



Agenda
City of Lucas
Technology Committee Meeting
December 10, 2019
7:00 PM

City Hall - 665 Country Club Road – Lucas, Texas

Notice is hereby given that a meeting of the Technology Committee will be held on Tuesday, December 10, 2019 at 7:00 pm at Lucas City Hall, located at 665 Country Club Road, Lucas, Texas 75002-7651 at which time the following agenda will be discussed.

Call to Order

- Roll Call
- Determination of Quorum
- Reminder to turn off or silence cell phones
- Pledge of Allegiance

Citizen Input & Open Discussion

The Citizen Input portion of the agenda is an opportunity for the public to address the Technology Committee on any subject. By completing a "Request to Speak" form and submitting to the City Secretary, citizens have an opportunity to speak at the Technology Committee meeting.


1. Citizen Input (**Technology Committee Chairman Paul Rathgeb**)

Regular Agenda

2. Consider approving the minutes of the November 12, 2019 Technology Committee meeting. (**Technology Committee Chairman Paul Rathgeb**)
3. Review the Request for Proposal (RFP) to acquire the services of a consultant to prepare and complete a study for a broadband design and financial model. (**Technology Committee Chairman Paul Rathgeb, Assistant to the City Manager Kent Souriyasak**)
4. Adjournment.

Certification

I do hereby certify that the above notice was posted in accordance with the Texas Open Meetings Act on the bulletin board at Lucas City Hall, 665 Country Club Road, Lucas, TX 75002 and on the City's website at www.lucastexas.us on or before 5:00 p.m. on December 5, 2019.



Kent Souriyasak, Assistant to the City Manager

In compliance with the American with Disabilities Act, the City of Lucas will provide for reasonable accommodations for persons attending public meetings at City Hall. Requests for accommodations or interpretive services should be directed to City Secretary Stacy Henderson at 972-912-1211 or by email at shenderson@lucastexas.us at least 48 hours prior to the meeting.



City of Lucas Technology Committee Request December 10, 2019

Item No. 01

Requester: Technology Committee Chairman Paul Rathgeb

Agenda Item Request

Citizen Input

Background Information

NA

Attachments/Supporting Documentation

NA

Budget/Financial Impact

NA

Recommendation

NA

Motion

NA



City of Lucas Technology Committee Request December 10, 2019

Item No. 02

Requester: Technology Committee Chairman Paul Rathgeb

Agenda Item Request

Consider approving the minutes of the November 12, 2019 Technology Committee meeting.

Background Information

NA

Attachments/Supporting Documentation

1. Minutes of the November 12, 2019 Technology Committee meeting

Budget/Financial Impact

NA

Recommendation

NA

Motion

I make a motion to approve the minutes of the November 12, 2019 Technology Committee meeting.



City of Lucas

Technology Committee

Regular Meeting

November 12, 2019

7:00 PM

City Hall – 665 Country Club Road – Lucas, Texas

MINUTES

Call to Order

Chairman Rathgeb called the meeting to order at 7:00 pm. It was determined that a quorum was present.

Committee Members Present:

Chairman Paul Rathgeb
Member George Brody
Member Dennis Scully
Member Troy Dechant

City Staff Present:

City Manager Joni Clarke
City Secretary Stacy Henderson
Assistant to the City Manager Kent Souriyasak
Bill Baxter, City IT Consultant

Committee Members Absent:

Vice Chairman Jamie Gibson

City Council Liaison Present:

Councilmember Debbie Fisher

Regular Agenda

1. Citizen Input.

Steve Preston, 1525 Bee Caves asked if there was a plan to replace Frontier as he had heard they were going bankrupt.

Chairman Rathgeb stated the City had no plans on replacing Frontier.

2. Consider approving the minutes of the October 8, 2019 Technology Committee meeting.

MOTION: A motion was made by Mr. Brody, seconded by Mr. Scully to approve the minutes as presented. The motion passed unanimously by a 4 to 0 vote.

