



DATE: November 19, 2019

TO: Mayor and City Council

FROM: Deputy City Manager
Director of Public Works

SUBJECT: Adopt a Resolution Approving Plans and Specifications and Call for Bids for the Hayward High-Speed Fiber Optic Network Installation Project

RECOMMENDATION

That Council adopts a resolution (Attachment II) approving the plans and specifications for the Hayward High-Speed Fiber Optic Network Installation Project Phase 1 No. 07275 and calling for bids to be received on December 17, 2019.

SUMMARY

This project includes three phases that will link critical services to support business activity and growth by utilizing nine miles of the existing City conduit network and adding eleven miles of conduit and cabling for a dark fiber network. Phase 1 will add 3.4 miles of new conduit and cabling along with supporting pull boxes at an estimated total project cost of \$4,218,392. Future phases 2 & 3 will add an additional 7.6 miles of conduit and cabling to complete the loop. Attachment II provides a map showing the locations of each phase. Staff requests that Council approve the plans and specifications and call for bids to be received on December 17, 2019.

BACKGROUND

The City's Industrial Corridor is home to more than 5,100 businesses that employ nearly 47,500 workers. This corridor is expected to grow as an economic and employment center and evolve to achieve a healthy balance of traditional manufacturing and information-and-technology based uses.

Given the importance of the Industrial Corridor, the City has made it a priority to enable greater fiber-based connectivity for its numerous businesses located in the corridor and for attracting new business. To achieve this, the City intends to deploy a municipally owned high-speed fiber optic network to serve existing and future businesses within the corridor.

On April 25, 2017, Council approved and accepted U.S. Department of Commerce Economic Development Administration (EDA) Grant No. 07-01-07286 and appropriated General Fund money and City right-of-way land value contributions to fulfill the EDA grant match requirements. At that time, the total project cost was estimated at \$5,489,648 with an EDA grant of 50% (\$2,744,824). The City's 50% match consisted of \$2,185,765 in City right-of-way valuation and \$559,059 of General Fund contributions.

On July 18, 2017, Council approved and adopted the Fiber-Optic Master Plan formulated by staff and the City's fiber optic technology consultant, CTC Technology and Energy. The Fiber-Optic Master Plan serves as a visionary document that sets the overarching goals and objectives for deploying a fiber-optic network in the City. The Fiber-Optic Master Plan defined and evaluated potential fiber optic network routes. These routes were used as preliminary design requirements for this project.

On June 26, 2018, Council awarded a Professional Services Agreement to Kimley-Horn for the design and preparation of construction documents for the proposed eleven miles of new conduit and cabling for construction bidding purposes.

On August 21, 2019, EDA approved the City's proposed re-scoping of the project to construct only Phase 1. The project budget of \$4,218,392 for Phase 1 is funded by the \$2,744,824 grant by the U.S. Department of Commerce Economic Development Administration (EDA) and a 35% (\$1,473,568) match by the City. The City match consists of \$1,146,000 in City right-of-way valuation in addition to \$327,568 of City funds.

DISCUSSION

This project includes three phases that will link critical services to support business activity and growth by utilizing the nine miles of the existing City conduit network and adding eleven more miles of conduit and cabling for a dark fiber optic network. A dark fiber optic network is a City-owned and maintained conduit and fiber optic cabling that is "dark" until a private partnership is established to "light" the fiber optic network. The private partner will be responsible for installing and maintaining all required network electronics, customer equipment, marketing, and customer contracts. Phase 1 will add 3.4 miles of new conduit and cabling along with supporting pull boxes at an estimated total project cost of \$4,218,392. Future phases 2 & 3 will add an additional 7.6 miles of conduit and cabling to complete the high-speed fiber optic network "loop." Attachment III provides a map showing the locations of each phase and the "loop".

The project is categorically exempt under Section 15303 (d) of the California Environmental Quality Act Guidelines for the new construction of small structures.

Staff is requesting Council approval of the plans and specifications and call for bids to be received on December 17, 2019.

ECONOMIC IMPACT

This project, known as “Highspeed Hayward” will connect Hayward’s existing science, technology, and engineering sectors to high speed gigabit networks while serving as another amenity to attract new business investment in the City.

FISCAL IMPACT

On April 25, 2017, Council approved Resolution 17-043 that authorized a commitment of \$559,059 from the General Fund, \$350,000 of which came in the form of a transfer from the Economic Development Division budget towards the project. These funds, in addition to the contributions of right-of-way and grant funds received by the City, appear to be sufficient to cover associated costs based on estimated Phase 1 project costs as demonstrated below of \$4,218,392. Additionally, the contribution of \$1,146,000 in right-of-way valuation along with \$327,568 of City funding towards project costs will meet the 35% local match requirement included as a provision of the grant. Funding for this work specifically will come from the General Fund contribution to the grant, which has already been appropriated and allocated by the Council to Fund 731, Project 07275.

The estimated project cost is as follows:

Design and Prepare Construction Documents	\$380,000
Phase 1 - Construction Costs	\$1,496,000
Phase 1 – Inspections	\$88,448
City Match Right-of-Way Security Interest Contribution	\$1,146,000
Administrative Costs	\$113,000
Title Work, Appraisals & Miscellaneous Items	\$83,000
Contingencies (Construction and Administrative)	<u>\$911,944</u>
Total	\$4,218,392

STRATEGIC INITIATIVES

This agenda item is a routine operational item and does not relate to one of the Council’s Strategic Initiatives.

SUSTAINABILITY FEATURES

This project requires directional underground boring instead of traditional open trench construction which satisfies the following General Plan policies:

- NR-2.3 Emissions Reduction
- NR-2.4 Community Greenhouse Gas Reduction
- PFS-7.5 Municipal Waste Reduction

NEXT STEPS

If Council adopts the attached resolution and approves the plans and specifications, and call for bids, the tentative construction schedule of the project will be as follows:

Open Bids	December 17, 2019
EDA Approval of Award of Construction Contract	January 11, 2020
Council Award Contract	January 28, 2020
Begin Construction	February 25, 2020
Complete Construction	September 2020

Prepared by: Alex Tat, Associate Civil Engineer
Kathy Garcia, Deputy Director of Public Works

Recommended by: Jennifer Ott, Deputy City Manager
Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager