



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Digital Service and Open Government

Prepared by: Vinh Pham,
Digital Infrastructure Manager

City Manager Approval: 

TOPIC: GRANT FUNDED CANAL BROADBAND FEASIBILITY STUDY CONSULTING CONTRACT

SUBJECT: APPROVE AND AUTHORIZE THE CITY MANAGER TO NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH ENTRYPOINT NETWORKS, INC. TO COORDINATE AND PERFORM THE SERVICES REQUIRED TO CREATE THE WORK PRODUCTS OUTLINED IN THE LOCAL AGENCY TECHNICAL ASSISTANCE (“LATA”) GRANT AWARD FROM THE CALIFORNIA PUBLIC UTILITIES COMMISSION (“CPUC”) FOR THE SAN RAFAEL CANAL QUALIFIED OPPORTUNITY ZONE PROJECT IN THE AMOUNT NOT TO EXCEED \$182,120

RECOMMENDATION:

Staff recommends City Council approve and authorize the City Manager to negotiate and execute a professional services agreement in the amount not to exceed \$182,120 with EntryPoint Networks, Inc. to perform the services required to create the work products outlined in the contract and Digital Feasibility Study Proposal previously submitted and approved by the California Public Utilities Commission (CPUC) as a part of the City’s Local Agency Technical Assistance (LATA) grant application and award.

BACKGROUND:

In September 2022, the City of San Rafael, in partnership with the County of Marin, submitted a Local Agency Technical Assistance (LATA) grant application to the California Public Utilities Commission (CPUC) which was subsequently awarded. LATA grant funding was established to reimburse pre-construction expenses in advance of broadband deployment to unserved and underserved communities. The Canal neighborhood was identified as the underserved or potentially unserved community in San Rafael. LATA resources were awarded to analyze community needs, recommend capable models, prove feasibility, identify eligible funding sources, and assist with preparing the documentation necessary to apply for and receive state and/or federal funding assistance.

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

The reimbursable work products to be developed from this award include:

1. Data Collection: \$78,380
2. Market Analysis: \$33,800
3. High Level Design for Outside Plant and Interior Rental Units: \$36,140
4. Strategic Plan Document and Presentations: \$33,800

ANALYSIS:

The Canal neighborhood (including Census Tracts 1122.03 and 1122.04) in San Rafael has significantly lower household incomes than surrounding neighborhoods and a lower rate of broadband service subscription per household compared to average households in the City of San Rafael. Despite federal and state broadband maps indicating that the Canal neighborhood is “served” by incumbent providers Comcast and AT&T, a closer look at rates vs household income and access to existing providers indicates the neighborhood could be better served by increased access to infrastructure and internet services. The feasibility study that will be provided by EntryPoint Networks Inc. will include data collection and reliability tests to determine if it is recommended to pursue further state and federal grants to subsidize broadband development in the neighborhood.

The ‘data collection’ work to be performed will include statistically relevant resident and property owner surveys. Reliability and capacity tests for the area will be conducted and recorded by the residents from inside their living units. This work will be inclusive and granular in nature, providing a unique understanding around the challenges faced by tenants and institutional landlords with a focus on developing sustainable solutions that meet the needs of both.

As a part of business modeling and feasibility analysis, outside plant designs will leverage the State’s open access middle mile and include suggested property improvements and costs to deliver reliable broadband to each living unit within the high-density housing area. Achieving these outputs will be key to proving Broadband Equity, Access, and Deployment (BEAD) Program eligibility into the living units.

As the final work product, the strategic plan document and presentations will catalogue and frame findings in actionable recommended next steps leading to fundable, pragmatic solutions for the area and beyond.

FISCAL IMPACT:

The contract amount of \$182,120 will be reimbursed from the LATA award. There is no additional fiscal impact associated with this action.

