representative shall be subject to the prior written acceptance and approval of the Project Manager. The Consultant shall not assign any representative to whom the City has a reasonable objection.

2.3 Coordination of Services. Consultant agrees to work closely with City staff in the performance of the Services and shall be available to City staff at all reasonable times.

3. RESPONSIBILITIES OF CONSULTANT.

3.1 Independent Contractor. The City retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Nor shall any additional personnel performing the Services under this Agreement on behalf of Consultant be employees of the City; such personnel shall at all times be under Consultant's exclusive direction and control. Consultant shall be entitled to no other benefits or compensation except as provided in this Agreement.

3.2 Control and Payment of Subordinates. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods, and details of performing the Services subject to the requirements of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.3 Conformance to Applicable Requirements. All services performed by Consultant shall be subject to the Project Manager's review and approval. Consultant shall furnish City with every reasonable opportunity to determine that Consultant's services are being performed

in accordance with this Agreement. The City's review of Consultant's services shall not relieve Consultant of any of its obligations to fulfill this Agreement as prescribed.

3.4 Substitution of Key Personnel. Consultant has represented to the City that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon the City's written approval. In the event that the City and Consultant cannot agree as to the substitution of key personnel, the City shall be entitled to terminate this Agreement, with notice, for cause. The key personnel for performance of this Agreement are as follows: Doug Dawson of CCG Consulting, Mark Mrla, Finley Engineering Company Inc. and their designated staff, and Milda K. Hedblom of Dain International.

3.5 Licenses and Permits. Consultant represents that it, its employees and subconsultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City of Davis Business License, and that such licenses and approvals shall be maintained throughout the term of this Agreement, at Consultant's sole cost and expense.

3.6 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner. Consultant warrants that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Consultant shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of Consultant or its subconsultants who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.7 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting

the performance of the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations by Consultant in connection with the Services. If Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold the City, its officials, directors, officers, employees, and agents free and harmless, pursuant to the indemnification provisions of this Agreement and in accordance with the language of Section 6.3, from any claim or liability to the extent arising out of any failure or alleged failure of Consultant to comply with such laws, rules or regulations.

3.8 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.9 Non-Discrimination. No discrimination shall be made in the employment of persons under this Agreement because of that person's race, color, national origin, ancestry, religion, age, marital status, disability, gender, sexual orientation, or place of birth.

3.10 Insurance.

3.10.1 Time for Compliance. Consultant shall not commence the performance of Services under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required herein. In addition, Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to the City that the subconsultant has secured all insurance required herein. Failure to provide and maintain all required insurance shall be grounds for the City to terminate this Agreement, with notice, for cause.

3.10.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of this

Agreement by Consultant, its agents, representatives, employees or subconsultants. Consultant shall also require all of its subconsultants to procure and maintain the same insurance for the duration of this Agreement. Such insurance shall meet at least the following minimum levels of coverage:

3.10.2.1 Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (a) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (b) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (c) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

3.10.2.2 Minimum Limits of Insurance. Consultant shall maintain limits no less than: (a) *General Liability*: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used including, but not limited to, form CG 2503, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (b) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (c) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

3.10.3 Professional Liability. Consultant shall procure and maintain, and require its subconsultants to procure and maintain, for a period of five (5) years following completion of the Project errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$1,000,000 per claim, and shall be endorsed to include contractual liability.

3.10.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by the City to add the following provisions to the insurance policies:

3.10.4.1 General Liability. The general liability policy shall include or be endorsed (amended) to state that: (a) the City, its directors, officials, officers, employees, agents, and

volunteers shall be covered as additional insureds with respect to the work or operations performed by or on behalf of Consultant, including materials, parts or equipment furnished in connection with such work; and (b) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of Consultant's insurance and shall not be called upon to contribute with it in any way.

3.10.4.2 Automobile Liability. The automobile liability policy shall include or be endorsed (amended) to state that: (a) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by Consultant or for which Consultant is responsible; and (b) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of Consultant's insurance and shall not be called upon to contribute with it in any way.

3.10.4.3 Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by Consultant.

3.10.4.4 All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (a) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City; and (b) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its directors, officials, officers, employees, agents, and volunteers.

3.10.5 Separation of Insureds; No Special Limitations. All insurance required herein shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents, and volunteers.

3.10.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Consultant shall guarantee that, at the option of the City, either: (a) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its directors, officials, officers, employees, agents, and volunteers; or (b) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

3.10.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the City.

3.10.8 Verification of Coverage. Consultant shall furnish the City with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the City if requested. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.10.9 Reporting of Claims. Consultant shall report to the City, in addition to Consultant's insurer, any and all insurance claims submitted by Consultant in connection with the Services under this Agreement.

3.11 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out the Services, Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (a) adequate life protection and life

saving equipment and procedures; (b) instructions in accident prevention for all employees and subconsultants, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (c) adequate facilities for the proper inspection and maintenance of all safety measures.

3.12 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of the City during normal business hours to examine, audit and make transcripts of copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.13 Use of Recycled Paper. Consultant shall comply with the City's policy on the use of recycled paper, as set forth in **Exhibit E** of this Agreement.

