# Legislation Details (With Text)

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| **File #:** | 16-1666 | **Version:** 2 | **Name:** | 12/19/16 Fiber Optic Network Construction Services |
| **Type:** | Resolution | | **Status:** | Passed |
| **File created:** | 12/19/2016 | | **In control:** | City Council |
| **On agenda:** | 12/19/2016 | | **Final action:** | 12/19/2016 |
| **Enactment date:** | 12/19/2016 | | **Enactment #:** | R-16-489 |

**Title:** Resolution to Approve Contracts to J. Ranck Electric, Inc. ($1,209,995.00) and Turnkey Network Solutions ($1,050,285.00) for Fiber Optic Network Construction Services (RFP 973), and to Approve Appropriation of Funds ($877,677.00) (8 Votes Required)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. RFP_973_Document, 2. RFP_973_Addendum1, 3. Turnkey constr contract RFP 973.docx, 4. JRanck constr contract RFP 973.docx

| Date | Ver. | Action By | Action | Result |
|---|---|---|---|---|
| 12/19/2016 | 2 | City Council | Approved | Pass |

Resolution to Approve Contracts to J. Ranck Electric, Inc. ($1,209,995.00) and Turnkey Network Solutions ($1,050,285.00) for Fiber Optic Network Construction Services (RFP 973), and to Approve Appropriation of Funds ($877,677.00) **(8 Votes Required)**
Attached for your review and consideration is a resolution to approve a contract with J. Ranck Electric, Inc. for Fiber Optic Network (FON) Construction Services in the amount $1,209,995.00 plus a contingency of $112,337.50; approve a contract with Turnkey Network Solutions for FON Construction Services in the amount of $1,050,285.00 plus a contingency of $112,337.50; increase the Fiber Optic Network Project Budget from $2,500,000.00 to $3,652,567.00, and approve an appropriation of $877,677.00 from the Information Technology operating reserve to fund the project.

Fiscal/Budget Impact: This project budget was originally established with a $2,500,000.00 transfer from CTN franchise fees to the General Capital Projects fund budget (00CP). With the design and engineering now performed, RFP 973 was issued and quotes for construction were obtained. This resolution requests approval of an increase of $1,152,567.00 in the project budget, to $3,652,567.00. To fund $877,677.00 of the increase, an appropriation of $877,677.00 from the Information Technology operating reserve is requested. The remaining $274,890.00 of the $1,152,567.00 increase is for work that will not be authorized or performed until third party funding sources are secured. Contracts for that funding will be brought to City Council for approval.

Authorized spending levels include an estimated $500,000.00 for make-ready and utility pole replacement costs. If these estimated costs are not required, the unspent funds will be returned to fund balance.

**Project Costs:**

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| Consulting Services (Approved 7/6/15 by R-15-222) | $ 88,500.00 |
| Engineering Design (Approved 12/21/15 by R-15-411) | $ 476,256.00 |

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| **Labor & Material Construction Contract:** | |
| J. Ranck Electric, Inc. | $1,209,995.00 |
| Turnkey Network Solutions | $1,050,285.00 |
| Contingency for both construction contracts | $ 224,675.00 |
| **Subtotal Construction Costs** | **$2,484,955.00** |
| Construction cost contingent on third party funding | ($ 274,890.00) |
| Current budgeted construction costs | $2,210,065.00 |
| | |
| **Make-Ready Cost Estimates:** | |
| DTE Power Poles/AT&T Telephone Poles | $ 500,000.00 |
| | |
| **One Time Costs:** | |
| DTE Pole Attachment Agreement | $ 41,250.00 |
| A&T Pole Attachment Agreement | $ 11,606.00 |
| Conduit Repair | $ 50,000.00 |
| | |
| **Total Project Cost** | **$3,652,567.00** |
| Project costs contingent on third party funding | ($ 274,890.00) |
| Current project costs | $3,377,677.00 |

The City of Ann Arbor and Comcast entered into a franchise agreement in 2002 that facilitated network connectivity (a/k/a INET) to more than 30 public, education, and government sites throughout the City. The network connectivity to these sites is crucial to efficient and effective City operations. The INET network is owned by Comcast and our franchise agreement will be terminated in August 2017.