OPTIONS:

The City Council has the following options to consider on this matter:

1. Approve the EntryPoint Networks, Inc. contract and authorize the City Manager to negotiate and execute the agreement.
2. Do not approve the contract.

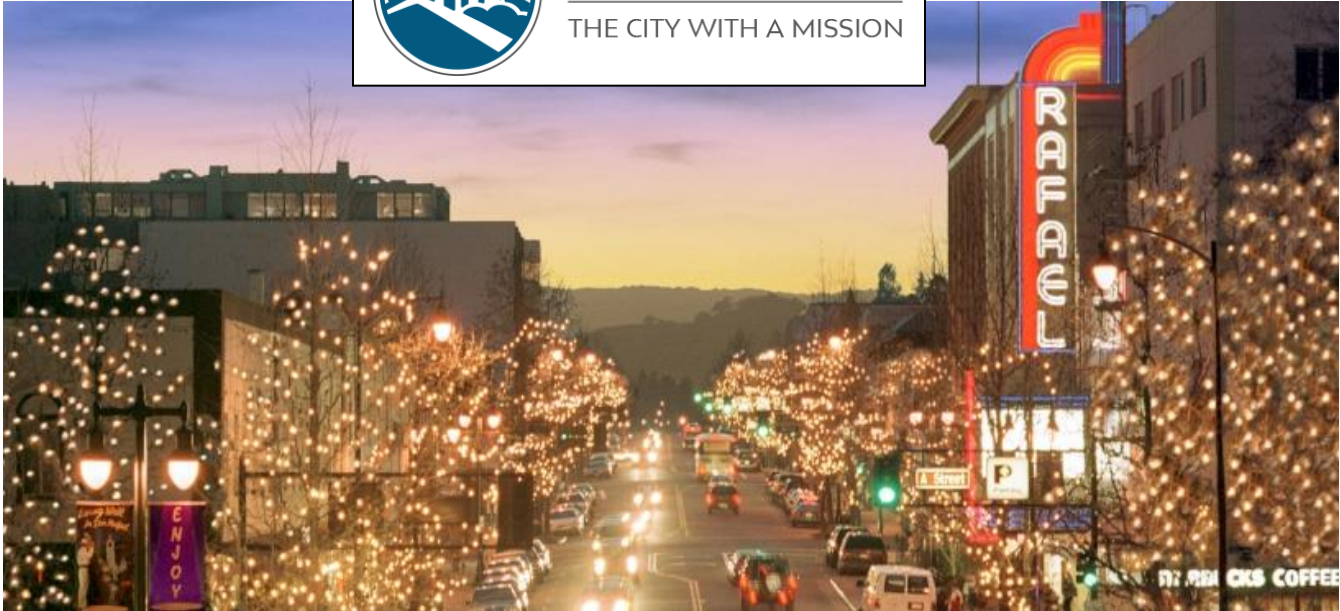
RECOMMENDED ACTION:

Staff recommends City Council approve and authorize the City Manager to negotiate and execute a professional services agreement in the amount not to exceed \$182,120 with EntryPoint Networks, Inc. to perform the services required to create the work products outlined

in the contract and Digital Feasibility Study Proposal previously submitted and approved by the California Public Utilities Commission (CPUC) as a part of the City's Local Agency Technical Assistance (LATA) grant application and award.

ATTACHMENTS:

1. EntryPoint Proposal



DIGITAL FEASIBILITY STUDY PROPOSAL

Submitted by



September 20, 2022

[Revised 02/28/2023]

SCOPE OF WORK

EntryPoint Networks Solution Services Group appreciates the opportunity to provide project leadership, management, design, and strategic planning for the City of San Rafael, California. This work will include the following work products for the San Rafael Canal Qualified Opportunity Zone:

