

AGENDA ITEM REVIEW SHEET

TO: GOVERNING BODY
SUBMITTED BY: JIM HENDERSHOT, CITY ADMINISTRATOR
MEETING DATE: JANUARY 23, 2020
DATE: JANUARY 16, 2020

Formal Agenda: Consideration of Acceptance of Proposal – Broadband Project.

Issue:

- Address community need of high-speed reliable internet to all residents and businesses in City
- Proceed with recommendations of Broadband Task Force (see attached)

Background: Over the past two years the Broadband Task Force along with city staff has worked diligently to develop a course of action and recommendations concerning improved broadband service in Spring Hill. In August 2019 a Request for Proposal (RFP) was distributed with a submittal deadline of September 30, 2019. The basic premise of the RFP was that the successful Partner will either build, or partner with the City to build, and support a fiber-to-the-premises deployment capable of enhancing broadband connectivity to residents, businesses, and community anchor institutions within the City limits of Spring Hill. The City received twelve responses that were reviewed by a committee consisting of Councilwoman Andrea Hughes, Jim Hendershot, Melanie Landis and Antwone Smoot. The committee met and reviewed the applications as a group, followed by telephone interviews with nine of the companies represented in the submittals. A matrix was developed to score and rank each submittal on the following categories:

- Download speeds or 1,000 Mbps (Gigabit)
- Data infrastructure to every home, business, public facility and private institution
- Full connectivity in less than 5 years
- Provide a conceptual design
- Ability to light service
- Plan including capacity, shelter, redundancy and contingency
- City financial commitment – amount requested beyond incentive project
- Community giveback
- City benefit

At the December 18, 2019 meeting of the Governing Body this item was tabled to allow the Governing Body time to thoroughly review the information provided by staff. The item was tabled on January 9, 2020 due to confusion related to KORA and the nondisclosure agreement that accompanied the Broadband RFP. Attached to this agenda review you will find a letter from City Attorney Frank Jenkins clarifying the KORA issue. Also attached to this agenda review you will find a copy of a memo from my office dated January 7, 2020 to

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members of the RFP review committee identifying key components of the Allo Communications submittal that led to the committee recommendation.

Analysis: Following the phone conference interviews the committee completed the ranking matrix based on a score of 1-3 as follows:

- 1 = Criteria not met
- 2 = Criteria met
- 3 = Criteria exceeded

Upon completion of the scoring matrix, Allo Communications was selected by the committee as the preferred provider. It is the opinion of the review committee that the submittal from Allo achieves several objectives of the Broadband Task Force and needs of the city residents:

- Provides internet, voice and video services identified as a critical need for both residents and businesses within 24 months.
- Provides an option that includes no financial obligation to the City greater than the incentive detailed in the RFP
- Provides a cost savings to the City by owning the fiber to city facilities and eliminating lease costs

Conversations with Allo representatives indicated their excitement at being considered as the broadband provider selected from the RFP process.

Alternatives: Approval, denial, table pending further review

Legal Review: Refer to letter from Mr. Frank Jenkins, City Attorney.

Funding Review or Budgetary Impact: N/A

Recommendation: The RFP review committee recommends acceptance of the RFP proposal from Allo Communications and direct staff to enter into contract negotiations.

Attachments:

1. Letter from City Attorney, Frank Jenkins
2. Memo dated 1/7/2020 identifying Allo Communications submittal Highlights
3. Broadband Task Force recommendations

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January 16, 2020

Jim Hendershot, City Administrator
City of Spring Hill, Kansas
401 North Madison Street
Spring Hill, KS 66083

Via Electronic Mail

Re: Broadband project bids – application of Kansas Open Records Act (“KORA”) to
release bids and related documents

Dear Jim:

This is a follow-up to the January 9, 2020, City Council meeting relating to whether KORA preempts the Mutual Confidentiality and Non-Disclosure Agreement relating to the Broadband bid documents. I have reviewed the relevant law and bid documents and have confirmed that KORA does preempt the terms and conditions of the Mutual Confidentiality and Non-Disclosure Agreement.

Thank you.

Yours very truly,

LOWE LAW FIRM, LLP



Frank H. Jenkins, Jr.

FHJ:nm



Memo

To: Councilwoman Hughes, Melanie Landis, Antwone Smoot
From: Jim Hendershot, City Administrator
Date: January 7, 2019
Re: Review of Allo Communications RFP – council presentation highlights

After reviewing the RFP submittal from Allo Communications a second time, I have listed the items below that can be highlighted during the agenda presentation Thursday evening at the Council meeting. I believe these are many of the items that set Allo above other submittals and validates our recommendation:

1. Telecommunications company offering FTTP networks since 2004 to residents, businesses, and government facilities.
 - a. Services offered include broadband, internet, television, telephone
 - b. Offer several bundling options for combining services including smart home technology packages
2. Has the flexibility to vary its business model to meet the needs of a community
3. Redundant connections to Allo's service platform and network operations center. Current operations in Nebraska and Colorado. Their regional fiber network would connect to Kansas City from Denver and Omaha, then provide two sources of connectivity serving Spring Hill from the KC hub.
4. Service Launch – Approximately 6 months from start of construction, customers within the initial service area can be connected
5. Current network designed to provide 1G service, enhanced to 10G in next 2 years
6. Technicians, service representatives, sales engineers, sales personnel hired and located in Spring Hill area and will be supported by Allo's 24/7 customer service
7. Willing to consider many network models and variety of financial arrangements. Allo's process often reduces overall construction cost by more than 30%