4. FEES AND PAYMENT.

4.1 Compensation. This is a fixed rate based agreement. Consultant shall receive compensation, including authorized reimbursements, for Services rendered under this Agreement at the rates, in the amounts and at the times set forth in **Exhibit D**. Notwithstanding the provisions of Exhibit D, the total compensation shall not exceed Sixty-Six Thousand, Seven Hundred Dollars (\$66,700) without written approval of the City. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

4.2 Payment of Compensation. The City shall, within thirty (30) days of receiving an invoice for services rendered by CONSULTANT in accordance with this Agreement, review the invoice and pay all approved charges thereon. Consultant shall submit to the City a monthly itemized statement which indicates tasks completed during the month, hours of services rendered by Consultant during the month, and supplies provided during the month.

The City shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

4.3 City's Right to Withhold Payment. The City reserves the right to withhold payment from Consultant on account of Services not performed satisfactorily, delays in Consultant's performance of Services past the milestones established in the Schedule of Services (**Exhibit C**), or other defaults hereunder. Consultant shall not stop or delay performance of Services under this Agreement if City properly withholds payment pursuant to this Section 4.3, provided that the City continues to make payment of undisputed amounts.

4.4 Payment Disputes. If the City disagrees with any portion of a billing, the City shall promptly notify Consultant of the disagreement, and the City and Consultant shall attempt to resolve the disagreement. The City's payment of any amounts shall not constitute a waiver of any disagreement and the City shall promptly pay all amounts not in dispute.

4.5 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses except as specifically set forth in **Exhibit D**

4.5.1 Extra Work. At any time during the term of this Agreement, the City may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by the City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from the City Manager.

4.6 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Section 1720, *et seq.*, and 1770 *et seq.*, as well as California Code of Regulations, Title 8, Section 1600 *et seq.* ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the

commencement of this Agreement. Consultant shall make available to interested parties upon request, copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services, and shall post copies at the Consultant's principal place of business and at the Project site. Consultant shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless pursuant to the indemnification provisions of this Agreement and in accordance with the language of Section 6.3, from any claim or liability to the extent arising out of any failure or alleged failure of Consultant to comply with the Prevailing Wage Laws.

4.7 Living Wage Ordinance.

4.7.1 Consultant agrees to comply with Davis Municipal Code Chapter 15.20, the City of Davis Living Wage Ordinance. If Consultant employs six (6) or more employees, and receives \$25,000 or more from the City pursuant to this Agreement and any other contracts with the City during a twelve month period, Consultant shall be required to provide all employees eligible under Chapter 15.20 with the minimum compensation set forth in Davis Municipal Code Section 15.20.060 during the term of this Agreement.

4.7.2 Prior to commencement of any work under this Agreement, Consultant and all subconsultants that are subject to the requirements of Chapter 15.20 will provide certification in a form satisfactory to the City that Consultant and subconsultants are providing all eligible employees the minimum compensation required pursuant to Davis Municipal Code Section 15.20.060. Additionally, prior to commencement of any work, Consultant shall notify in writing all employees that are eligible for minimum compensation of their rights under Chapter 15.20.

4.7.3 Consultant shall maintain all records and documents necessary to establish whether Consultant is subject to Chapter 15.20. If Consultant is subject to the requirements of Chapter 15.20, Consultant shall further be required to maintain monthly records of Consultant's employees, including records showing the hourly rate paid to each employee, the amount paid by Consultant for health benefits, if any, and the amount of days off provided per year for sick leave, vacation, or personal necessity. The records described in this subsection shall be made

available to the City upon request. The failure to produce these records within three (3) business days following request by the City shall be a default under this Agreement.

4.7.4 Consultant shall include the requirements of Chapter 15.20 in any and all agreements with subconsultants hired to provide services pursuant to this Agreement. Any and all subconsultants retained by Consultant to provide services pursuant to this Agreement that employ six or more employees and receive \$25,000 or more for services provided to the City pursuant to this and any other City contracts during a 12-month period shall be required to comply with the terms of Chapter 15.20. Failure by a subconsultant subject to the requirements of Chapter 15.20 to comply with the terms of Chapter 15.20 shall constitute a default of the Consultant under this Agreement.

5. SUSPENSION AND TERMINATION.

5.1 Suspension. The City may suspend this Agreement and Consultant's performance of the Services, wholly or in part, for such period as it deems necessary due to unfavorable conditions or to the failure on the part of Consultant to perform any material provision of this Agreement. Consultant will be paid for satisfactory services performed hereunder through the date of temporary suspension. In the event that Consultant's services hereunder are delayed for a period in excess of six (6) months due to causes beyond Consultant's reasonable control, Consultant's compensation shall be subject to renegotiation.

5.2 Termination for Cause.

5.2.1 If Consultant at any time refuses or neglects to prosecute its services in accordance with the Schedule of Services, or is adjudicated a bankrupt, or commits any act of insolvency, or makes an assignment for the benefit of creditors without the City's consent, or fails to make prompt payment to persons furnishing labor, equipment, materials or services, or fails in any material respect to properly and diligently prosecute its services, or otherwise fails to perform fully any and all of the material agreements herein contained, Consultant shall be in default.