1. Data collection and market analysis to include Geospatial files with data showing market data and other datasets including availability, price, and performance metrics. Resident and property owner survey development and execution to determine satisfaction, experience, affordability, to inform City actions or solutions. This work will be extensive and performed by a third-party subcontractor under EntryPoint's oversight.
2. High level design with an accompanying Bill of Materials (BOM) for a fiber to the address solution to be used for cost and feasibility analysis. Additional design work will be performed based on feedback obtained from rental property owners to outline potential solutions capable of delivering 1 gigabit connectivity to each rental living unit. The fiber to the address or MDU work will be performed by a third-party subcontractor under EntryPoint's oversight. The interior connectivity solutions will be developed by EntryPoint and documented with high level cost estimates as a part of the larger plan documentation.
3. Strategic recommendations will be developed and documented. Plan documentation shall include identifying gaps, potential solutions, challenges, costs, and recommended steps and paths to creating long term sustainable solutions, including suggestions to create natural incentives for stakeholders to support a solution capable of achieving the City's goals while at the same time managing these desired changes for the benefit of all.

Expected steps to develop and deliver these three deliverables are expected to include the following activities:

Data Collection (A-C) and Market Analysis (D&E)

- A. Data collection (statistically relevant)
 - a. Collect, catalogue, and correlate granular demographic data
 - b. Collect, catalogue, and correlate broadband market data for the area
- B. Develop and conduct surveys of area residents and property owners
 - a. Includes marketing to increase survey participation
 - b. Includes survey mailing and input of hard copies
- C. Map area to show potential funding sources based on data and program qualifications
- D. Inform strategy and information outputs with mapping and graphical representations of collected data
- E. Summarize findings to inform final report

High Level Outside Plant and Inside Plant Network Design

- A. Perform initial asset discovery to inform design
 - a. Obtain, review, and correct available data
 - b. Obtain, review, and approve public assets for use in design
- B. Coordinate design with Statewide middle mile
- C. Develop, review, document, and approve a 50+ year network architecture capable of supporting public, private and internet services securely and reliably to be used for design
- D. Perform high level design for outside fiber optic plant to the addresses
 - a. Review initial design outputs, provide corrections or improvements
 - b. Approve initial design once desired level of design efficiency is achieved
- E. Coordinate rental property owner input to develop in structure or building designs and strategies
 - a. Develop and document potential indoor architectures and designs
 - b. Analyze Pros and Cons for proposed solutions
- F. Document findings including high level cost estimates

Document Findings and Outline Strategic Recommendations

- A. Provide technical review of design inputs
 - a. Summarize findings in layman's terms
 - b. Create proforma financials for viable solutions that include:
 - i. Capital Costs
 - ii. Operational Costs
 - iii. Service Costs
 - iv. Municipal costs and responsibilities
 - v. Service provider costs and responsibilities
 - vi. Property owner costs and responsibilities
 - vii. Consumer costs and responsibilities
 - c. Develop, organize, and document strategic recommendations
 - d. Provide technical details in an appendix
- B. Document recommended infrastructure and network architecture and standards to assist with institutionalizing standards and planning in municipal processes
 - a. Provide some immediate tactical suggestions
 - b. Suggest potential interdepartmental collaborations
 - c. Clearly document the various levels of ownership and investment required by the city to implement solutions
- C. Present the final report and findings to City Leadership



PROJECT TIMELINES AND COSTS

EntryPoint’s proposed consulting fees for the outlined activities are presented in the table below. EntryPoint’s estimates assume that **MERIT Networks** will perform the data collection and inform the market analysis metrics as a subcontractor, and that outside plant design work will be performed by either **RUCON Engineering** and/or **Biarri Networks** as a subcontractor.

MERIT Network’s data collection and market analysis work is estimated as a not to exceed amount of \$78,380.

Outside plant and interior network design services is estimated as a not to exceed amount of \$32,460.

EntryPoint’s professional services costs are presented in the table below. The table separates specific task categories and the anticipated number of hours associated with each. EntryPoint’s Consulting Fees for these projects are based on a \$200.00 per hour rate, with a project cap of \$67,600.

Based on the estimated hours and EntryPoint’s current workload, this work will take approximately 8 - 10 months to complete.

Proposed Activities	Marketing	Design	Finance	Admin	Total
Data Collection and Market Analysis	14	2	4	10	30
Develop initial Scope of Work.	2				
Develop, review, and approve surveys.	4				
Coordinate collection and inform analysis.	4			2	
Review and approve deliverables.	4	2	4	8	
High Level Design	8	88	10	24	130
Coordinate design data collection.		4		2	
Develop, review, and approve architecture and standards		16		2	
Provide oversight for outside plant design iterations.		8		2	
Perform landlord engagements to inform interior designs.	4	40		10	
Develop, review, and approve interior design strategies.	4	20	10	8	
Strategic Plan Document	72	36	40	30	178
Provide strategic analysis for recommended solutions.	12	12	12	4	
Provide financial analysis for recommended solutions.		4	12	2	
Provide high level messaging recommendations for solutions.	8			4	
Provide recommended next steps including any immediate tactical recommendations.	4	4	4	8	
Provide supporting technical data as an appendix.	8	8	8	4	
Provide presentations to assist with community engagement and education.	40	8	4	8	
TOTAL HOURS = 338					



Total EntryPoint Hours = 338 @ \$200 per hour = \$67,600
Network Design Costs = 1300 Addresses, 2780 Living Units (OSP and in building) = \$36,140
MERIT Network Data Collection Costs = 819 HHP / 2271 Living Units = \$78,380
Total Cost = \$182,120 (not to exceed total project cap)

PROJECT TEAM

EntryPoint’s Municipal Digital Access consulting services are led by Bruce Patterson. Below is a list of the primary team members that would work with San Rafael Leaders, city staff, and community leaders on this project.

Bruce Patterson – Project Lead, Network Planning, Network Implementation, Network Operations

Jeff Christensen – Strategic Analysis, Risk Analysis, Business Model Analysis

Devin Cox – Market Analysis, Community Outreach and Engagement Planning, Market Surveys

Brad Banyai – Financial Analysis, Financial Proforma, Cost Structure, Cash Flow Analysis

PROJECT TEAM QUALIFICATIONS

Bruce Patterson – EntryPoint Networks, Head of Operations

Bruce Patterson is the Director of EntryPoint Solution Services. Mr. Patterson is the recognized thought leader behind the ‘Ammon Model’ which focuses on the separation of infrastructure from service both technically and economically, thereby allowing the infrastructure to be treated as a true public utility while enabling private competition for services. During his tenure at the City of Ammon, Bruce was responsible for the creation and management of the Ammon Fiber Network. He managed everything from strategy and implementation including legal, public process, financial, construction, and technical aspects. It is Bruce’s work that has led to the Ammon Fiber Network being identified as the “Best Fiber Optic Network in America”

As Director of EntryPoint Solution Services, Mr. Patterson assists municipalities with network planning, feasibility analysis, network design, cost projections, construction oversight and network operations and management. Mr. Patterson believes that municipal fiber networks can and should be used for applications that go beyond “fast internet”.

Jeff Christensen – EntryPoint Networks, President – Strategic Analysis, Risk Analysis, Business Model Analysis

Jeff Christensen is the President of EntryPoint Networks. Mr. Christensen has an M.S. in Management from Purdue University’s Krannert School of Management and a B.S. in Organizational Psychology from the University of Utah. Prior to Mr. Christensen’s tenure at EntryPoint he served as Chief Operating Officer at FutureVision Technologies and V.P. of Operations at Emdeon.

At EntryPoint, Mr. Christensen oversees ongoing research & development, manages strategic partnerships, oversees manufacturing collaboration, client relationships and deployments, business development, customer support, strategy development, and has been the Principal Investigator for a recently completed Department of Energy grant: *Edge Intelligence for Virtualization and Security in Open Networks*.