8. Previous models in constructing FTTP networks have included partnering with municipalities to use or construct portions of the network
9. Allo city FTTP networks range in population from 1,400 to 290,000
10. Offers ubiquitous 1G service with symmetrical speeds designed to be upgradeable for faster broadband speeds
11. Currently offers and supports broadband services to commercial entities up to 100G
12. Generally, utilizes a powered central office with redundant power sources to minimize risk of power outage
13. Allo's design is based on a scalable and flexible platform that will allow for increases in network speeds as demanded by community and technological advances
14. Lincoln, Nebraska partnered with Allo in 2015 for 100% fiber optics-based infrastructure. In 2017 Lincoln was designated as a Smart Gigabit Community. One of 30 communities in U.S. working together to increase economic and social opportunities through the development of advanced gigabit applications
15. Allo does not enforce data caps. Unfettered access is a key component of Allo's networks.
16. Self-financed. Funds provided by internal cash flows, borrowing capacity or unsecured loans from parent company, Nelnet
17. Typically, do not require business or residential contracts.
18. Do not charge for installation except in unusual situations
19. Generally, service plans are 10% lower than incumbent providers and includes higher speeds along with more features. Does not use low teaser rates then escalate fees
20. Utilize local contractors whenever possible. Allo prefers to hire local employees as opposed to third party services
21. Will help Spring Hill expand existing business, recruit new business, assist in development of business start-ups and incubators, and spur private sector development
22. Will participate in marketing of Spring Hill
23. Provide discounted services to businesses developing in new areas of the community
24. Provide internships for area students, donate to area school technology programs, and encourage the development of tech-savvy students

Broadband Task Force recommendation to City Council

February 15, 2018

General Recommendation: *Take immediate steps to address shortfall/lack of internet service options with an ultimate goal of ubiquitous, high speed fiber infrastructure buildout to every home and business in Spring Hill.*

1. **Adoption of policies** (within 3 months) - Support efforts of utility infrastructure in our right of ways and plan for future placement of conduit.
 - a. **Right-of-Way Permitting policy and procedure** – Policy to manage, clarify and regulate conditions of occupancy and construction within the City’s right-of-way.
 - b. **Dig Once policy and procedure** - Policy that encourages coordination between City and private sector when excavating in the public right-of-way.
2. **Engage state and federal elected officials** (on-going) – Educate state and federal elected officials of the ever growing need for fiber infrastructure and the on-going struggle for competitively priced, high speed internet in communities such as Spring Hill.
3. **Explore wireless provider options** (within 6-9 months) as a means to meet immediate need for internet access
 - a. Provides additional service options for residents.
 - b. Wireless is not a long-term solution for Spring Hill.
 - c. Cost of wireless services may not be competitive with existing services.
 - d. Prefer to not invest City tax dollars into wireless options.
4. **Ease of access for providers** (within 6 months) – Consider reviewing and changing regulations related to:
 - a. **Tower height requirements** – Wireless providers can install a tower and begin providing service quickly if tower height requirements meet their needs.
 - b. **Building requirements** – Providers will need to construct buildings to house equipment and requirements should include pre-fabricated options for service buildings.
 - c. **Identify City owned land and tower assets** – Providers will be looking to lease land or tower space. Early identification of City owned assets will aid in the process.
5. **Distribute Request for Information (RFI)** (within 1 year) - to internet providers nationally to generate interest in Spring Hill as potential high speed, ubiquitous fiber to every resident and business in Spring Hill.
 - a. **Contract with service provider** (within 1-5 years) – Address performance measurements in contract with service provider to include:
 - i. Contract term 3-5 years
 - ii. Expectations for full buildout (i.e. 40% by third year, 20% each year following)
 - iii. Benefit for accelerated buildout

6. **Construct fiber infrastructure** (within 1-5 years) - in coordination with contract of service provider within limited city tax levy impact of 1-2 mils for cost of project.
 - a. **Middle Mile** – Construct a middle mile fiber infrastructure (also referred to as a ring) essentially providing a reduced cost of initial infrastructure for service provider with additional fiber strands for City operational use for facility connection.
 - b. **Dark Fiber buildout** – Build dark fiber to every built or buildable property in Spring Hill city limits. (This model is referred to as the Huntsville model in the CTC final report.)
 - i. Give consideration to underground construction as opposed to aerial access.
 - c. **City mill levy dedication and investment/grant funding** – The importance of fiber infrastructure will become increasingly important to the future of Spring Hill. It is recommended that the City dedicate 1-2 mils toward the fiber infrastructure model and actively seek investment or grant dollars to offset the remaining cost of buildout.
7. **Conduit master plan** (within 1 year) – Identify key areas within Spring Hill that would benefit from city placement of conduit to avoid additional cost and public inconvenience for future fiber infrastructure buildout. Lease city conduit to service providers as cost recovery effort.
 - a. **Request budgetary consideration** – consider budgeted line item for placement of conduit in coordination with the conduit master plan.

Original list from work session:

- RFI
- Policy-heavy
- Middle-mile if contract
- 1-2 mil increase only
- Huntsville — only with 1-2 mil cost
- Wireless as step 1 toward another model
- Actively pursue grant money as come available
 - Engage state and federal officials
- Ease of access for providers
 - Tower heights
 - Building requirements
- Fiber buildout — Prefer underground over aerial
- Contract — 3-5 year ubiquitous build-out
 - Third year — 40 percent build out
 - Fourth year and beyond — 20 percent each year
 - Benefit for accelerated buildout
- Conduit — Master plan

Overall goal: Do something — Fiber buildout to every home and business in Spring Hill