5.2.2 If Consultant fails to cure the default within seven (7) days after written notice thereof, the City may, at its sole option, take possession of any documents and data (as more

specifically described in Section 6.1) or other materials (in paper and electronic form) prepared for City or used by Consultant in connection with the Project and (1) provide any such work, labor, materials or services as may be necessary to overcome the default and deduct the cost thereof from any money then due or thereafter to become due to Consultant under this Agreement; or (2) terminate Consultant's right to proceed with this Agreement.

5.2.3 In the event the City elects to terminate, the City shall have the right to immediate possession of all documents and data and work in progress prepared by Consultant pursuant to this Agreement, whether located at the Project, at Consultant's place of business, or at the offices of a subconsultant, and may employ any other person or persons to finish the Services and provide the materials therefor. In case of such default termination, Consultant shall not be entitled to receive any further payment under this Agreement until the Project is completely finished. At that time, if the expenses reasonably incurred by the City in obtaining the Services necessary to complete the Project exceed such unpaid balance, then Consultant shall promptly pay to the City the amount by which such expense exceeds the unpaid balance of the not-to-exceed amount reflected in Section 4.1. The expense referred to in the previous sentence shall include expenses incurred by the City in causing the Services called for under this Agreement to be provided by others, and for any costs or damages sustained by the City by reason of Consultant's default or defective work.

5.3 Termination for Convenience.

5.3.1 In addition to the foregoing right to terminate for default, the City reserves the absolute right to terminate this Agreement without cause, upon 72-hours written notice to Consultant. In the event of termination without cause, Consultant shall be entitled to payment in an amount not to exceed the not-to-exceed amount set forth in Section 4.1 which shall be calculated as follows: (1) payment for Services then satisfactorily completed and accepted by the City plus (2) payment for Additional Work satisfactorily completed and accepted by the City, plus (3) reimbursable expenses actually incurred by Consultant, as approved by the City. The amount of any payment made to Consultant prior to the date of termination of this Agreement shall be deducted from the amounts described in (1), (2), and (3) above. Consultant shall not be entitled to any claim or lien against the City or the Project for any additional compensation or damages in the event of such termination and payment. In addition, the City's

right to withhold funds under Section 4.3 shall be applicable in the event of a termination for convenience.

5.3.2 If this Agreement is terminated by the City for default and it is later determined that the default termination was wrongful, such termination automatically shall be converted to and treated as a termination for convenience under this Section and Consultant shall be entitled to receive only the amounts payable hereunder in the event of a termination for convenience.

6. OTHER PROVISIONS.

6.1 Documents and Data.

6.1.1 Ownership of Documents. The City shall be the owner of the following items produced exclusively pursuant to this Agreement, whether or not completed: all data collected, all documents prepared, of any type whatsoever, and any material necessary for the practical use of the data and/or documents from the time of collection and/or production whether performance under this Agreement has been completed or if this Agreement has been terminated prior to completion. Consultant shall not release any materials under this Section except after prior written approval of the City.

6.1.2 Copyright. No materials produced in whole or in part under this Agreement shall be subject to copyright in the United States or in any other country except as determined at the sole discretion of the City. The City shall have the unrestricted authority to publish, disclose, distribute, and otherwise use in whole or in part, any reports, data, documents or other materials prepared under this Agreement.

6.1.3 Release of Documents to City. Consultant shall deliver to the City all materials prepared by Consultant exclusively in connection with this Agreement, including all drafts, memoranda, analyses, and other documents, in paper and electronic form, within five (5) days of receiving a written request from the City.

6.1.4 Confidentiality. All documents, reports, information, data, and exhibits prepared or assembled by Consultant in connection with its performance under this Agreement are confidential until released by the City to the public, and Consultant shall not make any of

these documents or information available to any individual or organization not employed by Consultant or the City without the written consent of the City before any such release.

6.2 Assignment; Successors. Consultant shall not assign any of its rights nor transfer any of its obligations under this Agreement without the prior written consent of the City. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

6.3 Indemnification.

6.3.1 Indemnity. To the fullest extent permitted by law, Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner to the extent arising out of, pertaining to, or incident to any alleged acts, errors or omissions of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's Services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and reasonable attorney's fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above defense and indemnity obligations shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

6.3.2 Additional Indemnity Obligations. Consultant shall defend, with counsel reasonably approved by the City and at Consultant's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section 6.3.1 that may be brought or instituted against the City or its directors, officials, officers, employees, volunteers and agents. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against the City or its directors, officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. Consultant shall also reimburse the

City for the cost of any settlement paid by the City or its directors, officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. The City shall not enter into any settlement for any claim, suit, action or other proceeding without the prior written approval of Consultant. Such reimbursement shall include payment for the City's attorneys' fees and costs, including expert witness fees. Consultant shall reimburse the City and its directors, officials, officers, employees, agents, and/or volunteers, for any and all reasonable legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

6.3.3 Survival of Obligation. Consultant's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, its directors, officials, officers, employees, agents, or volunteers.