Devin Cox – EntryPoint Networks, EVP Business Development – Community Engagement & Market Research

Devin Cox is the EVP of Business Development at EntryPoint Networks. Mr. Cox has a Bachelor of Science degree in Business Communications from the University of Utah. Prior to Mr. Cox's tenure at EntryPoint he served as V.P. of Sales and Marketing at FutureVision Technologies and V.P. of Sales at Emdeon. At EntryPoint, Mr. Cox oversees sales, marketing, and client relations.

When deploying a municipal Digital Access network, proactive and effective community engagement is critical to both short-term and long-term success of the network. For this reason, Mr. Cox focuses a large part of his time working with clients on strategies and programs designed to drive network subscriber take-rates.

Brad Banyai – EntryPoint Networks, CFO – Network Financials and Funding Analysis

Brad Banyai is the Chief Financial Officer for EntryPoint Networks and oversees accounting, accounts payable, accounts receivable, RMA processing, and cash management. Prior to Mr. Banyai's tenure at EntryPoint he served as President of FutureVision Technologies and V.P. of Product Management at Emdeon. Mr. Banyai produces the Proforma Financials for each of the Digital Access Master Plans we produce for the municipalities we work with.

Julie Burkhart – EntryPoint Networks, Sr. Content Strategist & Writer

Ms. Burkhart has for-profit, non-profit, and higher education experience. She is currently a Sr. Content Strategist & Writer for EntryPoint Networks.

Before joining EntryPoint, Ms. Burkhart was the National Association of Corporate Directors (NACD) Executive Director, Heartland Chapter. She collaborated with board members and advisors to produce world-class programs and peer-to-peer exchanges for local directors. She also oversaw all chapter administration, board relations, and sponsor engagement.

Prior to joining the NACD Heartland Chapter, Ms. Burkhart was the Director of Community Engagement at the University of Kansas. Her primary role was to facilitate linkages between KU resources, expertise, and capabilities with Kansas City area leaders to reduce workforce challenges, solve problems by utilizing community-based research and service, and grow entrepreneurship and economic development in the region and beyond.

Preceding KU, Ms. Burkhart spent 18 years at Sprint in program management, training, leadership development, knowledge management, and talent acquisition. She also served as Sprint's 2000-member Women's Employee Resource Group president. Ms. Burkhart was Sprint's 2013 Diversity Award recipient and was selected for its High Performing Manager Program in 2010.

Ms. Burkhart graduated from Kansas State University with a bachelor's degree in family life and human development. She earned a master's degree in business communication from Fort Hays State University.

ENTRYPOINT NETWORKS – COST PROPOSAL

EntryPoint’s proposed consulting fees for managing this process and preparing the work products as follows:

1. <u>Data Collection:</u>	<u>\$78,380</u>
2. <u>Market Analysis:</u>	<u>\$33,800</u>
3. <u>High Level Design for Outside Plant and Interior Rental Units:</u>	<u>\$36,140</u>
4. <u>Strategic Plan Document and Presentations:</u>	<u>\$33,800</u>

EntryPoint will invoice at net 30 terms upon the delivery and the city’s acceptance of each work product listed above.

PROJECT TIMELINE

EntryPoint’s projected timeline for delivering these work products is estimated as follows:

D. <u>Data Collection and Market Analysis:</u>	<u>Weeks 1 - 24</u>
E. <u>High Level Design for Outside Plant and Interior Rental Units:</u>	<u>Weeks 5 - 21</u>
F. <u>Strategic Plan Document and Presentations:</u>	<u>Weeks 22 - 32</u>

EntryPoint will invoice at net 30 terms upon delivery and the city’s acceptance of each work product listed above.

ENTRYPOINT NETWORKS – PROPOSAL SIGNATORY

The preceding Proposal submitted to the City of San Rafael,CA is authorized by EntryPoint’s Managers.



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