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**Title:** UPDATE ON SOUTH BAY CITIES COUNCIL OF GOVERNMENT (SBCCOG) FIBER OPTIC MASTER PLAN AND CONSIDER A LETTER OF SUPPORT FOR SOUTH BAY CITIES FOR PARTICIPATION IN EXPLORING COSTS OF REGIONAL FIBER NETWORK (CITY COUNCIL)

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**Attachments:** 1. Exhibit No. 1 - Letter of Interest to SBCCOG, 2. Exhibit No. 2 - Letter of Support from TAIC - SBCCOG

Date	Ver.	Action By	Action	Result
8/1/2017	1	City Council		

**Report to Mayor and City Council**

Tuesday, August 01, 2017

Discussion

**SUBJECT:**

**UPDATE ON SOUTH BAY CITIES COUNCIL OF GOVERNMENT (SBCCOG) FIBER OPTIC MASTER PLAN AND CONSIDER A LETTER OF SUPPORT FOR SOUTH BAY CITIES FOR PARTICIPATION IN EXPLORING COSTS OF REGIONAL FIBER NETWORK (CITY COUNCIL)**

**I. SUMMARY**

The South Bay Cities Council of Government (SBCCOG) has the opportunity to create a new and inclusive economy; supporting quality of life through workforce and economic development by creating a smart region built on a fiber-optic network infrastructure that supports the fifteen South Bay cities. A letter was received supporting the SBCCOG’s Fiber Optic Master Plan from the City’s Technology Advancement & Innovation Commission (Exhibit No. 2). We are requesting that the City Council support this master plan.

**II. RECOMMENDATION**

AUTHORIZE the Mayor to sign the attached “letter of interest” addressed to the SBCCOG.

### III. ALTERNATIVES

TAKE another action the City Council deems appropriate and consistent with the requirements of the law.

### IV. BACKGROUND

The region's telecommunications network infrastructure became the focus on a new initiative of the South Bay Cities Council of Governments because expensive and poor network services were identified by a prominent business as one of the reasons for leaving the South Bay in 2016.

While this was only an anecdote, some cities began to fear that other businesses may follow if the infrastructure is in fact sub-standard with high prices for low quality service. This would lead to job loss and reduced opportunities for South Bay residents.

The South Bay Workforce Investment Board (SBWIB) became concerned about the potential for network infrastructure to retain and attract jobs in the South Bay. At the same time, the SBWIB gained access to \$100,000 grant from the California Employment Development Department that would pay for an expert assessment of the situation and options to improve the network if needed.

An RFP for technical assistance was issued and nationally prominent telecommunications planning firm, Magellan Advisors, was retained. The Magellan final report was delivered to the Board on May 27, 2017.

#### **Findings**

The report detailed many findings and conclusions. The Executive Summary can be found at the SBCCOG Website at

[http://southbaycities.org/sites/default/files/6.03%20South%20Bay%20Executive%](http://southbaycities.org/sites/default/files/6.03%20South%20Bay%20Executive%20Summary.pdf)

These are among the key findings:

- It is inefficient and expensive for cities to purchase network services individually at retail prices as they do now
- The network infrastructure and the services cities currently consume are far from world class and even below the standards necessary to retain or attract certain business types and to cost-effectively provide quality Internet access to households.
- The current market place provides few options for businesses or residents.
- Wholesale service providers capable of creating a fiber backbone to connect all South Bay cities are active in the region and preliminary estimates suggest that faster service at lower costs can be obtained through a competitive bid.

- The system of technology vendors is complex so that a much deeper knowledge -base is needed for cities to make informed decisions about the future.

### **Magellan Recommendations and SBCCOG Process**

Magellan Advisors recommended that the SBCCOG issue an RFP to test the service providers market and obtain a firm commitment to service level and cost that could be obtained through a fiber backbone.

The steps for the SBCCOG include:

- Obtaining a “letter of interest” from each city in order to demonstrate to the interested service providers that there is support for the fiber backbone if the quality and price are “right.” This letter of interest does not commit a city to proceed.
- Issue an RFP from service providers to establish a fiber backbone network that meets technical and geographic specifications as determined by the SBCCOG consultant.
- Search for external funding to lower the capital costs of network development.

### • **V. FISCAL IMPACT**

None.

### **VI. EXHIBITS**

1. Letter of Interest to the SBCCOG. (pg. 4)
2. Letter of Support from the Technology Advancement & Innovation Commission. (pg. 5)

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