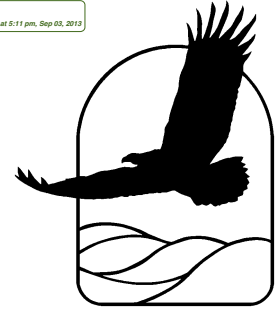


**City of Watsonville**  
***Public Works And Utilities***

**M E M O R A N D U M**

APPROVED  
By Carlos J. Palacios at 5:11 pm, Sep 03, 2013



**DATE:** August 27, 2013

**TO:** Carlos J. Palacios, City Manager

**FROM:** Steve Palmisano, Interim Director of Public Work and Utilities  
Mark Lamoreaux, Information Technology Manager  
Robert Berry, Project Manager

APPROVED  
By Steve Palmisano at 1:52 pm, Aug 28, 2013

**SUBJECT:** Approval of Plans and Specifications and Calling for Bids for the  
Citywide Fiber Optic Project, Phase 1, Project No. ST-13-07

**AGENDA ITEM:** September 10, 2013

**City Council**

**RECOMMENDATION:**

It is recommended that the City Council approve a resolution approving plans and specifications and calling for bids for the Citywide Fiber Optic Project, Phase 1, Project ST-13-07. Bids will be opened at 11:00 A.M. on Tuesday, October 8, 2013.

**DISCUSSION:**

**Background.** The City currently receives fiber optic data services at no cost as part of the original franchise agreement with Charter Communications. However, on June 30, 2014 this franchise agreement will expire and the service will no longer be free.

The fiber optic system provides data and communication services at many City and other public facilities, and provides essential technology services throughout the City. Some of the more critical systems include internet access, data connection, security systems, and gate controls for all City facilities. It also includes wireless access for the public at City facilities, and a wireless system used by the Police Department to access secure data at remote locations throughout the City.

City staff has identified two options to address the loss of this free fiber optic service.

1. The City can choose to build its own fiber optic system, or
2. The City may continue utilizing the Charter fiber optic system through a lease agreement.

Staff recommends investing in a Citywide fiber optic system as the most cost-effective solution, as discussed below.

**The Proposed Project.** The Citywide Fiber Optic project would involve running new fiber optic lines to critical locations throughout the City. This would be completed by upgrading existing conduits and

utility boxes and installing new conduits by directional boring. Once Phase 1 is completed, new fiber optic lines would be installed to the following locations:

- Watsonville High School
- Veterans Building
- Fowle Reservoir
- Freedom Library
- Fire Station 2 / Watsonville Airport

**Estimated Project Cost:**

Project Phase	Scope of Work	Estimated Cost
Phase 1 (September 2013)	Running new conduits to critical locations; Repairing and upgrading existing conduits and utility boxes that were previously installed for other uses such as traffic signals.	\$300,000
Phase 2 (January 2014).	Installation of new fiber optic lines from the City Information Technology office to Fowle Reservoir, Watsonville High School, the Veterans Building, the Airport and Fire Station 2.	\$180,000
Total Cost		\$480,000

***Lease Option.*** An alternative to the City installing its own fiber optic system is to lease the service with Charter Communications under a new pricing schedule.

Charter provided quotes for two levels of service.

1. The Reduced Level of Service would provide the absolute minimal communications and data needs for the City, and could result in a reduction in a number of services, such as eliminating security cameras at a number of locations.
2. The Current Level of Service provides the same level of service that the City currently has, would support current and future technology needs, and would provide an equivalent level of service as compared to the Citywide Fiber Optic Project.

Lease Options	1 year	5 years	10 years	15 years	20 years
1. Charter Lease: Reduced Level of Service	\$43,115	\$215,575	\$431,150	\$646,725	\$862,300
2. Charter Lease: Current Level of Service	\$149,153	\$745,764	\$1,491,530	\$2,237,295	\$2,983,060

***Recommended Alternative.*** The proposed Citywide Fiber Optic project is recommended as the most cost-effective solution. In addition, it would provide a valuable communications and data infrastructure asset to the community. The project would pay for itself within 11 years, based on current lease prices from Charter. Alternatively, if the City chose to lease this service from Charter, these costs would continue into perpetuity.

In addition, staff has already started discussions with several entities that are interested in leasing surplus fiber optic capacity that would be available as a result of this project, including the Santa Cruz Metro, Cruzio, and Salud Para La Gente. This additional revenue would result in a shorter cost-recovery period.

**STRATEGIC PLAN:**

This project supports the strategic goal of improving the City's infrastructure.

**FINANCIAL IMPACT:**

The cost of Phase 1 is estimated to be \$300,000, and the cost of Phase 2 is estimated to be \$180,000, for a total project cost of \$480,000. The project requires a budget appropriation of \$480,000, and would be initially funded by the Library and Water Enterprise funds, although each of the City departments would contribute a proportionate share of the project costs based on benefit and use. A more detailed funding plan will be presented at a future meeting, as part of the Council's decision to authorize the project for construction.

**ALTERNATIVES:**

Council can choose not to approve the Citywide Fiber Optic project, and could choose to proceed with a lease agreement with Charter.