3. Provide a summary of the Broadband Communities Conference.

Assistant to the City Manager Kent Souriyasak provided a recap of the Broadband Conference attended by Chairman Rathgeb and Mr. Souriyasak. The conference focused on government broadband, federal funding, financial modeling and public private partnerships. Mr. Souriyasak stated they were able to network with various vendors that could provide insight on moving forward with Request for Proposals for Lucas to provide their own broadband network.

Chairman Rathgeb discussed federal funding for rural and low-income areas that Lucas did not qualify for because Lucas was not considered rural given their close proximity to a metropolitan area.

There was no formal action on this item, it was for discussion purposes only.

4. Discuss key content and details regarding the scope of work to be included in the City of Lucas Request for Proposal (RFP) to acquire the services of a consultant to prepare and complete a broadband feasibility study.

Assistant to the City Manager Kent Souriyasak stated that in order to help prepare scope of work content for the RFP and generate interest, discussions had been facilitated with Magellan Advisors, Vantage Point, Blackhat Unwired, and Fujitsu. Mr. Souriyasak discussed the scope of work items to be included in the RFP such as the cost of fiber, fiber length, installation, and equipment needs. A data center would be needed in the future and costs associated with the data center relating to electrical and HVAC requirements along with racks, cabling, conduit and other equipment. Mr. Souriyasak discussed marketing and branding that would be part of the request for proposal.

Chairman Rathgeb discussed the financial model that was needed in order to determine how much funding would be needed for bond proposals. Chairman Rathgeb discussed the data center that would be needed in the future, operational costs that could be outsourced, and third-party access to the network in the future. Chairman Rathgeb stated that the RFP would propose a 20-year financial model with an initial five-year, three phase plan.

The Committee discussed fiber options to be included in the RFP, feasibility studies, and implementation processes.

Mr. Souriyasak discussed the timeline with the Committee and reviewed deadlines for RFP submittals, review, making vendor recommendations, and taking a recommendation before the City Council for vendor consideration to coincide with a May 2021 bond election.

Josh Mercer, 950 Honeysuckle, Lucas came forward to provide some guidance on items that could be placed in the RFP, such as city assets and what the city had to offer network vendors. Mr. Mercer suggested speaking with anchor customers such as Walmart and Lovejoy High School, and have the consultant hold meetings with the public.

There was no formal action taken on this item, it was for discussion purposes only.

5. Adjournment.

MOTION: A motion was made by Mr. Dechant, seconded by Mr. Scully to adjourn the meeting at 7:57 pm. The motion passed unanimously by a 4 to 0 vote.

Paul Rathgeb, Chairman

Stacy Henderson, City Secretary



City of Lucas

Technology Committee Request

December 10, 2019

Item No. 03

Requester: Technology Committee Chairman Paul Rathgeb
Assistant to the City Manager Kent Souriyasak

Agenda Item Request

Review the Request for Proposal (RFP) to acquire the services of a consultant to prepare and complete a study for a broadband design and financial model.

Background Information

The goal of the RFP is to acquire the services of a consultant to provide a high-level design and financial model for existing and future broadband needs. The broadband study will assess the cost of installation, operation, and maintenance of a broadband network; and the revenues generated from retail services and third-party network access. The deliverables for the study will include a financial model that allows dynamic adjustments in cost and revenue assumptions across a recommended time horizon (i.e. 20 years, 30 years). The potential vendors who may be interested in responding to the RFP include Fujitsu Network Communications, Magellan Advisors, Lit Communities, Vantage Point, and Blackhat Unwired.

The anticipated schedule for the RFP process is:

<u>ACTIVITY</u>	<u>PLANNED DATE</u>
RFP Published	December 16, 2019
Q&A	January 8, 2020
Proposals Due	January 24, 2020
Proposal Review	January 25 – February 10, 2020
Proposal Recommendation (approval by Technology Committee)	February 11, 2020
Proposal Selection (approval by City Council)	February 20, 2020
Award Notification	February 24, 2020
Kickoff Meeting & Work Session	To Be Determined
Draft Study Report	May 2020
Final Study Report	June 2020

Chairman Paul Rathgeb and Assistant to the City Manager Kent Souriyasak prepared key content to be included in the RFP which was reviewed by the Technology Committee at the November 12, 2019 meeting. The draft of the RFP is currently under review by the City Attorney and any applicable changes will be made to the RFP after the review process. The Committee will receive a copy of the revised RFP prior to the December 10, 2019 meeting.