The primary goal of this project is to construct and replace the current Comcast INET with a City-owned institutional network (called A2-INET) by August 2017.

On December 21, 2015, by Resolution R-15-411 City Council authorized a Professional Services Agreement with Fiberlink, Inc. for Fiber Optic Network Design and Engineering Services for A2-INET (RFP 930).

Upon completion of the network design and engineering work specified in RFP 930, Information Technology Services drafted and advertised RFP 973: Fiber Optic Network Construction Services on the City's website and on the Michigan Inter-Governmental Trade Network (MITN) website.

Proposals for RFP 973 were received on August 18, 2016 from seven (7) respondents. A team comprised of City staff members and our consultant reviewed the proposals, conducted interviews and thoroughly evaluated the respondent's submissions.

Upon completion of the interviews, the City requested final construction bids for the entire fiber optic network as well as bids for construction of two sections that comprise the network. The City received and publically opened three (3) bids on October 27, 2016 from the chosen finalists.

Based upon their professional qualifications, past experience, proposed work plan and fee quotation, J. Ranck Electric, Inc. and Turnkey Networks solutions submitted the lowest bids for construction of the west and east sections of the fiber optic network respectively.

The bid received from J. Ranck Electric, Inc. in the amount of $1,209,995.00 is the lowest bid for construction of the west section of the City's fiber optic network as designed, and the bid received from Turnkey Network Solution in the amount of $1,050,285.00 is the lowest bid for constructing the east section of the City's fiber optic network as designed.

J. Ranck Electric, Inc. and Turnkey Network Solutions both comply with the requirements of the City Living Wage and Non-Discrimination ordinances.

Staff recommends increasing the project budget, appropriating the additional funds necessary to complete the project, and approval of the two construction contracts.
Prepared by: Russell Hanshue, IT Solutions Delivery Manager
Reviewed by: Tom Shewchuk, IT Director
Reviewed by: Tom Crawford, Chief Financial Officer
Approved by: Howard S. Lazarus, City Administrator
Whereas, The City's primary goal is to replace the current Comcast INET with construction of a City-owned institutional network (called A2-INET) within a timeframe before the City's Cable Franchise Agreement expires;

Whereas, The City is in need of Fiber Optics Network Constructions Services in order to replace the existing Comcast INET with A2-INET providing high-speed connectivity to sites throughout the City of Ann Arbor;

Whereas, Network connectivity to these sites is crucial to efficient and effective City operations;

Whereas, A2-INET will accommodate current and future needs of the City of Ann Arbor by providing a resilient core network capability allowing for growth, expansion and scalability;

Whereas, In response to RFP No. 973 for Fiber Optic Network Construction Services, the City received seven proposals; and selected J. Ranck Electric, Inc. and Turnkey Network Solutions, based on their professional qualifications, past experience, and lowest bid quotations;

Whereas, J. Ranck Electric, Inc. and Turnkey Network Solutions comply with the requirements of the City's Living Wage and Non-Discrimination ordinances; and

Whereas, Funding for this expenditure is available from the Information Technology operating reserves and from third-party entities connecting to the network;

RESOLVED, That City Council increase the Fiber Optic Network Project budget by $1,152,567.00 to $3,652,567.00, with $274,890.00 of the work, cost increase and total project budget amount being contingent on third party funding being secured for $274,890.00 of the costs;

RESOLVED, That City Council appropriate $877,677.00 from the Information Technology operating fund reserve (0014) to the General Capital Projects fund budget (00CP);

RESOLVED, That City Council approve a contract with J. Ranck Electric, Inc. in the amount $1,209,995.00 plus a contingency amount of $112,337.50;

RESOLVED, That City Council approve a contract with Turnkey Network Solutions in the amount of

$1,050,285.00 for Fiber Optic Network Construction Services plus a contingency amount of $112,337.50;

RESOLVED, That the Mayor and City Clerk be authorized and are directed to execute said contracts after approval as to form by the City Attorney and approval as to substance by the City Administrator; and

RESOLVED, That the City Administrator be authorized to take the necessary actions to implement this Resolution, including the approval of change orders for each of the construction contracts up to the approved contingency amount for each.