6.4 Consultant Not Agent. Except as the City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of the City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind the City to any obligation whatsoever.

6.5 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in Yolo County. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Consultant must comply with the claim procedures set forth in Government Code sections 900 *et seq.* prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Consultant. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Consultant shall be barred from bringing and maintaining a valid lawsuit against the City.

6.6 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant: CCG Consulting
55 Austin Avenue
Asheville, NC 28801

Attn: Doug Dawson
Title: President
E-mail: Blackbean2@ccgcomm.com

City: City of Davis
23 Russell Boulevard, Suite 4
Davis, CA 95616
Attn: Diane Parro

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

6.7 Incorporation by Reference. All exhibits referred to in this Agreement are attached hereto and are by this reference incorporated herein.

6.8 City's Right to Employ Other Consultants. The City reserves the right to employ other consultants in connection with the Project, provided that such other consultants shall not be performing the work set forth in the Scope of Services of this Agreement.

6.9 Construction; References; Captions. The language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subconsultants of Consultant, except as otherwise specified in this Agreement. All references to the City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various sections and paragraphs

are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

6.10 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.

6.11 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel or otherwise.

6.12 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the parties.

6.13 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

6.14 Interest of Consultant. Consultant covenants that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services under this Agreement. Consultant certifies that no one who has or will have any financial interest under this Agreement is an officer or employee of the City.

6.15 Interest of Subconsultants. Consultant further covenants that, in the performance of this Agreement, no subconsultant or person having any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services under this Agreement shall be employed. Consultant has provided City with a list of all subconsultants and the key personnel for such subconsultants that are retained or to be retained by Consultant in connection with the performance of the Services, to assist the City in affirming compliance with this Section.

6.16 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not

paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. If required, Consultant further agrees to file, or shall cause its employees or subconsultants to file, a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, the City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of the City, during the term of his or her service with the City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

6.17 Cooperation; Further Acts. The parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

6.18 Attorneys' Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys' fees and all other costs of such action.

6.19 Authority to Enter Agreement. Each party has all requisite power and authority to conduct its business and to execute, deliver, and perform this Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

6.20 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

6.21 Entirety of Agreement. This Agreement contains the entire agreement of the City and Consultant with respect to the subject matter hereof, and no other agreement, statement or promise made by any party, or to any employee, officer or agent of any party, which is not contained in this Agreement, shall be binding or valid.

[Signatures on following page]

IN WITNESS WHEREOF, the City and Consultant have entered into this Agreement as of the date first stated above.

CITY OF DAVIS

CONSULTANT

By: _____

By: _____

Its: _____

Its: President

Approved as to form:

Harriet A. Steiner
City Attorney

EXHIBIT A

SCOPE OF SERVICES

Citywide Fiber Optic Network Feasibility Study

This Scope of Services is to provide the City with a means of contracting with CCG Consulting/Finley Engineering Inc. to assess the feasibility of implementing a Citywide Fiber Optic Network; and prepare a Feasibility Study Report informing the City on which implementation option is best suited for the City of Davis. This technical analysis includes pre-engineering analysis to design and estimate costs for a citywide fiber optic network; and identifying and evaluating a range of business operation and financial model options to determine potential success of different approaches. The feasibility study is also intended to stimulate creative discussions surrounding the overall concept and feasibility of a Fiber to the Premise (FTTP) high speed network within the City of Davis.

Scope of Services required by CCG Consulting/Finley Engineering Inc. team to complete the Citywide Fiber Optic Network Feasibility Study are as follows. The scope is divided into six tasks needed to complete the analysis, develop a project report and make recommendations, with an optional customer survey.

Task 1 – Pre-Engineering

Conduct Pre-engineering study(s) at sufficient depth to develop a preliminary design, and estimate costs and approximate implementation timeframes for the network.

This task involves:

- Engineering analysis sufficient to estimate the cost to build the fiber network based upon recent actual construction costs from other projects in the area. The network design will feature both physical and network transport layer components required to pass and potentially connect every home, business, apartment complex, and institutional building within the City of Davis. The network design will consider edge points that might be used for future interconnection to adjacent neighborhoods outside of the City, and include necessary infrastructure to enable such interconnections. The estimate will include a construction contingency.
- A field visit to the City by Finley Engineering Inc. to assess local conditions and to talk to key members of the City staff and representatives of the Broadband Advisory Task Force (BATF) to gather the information needed to provide the best estimate of the cost of the network.
- Recognizing any benefits or savings due to any infrastructure the City has in place today.
- Estimating the cost of the electronics needed to light the network and provide the desired services.
- Estimating the cost of ancillary assets needed to be in the business such as a building, vehicles, computers, and the electronics needed to provide “triple play” or other value-added services.

- Considering multiple design ideas to find that one that is most appropriate for Davis, including designs that look for the most affordable cost of construction.
- Presenting all of the above items in a written report that will discuss the research, consultant findings and rationale for the choices made.

Task 2 – Basic Research

Conduct basic research needed to develop financial business models.