City of Lucas Technology Committee Request December 10, 2019

Attachments/Supporting Documentation

1. Draft RFP for Broadband Design and Financial Model

Budget/Financial Impact

NA

Recommendation

NA

Motion

There is no motion required.

REQUEST FOR PROPOSAL (RFP)

BROADBAND DESIGN AND FINANCIAL MODEL



**CITY OF LUCAS
665 Country Club Road
Lucas, Texas 75002**

I. INTRODUCTION

The City of Lucas, Texas, is accepting proposals from qualified firms for a Broadband Design and Financial Model. The purpose of the study is to provide a high-level design and financial model for existing and future broadband needs. The study will assess 1) the cost of installation, operation, and maintenance of a broadband network; and 2) the revenues generated from retail services and third-party network access. The Work Product Deliverables for the study will include a financial model that allows dynamic adjustments in cost and revenue assumptions across a recommended time horizon.

The anticipated schedule for the RFP process is:

<u>ACTIVITY</u>	<u>PLANNED DATE</u>
RFP Published	December 16, 2019
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Award Notification	February 24, 2020
Kickoff Meeting & Work Session	To Be Determined
Draft Study Report	May 2020
Final Study Report	June 2020

II. BACKGROUND INFORMATION

The City has a 2010 census population of 5,166 and estimated 2018 population of 7,955. The community is growing two percent annually and has added 68 homes to the City and 94 homes to its extraterritorial jurisdiction in 2018. There are currently 2,127 households located within the City. The community has been experiencing the expansion of residential neighborhoods since 1996. The median household income is \$151,188 (in 2017 dollars) and the average market value of homes is \$624,357 (based on 2019 certified taxable values from the Collin Central Appraisal District). The community primarily comprises of large residential lots and low-density housing. The City holds minimal commercial activity and continues to remain as a bedroom community within the Dallas metroplex.

In 2018, the City conducted a Technology and Communication Survey which received a total of 400 responses regarding current Internet service and satisfaction levels. In 2019, the City developed an Internet speed test to collect data from residents who reported actual Internet speeds, current providers, types of infrastructure, and address location. There were 503 household responses which makes up approximately 24 percent of total households. The Internet speed test mapped geolocation reports of Internet speeds and service providers on a single map of the City. Based on the reported data, the results showed that over 60 percent of households had a downlink data rate below 25 Mbps and an uplink data rate below 10 Mbps.

The Internet speed test revealed reports of 25 Internet service providers throughout the City. The southern section of the City consists of households with quality broadband service that is mainly provided by Frontier Communications. The northern section of the City consists of underserved areas with multiple providers servicing various households. The infrastructure within these underserved areas range from fiber and copper lines to wireless equipment. There is no clear indication or confirmation from incumbent Internet service providers on where their infrastructure is installed.

Many new and developing subdivisions have installed fiber optic cables; however, this situation leaves older households with inadequate Internet service and the inability to access any nearby broadband infrastructure. The City's Technology Committee has contacted AT&T, Frontier Communications, Suddenlink, Rise Broadband, Grayson Collin Communications, etc., to discuss possible solutions to improve Internet service throughout the City. The consensus amongst incumbent providers regarding improving Internet service throughout the City is that no private sector entity shows any interest in utilizing its own capital to deploy broadband resources to support high speed Internet access due to low density housing.

III. SPECIAL CONSIDERATIONS

The City is considering the possibility of a municipally owned broadband network and offering Internet service as a public utility. Although Fiber to the Premise (FTTP) would be the optimal solution, it is not the City's intent to limit the study to FTTP only. While FTTP is certainly one of the primary options to consider, the consultant should review other commercially available technologies. The consultant should also note the advantages and disadvantages of technologies that offer lower service levels that may become obsolete much earlier than fiber.

