To: Honorable Board of Supervisors

From: Ken Sra, Director of General Services

Department: General Services

Subject: Approval of Comcast Business Communications, LLC Dark Fiber Lease Agreement and Authorization of the General Services Director to sign the Dark Fiber Lease Agreement, including minor modifications and amendments to the agreement that do not materially alter the terms or financial obligations to the County.

Recommendation:

That the Board of Supervisors:

1) Approve the Dark Fiber Lease Agreement with Comcast Business Communications, LLC; and,

2) Authorize the General Services Director to sign the Dark Fiber Lease Agreement, including minor modifications and amendments to the agreement that do not materially alter the terms or financial obligations to the County.

Background:

On July 13, 1999, the Board of Supervisors adopted an ordinance granting a non-exclusive cable television franchise agreement to MediaOne of Northern California (now Comcast Business Communications, LLC). The franchise term was approved at fifteen years with the provision for an automatic five-year extension if MediaOne completed the construction of a cable system upgrade by December 30, 2000. On April 23, 2001, after MediaOne met the conditions for extension, the Board of Supervisors adopted a resolution extending the cable television franchise of MediaOne through and including July 13, 2019.

As part of the franchise agreement with MediaOne, a dedicated fiber network was built by installing fiber optic cabling between County facilities. The County utilizes this fiber network to transmit data, voice and video communications. The fiber network serves as the County backbone that connects staff and facilities to datacenters, outside agencies and the internet. The network services County facilities throughout the region including Yuba City, Live Oak and Sutter. In addition, the fiber network provides direct links to Sutter County Superior Court, the City of Yuba City, and Yuba County. With the expiration of the franchise agreement on July 13, 2019, the County will lose the right to use this dedicated fiber network.
In anticipation of the upcoming expiration of the franchise agreement, staff has researched several options for network connectivity. A wide range of solutions have been analyzed and developed by staff including building a replacement network with microwave circuits, SD-WAN (software-defined wide-area network), commercial leased-lines and County-owned fiber. As a potential replacement for the fiber network, a microwave network was proposed, along with an information technology position to manage the new network. Both the project and position were budgeted in the Recommended FY 2018-19 Budget, approved by the Board of Supervisors on June 21, 2018. The cost of the microwave network project was estimated at $1,500,000 with operating transfers into the project to be funded by a proportional countywide distribution of project costs.

In addition to developing the proposal for a microwave network, staff continued negotiations with Comcast on a usage agreement for the fiber network. An initial agreement was presented by Comcast in August of 2018 and, after lengthy negotiations and analysis, staff concluded that the most reliable and cost-effective way to provide countywide network connectivity is through the proposal from Comcast. The proposal includes an optional fiber construction provision that allows the County to connect a future facility, 850 Gray Ave, and to also migrate connections from the existing main County datacenter at 463 2nd St. Continued use of the fiber network provides the County with many benefits including a lower overall cost than a microwave network, the elimination of one information technology position, and a reliable infrastructure that is easily upgradeable. The Comcast proposal is for a ten-year contract term which will ensure the County has a stable network with a predictable price.

Prior Board Action:

On July 13, 1999, the Board of Supervisors adopted an ordinance granting a non-exclusive cable television franchise agreement to MediaOne of Northern California (now Comcast Business Communications, LLC). On April 23, 2001, after MediaOne met the conditions for extension, the Board of Supervisors adopted a resolution extending the cable television franchise of MediaOne through and including July 13, 2019. On June 21, 2018, the Board of Supervisors approved the Recommended FY 2018-19 Budget, which included a countywide microwave network project and an associated information technology position.

Board Alternatives:

The Board may choose to not approve the Dark Fiber Lease Agreement with Comcast Business Communications, LLC, however the fiber network infrastructure is the most reliable and cost-effective way to provide countywide network connectivity. The recommended Board actions best serve the interest of the County by ensuring continued use of a stable network with a predictable price.

Other Department and/or Agency Involvement:

The General Services Department has been working collaboratively with both the County Administrator’s Office and the County Counsel’s Office throughout the negotiation process.

Action Following Approval:

The General Services Director will sign the Dark Fiber Lease Agreement, including minor modifications and amendments to the agreement, ensuring that continued use of the fiber will continue uninterrupted upon expiration of the current franchise agreement.

Fiscal Impact:

The estimated costs are $21,176.04 for year one, $66,289.90 for year two, and $77,988.00 annually for years three through ten. Optional construction to connect a future facility, 850 Gray Ave, and to also migrate connections from the existing main County datacenter at 463 2nd St is estimated at $290,354.90. Service charges for 850 Gray Ave will not be incurred until fiber construction to the new facility has been completed. The fiber agreement represents an overall savings of $498,275.26 and one full time information technology position as compared to the budgeted microwave network project and position.
The total estimated cost of the ten-year agreement with the construction option is $1,001,724.74 and will be funded by a proportional countywide distribution of costs.

**Countywide Goals and/or Top Priorities Compliance:**

The recommended actions address the following:

- Goal B: Operate County government in a fiscally and managerially responsible manner to ensure Sutter County remains a viable and sustainable community to live, work, recreate, and raise a family.

**Standing Committee Review:**

At the Health and Welfare Committee meeting on May 3, 2019, this item was reviewed and recommended as an appearance item for the Board of Supervisors.

Respectfully Submitted,

s/ Ken Sra
Director of General Services

**Attachments:**

1. Dark Fiber Lease Agreement