



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 24-362

Meeting Date: 10/15/2024

TITLE:

SPECTRUM ENTERPRISE SERVICE AGREEMENT

DEPARTMENT: INFORMATION TECHNOLOGY

PRESENTED BY: STEVE ELY, DIRECTOR

CONTACT INFORMATION: STEVE ELY, DIRECTOR (714) 754-4891

RECOMMENDATION:

Staff recommends the City Council:

1. Approve the 5-year Spectrum Enterprise Service Agreement between the City of Costa Mesa and Charter Communications Operating LLC, on behalf of subsidiary Spectrum Enterprise, for the continued network connections between City Hall and all of the remote sites throughout the City, commencing on November 1 2024, through October 31, 2029.
2. Approve the Service Order in the annual amount of \$209,889 (paid in monthly installments of \$17,490.68).
3. Authorize the City Manager and the City Clerk to execute the agreement.
4. Authorize the City Manager or designee to accept and execute future amendments including any potential increase in services and equipment as long as the amendments are within the appropriated budget.

BACKGROUND:

On October 23, 1998, the City of Costa Mesa executed a 20-year Franchise Agreement with MediaOne of Costa Mesa, Inc. (MediaOne). On April 19, 1999, the City and MediaOne entered into a Communications Network Lease and Maintenance Agreement for fiber for the purpose of providing the City with an infrastructure to facilitate telecommunications within the City (Agreement). The communications network is solely dedicated for use of City communications services. The fiber runs between City Hall and all remote sites. The Agreement expired on October 22, 2018. Prior to the expiration of the Agreement, due to acquisitions, Charter Communications Operating LLC, on behalf of subsidiary Spectrum Enterprise, took over the management of the Agreement.

On August 20, 2018, City Council approved a new Agreement with Charter Communications (Spectrum) in the annual amount of \$189,792. That Agreement expired on October 22, 2023. Spectrum is now billing us on a month-to-month basis.

ANALYSIS:

The City relies on a fiber network to perform daily functions of providing public safety and services to the citizens of Costa Mesa. Without fiber connections, functionality would be disrupted at City Hall and all its remote sites. A call to 9-1-1 would have to be handled using the backup system. Connectivity to all Departments would be compromised, and access to critical information would be cut off. The City would not have the capability to accept online payments for City Services; there would be issues with purchasing, email, and public records requests. In sum, fiber connections are critical to the operation of all Departments.

City staff have been working with Spectrum not only to maintain the current network services, but also to allow for an increase of bandwidth when it becomes necessary.

Approving the Spectrum Enterprise Service Agreement and its accompanying Customer Service Order will ensure the continuity of the network services currently being rendered by Spectrum.

Rejecting the service agreement would mean the City continues to pay on a month-to-month basis, which staff does not recommend.

ALTERNATIVES:

City Council can direct staff to reject the Agreement and consider other vendors, but this would require a new RFP process and would most likely disrupt City daily operations.

FISCAL REVIEW:

The total fiscal impact of the 5-year agreement will be approximately \$1,049,445. The funding for year one (1) of the agreement was budgeted in the Fiscal Year 2024-25 Information Technology Department's budget in the General Fund (Fund 101). Funding for the subsequent fiscal years will be allocated during the annual budget development process.

LEGAL REVIEW:

The City Attorney's Office has reviewed and approved it as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goal:

- Maintain and Enhance the City's Infrastructure, Facilities, Equipment, and Technology.

CONCLUSION:

Maintaining network connections between City Hall and all its remote sites will allow for the efficient and effective flow of communication.

Staff recommends City Council:

1. Approve the 5-year Spectrum Service Enterprise Agreement between the City of Costa Mesa and Charter Communications Operating LLC, on behalf of subsidiary Spectrum Enterprise, for the continued network connections between City Hall and all of the remote sites throughout the City, commencing on November 1, 2024, through October 31, 2029.
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