Although the study should include information on high speed Internet offerings of incumbent providers and market rate competition, the City is not concerned at this time with creating a residential survey and customer satisfaction with incumbents. The commonly performed customer surveys and related feasibility analysis are not requested at this time.

The consultant must specify in the response to this RFP the technology solutions it intends to recommend to the City and the reasons supporting this recommendation. The City anticipates that funding for a possible broadband network will be funded through municipal bonds.

IV. SELECTION PROCESS

The selection of the consultant will be accomplished through the following process by the City:

1. City staff and the Technology Committee will review all proposal submittals. Selection may be made strictly from the information provided in the RFP. However, the City reserves the right to conduct interviews with, and request presentations from any, all or some respondents.

2. The Technology Committee will meet in a public forum to discuss and select the proposal for recommendation to the City Council to consider hiring the services of a consultant to conduct a broadband feasibility study and financial model.
3. Selection of the most qualified consultant will be based upon qualifications following the submission requirements.
4. The City Council will consider the Technology Committee's recommendation for the selected proposal and, if approved, City staff will send out the award notification to the selected consultant.
5. Contract negotiations with the consultant that was selected as the most highly qualified to arrive at a mutually acceptable (fair and reasonable) contract price based on the proposal fee submitted as part of the submission requirements. If the City and consultant are unable to reach such an agreement, negotiations will cease, and negotiations will begin with the proposer chosen as the next most qualified provider and so on until an agreement is reached.

V. SCOPE OF WORK

The primary scope of work is a dynamic, adjustable Financial Model that will span a recommended time horizon which will allow the City to consider the affordability of a broadband network. While the City is not directly requesting a detailed plan and design for the installation, operation and maintenance of a broadband network, the consultant is expected to provide supporting evidence for its Financial Model, including all assumptions made and the bases for those assumptions. As such, the consultant should perform sufficient planning and design to support its Financial Model.

A. Assumptions

The following assumptions are provided by the consultant as an example of what may be expected to receive if selected. Additional assumptions may be provided or developed in a kickoff working session after the City selects the prevailing proposer.

- Data gathered through the City's 2018 Technology and Communication Survey and the 2019 Internet Speed Test.
- GIS data from the City relating to existing water and utility right-of-way and easements.
- Broadband network will support access to customers for multiple advanced services providers (e.g. data, telephony, telemetry, etc.).
- Broadband network will support multiple third-party providers for backhaul (e.g. 5G, WISPs, etc.).

- Project is a complete “green field” deployment with no existing equipment, staff, organization, or infrastructure of any kind.
- Other assumptions to be determined with the selected consultant during Kickoff Meeting and Work Session, and as required.

B. Work Product Deliverables

The primary Work Product Deliverable is an adjustable, dynamic Financial Model. However, various basic supporting information and assumptions used to develop this model are expected. The deliverables may include but are not limited to 1) risks and recommendations toward a successful broadband deployment; 2) ongoing broadband operations and maintenance; and 3) miscellaneous details.

C. Adjustable, Dynamic Financial Model

The City does not specify the format of the Financial Model. The proposer can select any format desired which may be an Excel spreadsheet, web-based, or other application. However, the model must be dynamic and easily adjustable by the City to determine various financial scenarios. The consultant will populate the Financial Model with all costs and revenues for all categories and components to provide results and recommendations.

The consultant will provide recommendations to the City that should include full financial feasibility for broadband deployment across a recommended time horizon desired by the City. Additionally, the consultant will work with City to refine the recommendations based upon various scenarios with respect to structuring funding to support a broadband deployment.

As such, the Financial Model must deliver the following:

- Model must allow entry of costs and revenues preferably by month or quarter across a recommended time horizon.
- Costs and revenues need to be groupable by categories to be determined by the City and selected consultant at the Kickoff Meeting and Work Session.
- Model must yield graphs of costs and revenues, separate or together, over time and by category.
- Model must yield summary tables by component or category.
- Model must yield cost and revenue schedules (i.e. amortization tables) across time as desired by the City.