**ATTACHMENTS:**

1. Project Map

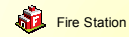
cc: City Attorney

# Fiber Infrastructure



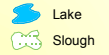
## City of Watsonville

### Legend



#### Conduit

- Existing Conduit
- Proposed Conduit
- Existing Fiber Optic Path
- Street
- Streams
- Levee

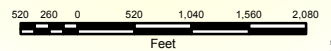


#### Target Locations

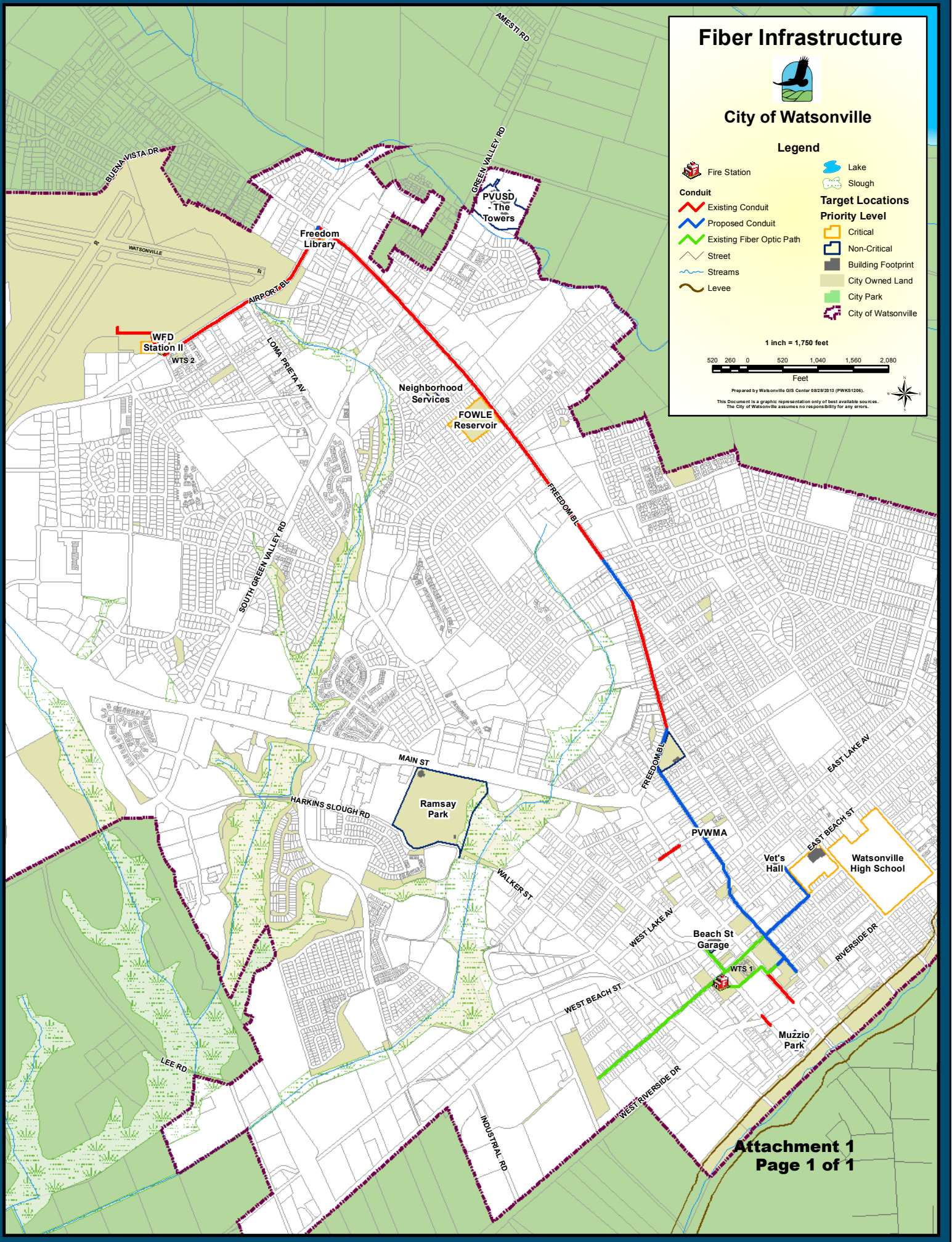
##### Priority Level

- Critical
- Non-Critical
- Building Footprint
- City Owned Land
- City Park
- City of Watsonville

1 inch = 1,750 feet



Prepared by Watsonville GIS Center 08/29/2013 (PWK31206).  
This document is a graphic representation only of best available sources.  
The City of Watsonville assumes no responsibility for any errors.





**RESOLUTION NO. \_\_\_\_\_ (CM)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING PLANS AND SPECIFICATIONS AND CALLING FOR BIDS FOR THE CITYWIDE FIBER OPTIC PHASE 1, PROJECT NO. ST-13-07 AND AUTHORIZING A \$480,000 BUDGET APPROPRIATION: \$240,000 FROM LIBRARY ENTERPRISE FUND AND \$240,000 FROM WATER ENTERPRISE FUND**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:**

1. That the plans and specifications for the Citywide Fiber Optic Phase 1, Project No. ST-13-07, copies of which are on file in the Office of the City Clerk, are hereby ratified and approved.
2. That the Purchasing Officer is hereby authorized and directed to call for public competitive sealed bids for the above named project, and that the bids are to be opened in the City Hall Council Chambers, 250 Main Street, Watsonville, California, on Tuesday, October 8, 2013, at 11:00 A.M., and the City Clerk is hereby directed to give notice inviting such sealed bids in the time, form, and manner provided by law.
3. That hand-carried bids should be delivered to the City of Watsonville, 250 Main Street, Watsonville, California, c/o Purchasing Officer. Bidders may mail bids at their own risk to the City of Watsonville, c/o Purchasing Officer, 250 Main Street, Watsonville, California 95076.
4. That after the bids are opened, they shall be tabulated and analyzed and a report submitted to the City Manager, who shall recommend the awarding, or other action, to the Council at its next regular meeting, or as soon thereafter as possible.
5. That the budget appropriation of \$480,000: \$240,000 from Library Enterprise Fund and \$240,000 from Water Enterprise Fund is hereby authorized.

\*\*\*\*\*