This task involves:

- Research into products and prices in the market today. This will involve soliciting copies of communications bills from customers and analyzing the detailed bills to understand the products and prices actually sold in the market.
- Research into the actual broadband speeds customers receive compared to what they pay for. This will be done by establishing a speed test site and asking City residents to take the speeds test and to answer a few questions.
- Conducting interviews with key large stakeholders in the community to understand the broadband needs of the business, government, educational and health care communities. One of the goals of this research is to identify any market constraints or challenges that must be overcome to deploy broadband.
- Reviewing basic demographics in the City, e.g. the percentage of residents that live in apartments and condominiums. Another key demographic is the expected rate of the growth of the City in terms of how many housing units are likely to be built over time.
- Research into major incumbent communication providers in the City; identifying any key strategies they have (if such strategies are publicly known); and describing how they have reacted in other markets when confronted with competition.
- A description of the research undertaken and what was found will be included in the final written report.

Task 3 – Financial Business Plans

Create multiple business financial business models that consider different operating models (such as city ownership, open-access or a public private partnership) and appropriate variations of these models, as well as a range of different variables within these models (such as customer penetration rate, interest rates on debt, customer pricing, etc.).

This tasks involves:

Kick-off Meeting. Doug Dawson of CCG will hold a full day kick-off meeting on site in Davis with City Staff and representatives of the BATF for a detailed discussion of issues and options pertinent to business operating models to be studied, as well as the parameters of the financial business models. This meeting will be scheduled to take place after the pre-engineering visit and some of the basic research has been done.

Business Operational Models to Consider. CCG will consider different operation models for a potential fiber business in the City. The models to be studied will include at least, but not be

limited to, the following different classes of business model alternatives, and appropriate variations within each model:

- **WHOLE NETWORK PROVIDER - BASE MODEL** where the City (or some other party) builds and operates the whole network. This is important to know if there is enough potential profit to be made in in the market to support one provider – a necessary requirement before considering any open access or public-private partnership models.
- **INFRASTRUCTURE PROVIDER** – the City provides conduit and dark fiber services for lease to community organizations, businesses and broadband providers, which use the fiber to connect to one another and to data centers to reach the internet, cloud services and other content networks
- **OPEN-ACCESS PROVIDER** – the City owns the fiber optic network and equipment needed to create a broadband network and may operate said network itself or in contract with others on its behalf. Content is typically resold from other providers
- **PUBLIC-PRIVATE PARTNERSHIPS** – the City and one or more private organizations enter into a partnership to plan, fund, build, operate and maintain a broadband network within the municipality’s jurisdiction.

Doug Dawson of CCG will discuss each of these business operation model options with the City and representatives of the BATF before undertaking any analysis to make sure that all parties agree on the definition of each operating model, and list of operating model options to be evaluated in the study. This will be accomplished through the kick-off meeting discussed above.

Services and Products to be Studied. The services that will be considered in the various operation model studies, where appropriate, may include (but are not limited to):

- Internet Based Live Television (IPTV)
- Traditional Broadcast Live Television (RF Video)
- Video on Demand (VOD)
- Telephone services (VoIP)
- Internet services (ISP, email, web hosting, etc.)
- Security and authentication requirements for business
- Bandwidth on Demand (BOD)
- High speed bandwidth (in excess of symmetrical 100 megabits)
- Supervisory Control and Data Acquisition (SCADA)/smart grid.

The Financial Business Models. The financial business plans will include in-depth detail relative to the organization, operating costs, overheads, equipment materials, and financing capital required to operate the proposed business sufficient to make plans business partner and financing “banker ready”. The business plans will:

- Provide detailed cost estimates of accurate staffing, title, salary, capital and equipment needed.
- Coincide with the expected length of debt, (for fiber studies generally look at 25-year studies).
- Provide detailed monthly analysis for the first two years with annual data after that.
- Provide realistic estimate of costs of obtaining funding.

- Provide standard financial statements (income statement, statement of cash flows and balance sheet) for each scenario studied.
- Anticipate the lifecycle cost of fiber and other infrastructure assets – meaning the cost to build, maintain and eventually replace the assets.

Doug Dawson of CCG will discuss the various financial models with the City and representatives of the BATF before undertaking this study process to reach a mutual understanding of the options to be studied. This will be accomplished through the kick-off meeting discussed above.

Customer Penetration Analysis. As the primary product for most of the scenarios being studied is broadband, the customer penetration analysis will focus on broadband penetration rates. For each scenario the minimum broadband penetration rate needed to be successful will be calculated – with success defined as the ability to generate enough cash to cover all operating expenses, capital and debt.

This breakeven penetration rate will be expressed in terms of the percentage of homes and businesses that must subscribe to the network in order for the business to cover all of its costs including debt and capital. Each of the scenarios is going to have a different customer breakeven penetration rate.

Sensitivity Analysis. A sensitivity analysis will be performed on the most important variables in the study to understand what happens if changes for a given variable become better or worse (such as, what happens if interest rates go higher). This is to understand which key variables might have the biggest impact on the final results, for the purpose of understanding risk. The sensitivity analysis quantifies the financial impact of a change in key variables and can be used to create a range of potential outcomes for a given scenario.