D. Assumptions and Supporting Information

The consultant should provide a list of all assumptions driving the Financial Model that is recommended. These assumptions must be rooted in reality; reflect a realistic timeframe in which a cost or revenue is realized; and all supporting information to justify the assumptions are expected to be included.

The consultant should fully support its recommended Financial Model and be prepared to make dynamic adjustments and adaptations with the City upon delivery of the work product.

A non-exhaustive list of assumptions and supporting information is below:

- Fiber network plan and deployment
- Right-of-way assumptions and estimates
- Real estate assumptions and estimates
- Physical facilities summaries and costs
- Network-related equipment summaries and costs
- Maintenance equipment summaries and costs
- Organization personnel requirements and related cost estimates
- In-source and out-source recommendations and related cost estimates
- Operating income and cash flow
- Projected revenues and benefits
- Expected and minimum take rates
- Operational expenses
- Depreciation schedule
- Construction build-out cost estimates
- Networking design (i.e. preferred equipment, technologies, and topology design strategies)
- Product offerings and pricing structure
- Consumer and business retail pricing plans (i.e. installation fee and recurring access charge by tier)
- Market place pricing plans
- Web site design
- Branding, communications and marketing strategies
- Network implementation duration and timing
- All other assumptions and supporting information

E. Risks and Recommendations

The consultant should provide a detailed list of key recommendations with detailed rationale for those recommendations. Similarly, the consultant should provide a list of risks associated with the project, as recommended by Contractor, with detailed rationale for those risks. Inasmuch as possible, the consultant should quantify the recommendations and risks, including probability of occurrence.

F. Miscellaneous and Other

The consultant is encouraged to provide as much information as possible, including that not specifically requested in this document, to ensure the City has full knowledge and understanding of the opportunities and risks associated with deploying a broadband network.

G. Funding Identification

Based on the recommendations for broadband deployment options, the consultant will identify and evaluate various resources that can be utilized by the City in the pursuit of a broadband network. These recommendations should consider municipal bonds, initial costs to the City, public-private partnerships, infrastructure investments, and any other municipal options for funding.

VI. SUBMISSION REQUIREMENTS

Interested and qualified firms are invited to submit a proposal that demonstrates their experience in performing projects of this scale and complexity. Qualified firms should submit one (1) electronic copy in PDF format of the completed proposal by 5:00 pm on Friday, January 24, 2020.

Please title your e-mail “[Firm Name] Proposal – Broadband Design and Financial Model” and send the proposal to:

Kent Souriyasak
Assistant to the City Manager
City of Lucas
kent@lucastexas.us
(972) 912-1213

All proposals should include documentation that include the following information:

- Profile of the firm’s principal and staff to be assigned to this project along with a brief description of experience and expertise offered by each firm member. This should include a designation of the project manager, and the resumes of the project manager, principal and staff having a major role in the project.
- A narrative project approach that conveys an understanding of the project objectives and scope of services, and how the firm will meet expectations for the study.
- A summary demonstrating the firm’s qualifications and ability to satisfy areas identified in the section “Scope of Work” and specifically, the firm’s ability to provide anticipated professional services as required to successfully complete the Broadband Design and Financial Model.

- A proposed cost of services and a timeline for completing the project to identify major deadlines.
- A list of successfully completed projects and current projects under development managed by the firm comparable to this project.

VII. EVALUATION FACTORS

Selection of the most qualified firm will be evaluated on the following criteria:

1. Direct professional experience with municipalities that offer or are considering broadband services;
2. Evidence of competent design, work plan, technical engineering capacity, and project management;
3. Demonstrated experience developing financial and business models for broadband initiatives;
4. Qualifications of assigned staff experienced with similar complex projects;
5. Responsiveness to the proposal, communicating an understanding of the overall project and services required;
6. Timeline for completion; and
7. Cost and clarity of project budget.

VIII. QUESTIONS

Any questions regarding this Request For Proposal shall be submitted to Kent Souriyasak, Assistant to the City Manager by e-mail at kent@lucatexas.us or phone at (972) 912-1213.