



City of San Antonio

Agenda Memorandum

File Number:20-4336

Agenda Item Number: 18.

Agenda Date: 9/3/2020

In Control: City Council A Session

DEPARTMENT: ITSD

DEPARTMENT HEAD: Craig Hopkins

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Network services agreement with CPS Energy for the installation, maintenance and operations of a communications network that will transport radio voice calls between radio tower sites in support of the Alamo Area Regional Radio System.

SUMMARY:

This agreement outlines the requirements and payment terms under which CPS Energy will install, maintain, and operate a dedicated communications network that will be used to transport radio voice calls between radio tower sites, radio dispatch centers and other radio control points in support of the Alamo Area Regional Radio System. Specifically, CPS Energy will provide redundant communication circuits to interconnect 18 of the 28 radio tower sites, two radio network control sites, and eight radio dispatch locations to include the City's 911 PSAP facility and the Bexar Metro 911 Regional Operations Center. For the purpose of clarity, the remaining ten (10) radio tower sites will utilize microwave wireless links and fall outside the scope of this agreement. This agreement provides for an initial 15-year term ending in October 2036, with one five-year renewal.

The city will be responsible for actual construction costs for the seven fiber projects needed for the AARRS system under this agreement. The City will own all fiber installed and will seek reimbursement from AARRS co-owners under terms of the AARRS Interlocal Agreement for any fiber pairs used to support the AARRS network. Any remaining fiber pairs will be used for future purposes of the City.

The estimated construction cost for the seven fiber projects is \$309,540.00. Annual recurring fees of \$350,760.00 for the circuits will be billed to the City on a quarterly basis. The City will in turn, seek reimbursement from the AARRS co-owners, Bexar County and CPS, under terms of the AARRS Interlocal Agreement. The total cost for the 15-year term of this agreement is not to exceed \$5,814,511.25.

BACKGROUND INFORMATION:

On February 15, 2018, Council approved a contract with Dailey & Wells for the construction, system delivery, and system operation of a new P25 compliant public safety radio system, referred to as the Alamo Area Regional Radio System ("AARRS").

The new public safety radio system will provide the City of San Antonio with a P25 compliant radio system. P25 is a suite of technical standards utilized by public safety and first responders throughout the United States and in over 80 countries worldwide. This system will enable interoperability between agencies and jurisdictions regardless of the manufacturer of their radios or radio system. The new public safety radio system will allow for denser coverage throughout the City and greater coverage into more rural areas of Bexar County.

On the same date, Council also authorized the execution of an Interlocal Agreement (ILA) between the City, Bexar County (County), and CPS Energy (CPS) for County and CPS to make financial contributions to obtain ownership interests in the AARRS. The City of San Antonio, Bexar County, and CPS Energy negotiated an Interlocal Agreement for the ownership and operation of the public safety radio system. Bexar County Commissioner's Court approved the Interlocal Agreement on January 11, 2018. CPS Energy's Board approved the Interlocal Agreement on January 29, 2018. The Interlocal Agreement provides the basis for the governance structure of the upcoming Alamo Area Regional Radio System (AARRS). Per the Interlocal Agreement, the costs for all shared capital equipment will be apportioned as follows: City of San Antonio - 56%, CPS Energy - 22%, Bexar County -22%. In addition, the Interlocal Agreement states that all costs for owner specific capital equipment will be borne entirely by such owner.

The Interlocal Agreement apportions Operations and Maintenance (O&M). In the first two years following system delivery, O&M costs will be allocated in proportion to the number of radios each owner has programmed to access the radio system. In subsequent years, O&M costs will be allocated to each owner in proportion to each owner's average airtime usage.

CPS Energy has installed fiber facilities throughout its utility service area to create a dark fiber metro area network which has been in service for decades. Recently, CPS Energy has built a new Multi-Protocol Label Switching ("MPLS") network that the City will leverage to transport radio voice calls between AARRS radio tower sites, radio dispatch centers and other radio control points. The MPLS network will provide redundant fiber paths to all interconnected facilities for high availability.

Each fiber project (Jumper Cable) will consist of a cable containing 24 strands of fiber. The City will fund 17 of the 24 Strands of Fiber at a cost of \$219,257.50. The AARRS will use the remaining 7 strands, the cost per fiber strand is \$12,897.50. Total estimated cost to the AARRS for 7 fiber strands is \$90,282.50. The table below shows the cost by entity.

Service Category	CIAC/Fees to be paid by City	City	Bexar County	CPS Energy
Jumper Cable Charges (7 cables at 24 strands each)				
COSA 17 Strands of Fiber	\$219,257.50	\$219,257.50		
AARRS 7 Strands of Fiber	\$90,282.50	\$50,558.20	\$19,862.15	\$19,862.15
Total Jumper Cable Costs	\$309,540.00	\$269,815.70	\$19,862.15	\$19,862.15

On a quarterly basis:

- The City's cost for four (4) network links will be \$9,480.00, the annual cost will be \$37,920.00.
- CPS Energy will provide reimbursement cost to the City for six (6) network links at \$14,220.00, the annual cost will be \$56,880.00.
- Bexar County will provide reimbursement cost to the City for four (4) network links at \$9,480.00, the annual cost will be \$37,920.00.

The annual recurring cost for the 37-network links is \$350,760.00 to be billed on a quarterly basis. The City will seek reimbursement from the AARRS co-owners under terms of the AARRS Interlocal Agreement for the remaining 23 network links.

A true-up of the cost recovery model used to determine the annual recurring fees will occur every 3 years with a 5% change over or under the cost recovery model triggering a charge or reimbursement to the City. The total cost for the 15-year term of this agreement is not to exceed \$5,814,511.25.

ISSUE:

The agreement will allow the City to interconnect critical communications sites to allow for continuity of radio communications and provide public safety services to the community. Attachment A summarizes the construction, annual recurring costs, ILA reimbursement and the terms of the cost recovery model.

ALTERNATIVES:

If the Agreement is not approved, the City must identify a different private network provider, construct its own MPLS network or use microwave wireless links to interconnect all AARRS radio tower sites delaying the installation of the AARRS and requiring continued reliance on the current emergency radio network which is nearing end of life.

FISCAL IMPACT:

Ordinance approving the fiber construction cost of \$309,540 for seven fiber projects. Annual recurring fees of \$350,760 for the circuits up through December 2021 will be billed on a quarterly basis. Funding is available in the FY 2020 - FY 2025 Capital Improvement Program. Annual recurring costs occurring January 2022 and beyond will be an operating expense funded from the Information Technology Services Operating Budget and is subject to City Council appropriation through the annual budget process with the City seeking reimbursement from the AARRS co-owners, Bexar County and CPS, under terms of the AARRS Interlocal Agreement. The total cost for the 15-year term of this agreement is not to exceed \$5,814,511.25.

RECOMMENDATION:

Staff recommends approval of the Network Services Agreement.