Analysis of Results. CCG will describe what the results of the financial analysis mean. This includes:

- Comparing the pros and cons of the various ownership and operating options that look viable for the City.
- Looking at the specific risks associated with each of the specific business model alternatives. The risks, particularly financial risks are different for each business model.
- Providing a Summary Table showing how different the business and financial models studied compare.

Task 4 – Regulatory and Legal Landscape

Consider the legal and regulatory obstacles and risks for a fiber business in the city.

This task involves:

- Research into specific state and local regulatory issues that must be considered.
- Including existing knowledge of federal regulatory issues.
- Preparing a written analysis of the legal and regulatory obstacles and risks. This report will be included in the overall feasibility study report.

Task 5 – Written Report

Prepare a written report of all of the research done and the findings made during the feasibility study process. Make specific recommendations on the best path forward for the city and the next steps that should be taken after the study is complete.

This Task involves:

- Preparing and submitting a Draft Feasibility Study to City staff and BATF for review and comment.
- Preparing and submitting a Final Feasibility Study to City staff that incorporates comments received from City and BATF on the Draft Study. All research data, business and financial models, excel spreadsheets, results of stakeholder interviews, additional documentation etc. used in the development of the study will be provided with the Final Study.

At a high level the report will include:

- All study analysis completed as part of specific deliverables and written analysis prepared for all tasks will be included in the final report.
- Writing in plain English with as little jargon as possible – with the target audience being the citizens of the city. Include a glossary for technical terms and abbreviations that are used in the report.
- A clear ‘value’ message to the community on the benefits and uses of a citywide fiber network, while also informing them of the costs to build such a network.
- Analysis of the expected competitive response of the existing competitors in the city.
- A list and analysis of various financial and execution risks to consider.
- An implementation timeline and graphic showing a reasonable and achievable path to implement the broadband network (which starts from the date the project is funded).
- A full description of the pre-engineering process including the steps taken in estimating the cost of the network along with the results of that analysis.
- A discussion of the:
 - Lifecycle costs of the primary assets included in a fiber network.
 - pros and cons of the business model options and variations confirmed for study
 - Results of research into local current market pricing for products.
 - Results of the financial business plan models and descriptions of all of the major assumptions used.
 - Various products and revenue streams included in the study and why they were included.
 - Results of the sensitivity analysis that looks at the effect of changing the key variables for the cost drivers of the financials.
 - Various types of municipal and commercial funding that might apply to this project.
 - Potential competitive responses from the incumbent providers.

- Various kinds of risks associated with each business plan model.
- An analysis of the regulatory issues and legal risks associated with the project.
- A list of specific findings – and what discovery is most relevant for the City to consider when deciding about moving forward after this feasibility study.
- Any findings and analysis considered relevant to the feasibility study not specifically requested in the RFP.
- Specific recommendations about what the City should do next with the results of the study.
- An executive summary that summarizes the key findings and recommendations.

Task 6 – Communications and Final Presentation

Communicate with the City and the Broadband Advisory Task Force during the course of the project. Provide a minimum of two on-site presentations of results.

CCG will provide:

- *Weekly updates with City, either written or verbal, on the status of the project as appropriate.*
- *Project calendar with key tasks, deliverables, dates, and responsible parties – updated on a regular basis.*
- *Periodic updates with the City’s Broadband Advisory Task Force (BATF).*
- *Verification/finalization of study scope and the business model scenarios and variations to be considered.*
- *Draft feasibility study submitted to City staff and the BATF for review and comment.*

This task involves:

- Communicating in manner and frequency requested by the City.
- Providing a minimum of three status meetings to discuss key milestones.
- Providing four on-site meetings including: the Finley Engineering Pre-Engineering on-site field visit, CCG full day kick-off meeting; two on-site presentations by CCG and Finley Engineering on findings the results of the study, one to the BATF; and one to BATF and City Council.

Price:

The CCG Consulting team will complete the scope of work described above for a total fixed cost of \$66,700

If additional work or meetings beyond this scope are requested, CCG will obtain authorization for any additional budget with the understanding that terms will be negotiated in good faith. CCG will charge for its services on a direct-cost (hourly billing rates plus direct expenses), not-to-exceed basis.

Optional Task – Customer Survey

An optional task is offered to help the city conduct a residential broadband survey to determine current broadband use in the city and the interest in having a fiber network.

CCG considers residential surveys as good indicators of the real market demand and finding that business surveys do not predict the eventual penetration rate into the business market. They have found that very few businesses that are early adopters because businesses care more about the reliability of the network and the service provider than they do about prices or products; agreeing to change to a fiber network after that network has been operating reliably for a while. Their experience has shown getting businesses onto the network lags several years behind getting residential customers, but that over time the business community generally, eventually has a very similar penetration rate as the residential community as a whole.

Two survey alternatives are offered:

Option 1 – Telephone Survey. A random telephone survey. For this option a list of phone numbers will be needed from the City, with no names or addresses associated with each number. People will not be asked their name when they take the survey. That makes this a ‘blind’ process with numbers randomly picked from the list with no knowledge of who is being called. The primary issue with this approach is the need to include cell phone numbers to be a representative sample of the community. The people that still have landlines do not demographically represent the population as a whole and business decisions shouldn’t be based only upon them. If the City can provide a good list of numbers to call, CCG staff can do the surveys by telephone.

Option 2 - In-person Survey. A random, directed door-to-door survey. For this option, the City assembles volunteers to administer the survey. CCG provides the City and volunteers training so they understand how to make sure that the survey results are valid. The technique used is called a “directed survey” and can produce a valid response if done correctly.

Survey deliverables:

- Draft of survey questions for review, written to ensure they are non-biased.
- Number of completed surveys determined to be needed for survey to be statistically significant, (accuracy of 95% plus or minus 5%).
- Devise a plan to make sure that the sample is random.
- Provide staff to administer the survey by telephone or work with city volunteers.
- Once the survey is completed, tabulate and analyze the responses and explain what the responses mean statistically (meaning how much faith can be put in interpreting the answers).
- Provide a written report of the survey results.

EXHIBIT B**FACILITIES, EQUIPMENT, AND OTHER MATERIALS PROVIDED BY CITY**

The City will provide the following readily available information to assist in answering the consultant questions and discuss other possible information sources at the Pre-Engineering meeting.

Pre-Engineering:

1. Available maps, GIS data, database information that aid in accurately describing the expected fiber network coverage area.
2. Estimate of the number of miles of roads in the expected coverage area.
 - a. Federal Roads
 - b. State Roads
 - c. County Roads
 - d. City Roads
 - e. Other roads
3. Total number of structures in the expected covered area including:
 - a. Number of Single Family Units (SFUs) in the form of:
 - i. Individual Living Unit Homes
 - ii. Individual Living Unit Duplexes and Town homes
 - iii. Number of apartment buildings
 - iv. Number of Living units in apartment complexes.
 - b. Number of Businesses in the covered area in the form of:
 - i. Individual businesses occupying a single unit buildings
 - ii. Businesses in Multi-Tenet-Units (MTUs)
 - iii. Number of MTU complexes in the expected covered area.
4. The number of water meters within the covered area to use as a cross reference for the number of residences and businesses in the expected covered area.
5. Estimate of the miles of current aerial versus buried utilities in the City and which parts of the covered areas have aerial or buried electrical and telephone plant facilities. The number of miles of aerial and buried facilities can be delivered as a percentage of each of the total amount of street miles in the covered area. Information about any known major upcoming efforts to move utilities from poles to underground or vice versa.
6. A map and list of City assets that might be useful for the fiber project such as:
 - a. Empty buried conduit
 - b. Existing excess fiber
 - c. Towers
 - d. The ability to co-locate equipment in government buildings.

- e. City owned real estate that could be used for such things as fiber storage, parking lot, office space, etc.
 - f. Any other assets or facilities useful for this study.
7. A list of companies that have franchises today to provide telecommunications services in the expected coverage areas.
8. A list of addresses and location map for all city or publicly owned facilities:
 - a. Water facilities
 - b. Sewer facilities
 - c. Electric Utility facilities
 - d. City offices
 - e. Fire stations
 - f. Schools, hospitals, libraries, etc.
 - g. Any relevant municipal-owned addresses.
9. Selection of several small representative areas in the City for use in preparing a high-level citywide fiber optic network design from maps. The design will be used to calculate an estimated project budget and estimated cost per unit. The cost per unit will then be extrapolated into the remaining portions of the city that are of similar density.

EXHIBIT C**SCHEDULE OF SERVICES**

Time Frame* 2017	Broadband Feasibility Task	Performance Deliverable
Apr-May	Pre-Engineering	Field Visit & Meeting Progress Report Draft Report
Apr-May	Basic Research	Progress Report
May – June	Financial Business Plans	On-Site Kick-off Meeting Progress Report
May	Regulatory and Legal Landscape	Progress Report
June- July	Written Reports	Draft Report Final Report
Apr - July	Communications and Final Presentations	BATF Presentation City Council Presentation

*From date of contract authorization. Above dates assume late-April start, and may be modified by mutual City/Consultant agreement.

EXHIBIT D**PAYMENT**

CCG Consulting, and its authorized sub-consultants, will be paid upon satisfactory completion of the tasks shown on Exhibit C as follows:

Time Frame* 2017	Broadband Feasibility Task	Amount Billed (% Contract)
Apr- May	Pre-Engineering	\$18,000 / 33%
Apr-May	Basic Research	\$3,500 / 6%
May-June	Financial Business Plans	\$13,000 / 24%
May	Regulatory and Legal Landscape	\$5,000 / 9%
June	Written Report	\$8,000 / 15%
May - July	Communications and Final Presentation	\$6000 / 5%
Apr – July	Travel Expenses	\$4,500 / 8%
	Subtotal	\$58,000 / 100%
	15 % Contingency Cost	\$8,700
	Total Cost	\$66,700
TBD	Optional Survey by Phone	\$7,500
TBD	Optional Survey done Locally	\$1,500

* From date of contract authorization. Above dates assume late-April start and may be modified by mutual City/Consultant agreement.

Extra Work

If additional work or meetings beyond the scope included in this contract are requested, CCG will obtain authorization for any additional budget with the understanding that terms will be negotiated in good faith. CCG will charge for its services on a direct-cost (hourly billing rates plus direct expenses), not-to-exceed basis; therefore, the City will be billed only for the work completed up to the authorized budget amount. Travel, data, or reproduction expenses will be billed at cost, and invoices are submitted monthly and are payable on receipt.

Extra On-Site Meeting - \$ 3,000, \$1,500 for CCG Consulting representative and \$1,500 for Finley Engineering representative

2017 Hourly Billing Rates**CCG Consulting**

President	\$275
VP / Director	\$175
Senior Consultant	\$125
Consultant	\$100
Clerical	\$50 - \$75

Finley Engineering, Inc.

Administrative Assistant	\$40
Project Design Assistant	\$43
Project Design CAD/GIS Technician	\$49
Engineering Designer	\$60
Senior Project Representative	\$68
Project Manager	\$75
Senior Project Manager	\$85
Consulting Coordinator	\$95
Senior Consulting Coordinator	\$105
Senior Consultant	\$135

EXHIBIT E**USE OF RECYCLED PAPER**

All paper used for any reports that are required to be submitted under this Agreement shall be produced on recycled paper conforming to the minimum content standards as specified herein. All such reports shall have the front cover labeled in such a way as to clearly identify that the report was produced on recycled paper. Where practicable, the pages of all such reports shall be produced double-sided.

Definitions.

Postconsumer Material means only those paper products generated by a business or consumer which have served their intended end uses, and which have been separated or diverted from solid wastes for the purpose of collection, recycling, and disposition.

Recovered Paper Material means paper waste generated after the completion of a papermaking process, such as postconsumer materials, envelope cuttings, bindery trimmings, printing wastes, cutting and other converting wastes, butt rolls and mill wrappers, obsolete inventories, and rejected unused stock. Recovered paper material, however, shall not include fibrous wastes generated during the manufacturing process such as fibers recovered from wastewater or trimmings of paper machine rolls (mill broke), or fibrous byproducts of harvesting, extractive or woodcutting processes, or forest residues such as bark.

Minimum Content Standard. The following categories of paper must contain the minimum percentages of material listed under both “Recovered Material” and “Postconsumer Material” included within the total “Recovered Material” percentage. When utilizing a category of paper not listed below, the paper shall contain the highest percentage of recycled paper available.

Paper Category	Minimum Percentage of “Recovered Material”	Minimum Percentage of “Postconsumer Material”
High-speed Xerographic	50	10
Bond Paper	50	10
Cover Stock	50	10
Envelopes	50	10

TO: City Manager
 VIA: Finance Director

City of Davis
 Request for Budget Adjustment

Agenda Item: 04A
 City Council Meeting Date: 4/18/2017

FROM:

Dept Head Diane Parno 4/12/2017
 Signature and Date

I request the following budget adjustments:

A. Internal Transfers of Currently Appropriated Funds:

TRANSFERS FROM PROGRAM NAME	FUND NO.	DIV/PROG.	ACTIVITY	ELEMENT/ OBJECT	AMOUNT (CR)
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
TOTAL					_____

B. New Appropriation's Source of funding/Revised Revenue Change:

Unallocated Reserve	Cable Fund			150	\$86,000
		Fund Name		Fund No.	
		FUND NO.	DIV/PROG.	ACTIVITY	ELEM/OBJ
New/Revised Revenue Account	_____	_____	_____	_____	_____
		Revenue Account Number			
New/Revised Revenue Account	_____	_____	_____	_____	_____
		Revenue Account Number			
TOTAL					_____

C. Allocation of Internal Transfers and/or New Appropriations:

TRANSFERS TO PROGRAM NAME	FUND NO.	DIV/PROG.	ACTIVITY	ELEMENT/ OBJECT	AMOUNT (DR)
Economic Development	150	1140	410	4550	\$66,700
Legal Services	150	1140	410	4502	\$5,000
Public Works CIP Administration	002	8110	410	4506	\$1,800
Public Works Mapping	150	7650	490	4506	\$12,500
_____	_____	_____	_____	_____	_____
TOTAL					\$86,000

D: Reason For Adjustment (Explain fully. Attach sheet if necessary.)

This budget adjustment implements City Council direction to identify and evaluate options to increase broadband access in the community. Council resolution authorized the Request for Proposals to prepare a Citywide Fiber Optic Network Feasibility Study, (RESOLUTION NO. 15-131). Allocation of \$86,000 from the Cable Fund will cover the \$66,700 cost for consultant services to prepare the feasibility study, estimated \$5,000 for related legal services and \$14,300 cost for consultant services to map the location of existing city conduit. (Public Works PO 074522 for \$1,800 and PO 074752 for \$12,500)

FINANCE DIRECTOR

CITY MANAGER

A. Funds have been appropriated & are available.

A. Approved
 Disapproved

B. Funds have been appropriated.
 Funds must be appropriated.

B. City Council appropriated funds.
 City Council informed of revised revenue estimate.

Kelly S. Hitchcock
 Signature and Date

 Signature and Date

Date: 4/12/17

BA No. 96

Posted By: _____