



## CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

### AGENDA ITEM

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Report: Professional Services Agreement (PSA) with EN Engineering, an Entrust Solutions Group Company, for Fiber Business Plan Implementation Support; Amendment of Existing PSA with Magellan Advisors.

1. Motion authorizing the City Manager, or his designee, to enter into and execute a one-year Professional Services Agreement (PSA) with EN Engineering, an Entrust Solutions Group company, for fiber business plan implementation support in the not to exceed amount of \$349,530, with options to extend it for three additional one-year terms in an amount not to exceed the annual Glendale Water & Power budget approved by the City Council for said services for each annual extension term.
2. Motion authorizing the City Manager, or his designee, to enter into and execute Amendment No. 2 to the City's existing Professional Services Agreement (PSA), Contract No. C106909 with Magellan Advisors to extend the term to December 31, 2024.

### COUNCIL ACTION

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**Item Type:** Consent Calendar

**Approved for** July 16, 2024 **calendar**

### EXECUTIVE SUMMARY

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The City had a five-year PSA, with Magellan Advisors (Magellan) for fiber business plan implementation support that expired on December 31, 2023. Magellan was acquired by EN Engineering, an Entrust Solutions Group company in November 2022, but the agreement with Magellan was not impacted and Magellan continued to bill the city under the same name. Magellan has worked with staff to prepare the design and manage the construction of the fiber backbone for the broadband network during the past five years. Magellan also has helped in the design and construction of the communication transport network at the Internet hub located at One Wilshire Building in Los Angeles. The fiber backbone construction is complete except for a portion crossing the railroad tracks across Sonora Avenue at Air Way. GWP plans to extend the fiber backbone to the Scholl Canyon Parks and Facilities and has issued a Request For Proposals (RFP) for constructing the same but does not have the necessary staff to manage the project.

Staff needs continued support from EN Engineering (EN Engineering) to complete the fiber backbone and the fiber extension to the Scholl Canyon.

## **RECOMMENDATION**

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Authorize the City Manager to enter into and execute a one-year PSA for fiber business plan implementation support in the not-to-exceed amount of \$349,530 with options to extend it for three additional one-year terms in an amount not to exceed the approved annual GWP budget for said services for each annual extension term.

## **ANALYSIS**

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The Fiber Business Plan was approved by the City Council on August 23, 2016. The plan recommended that GWP increase its presence in Glendale's telecommunications market with a service offering for business customers marketed/sold either directly to the end user customer or indirectly through resellers and other service providers. The recommended service offering included Dark Fiber, Switched Ethernet, and Direct Internet Access.

The next step included the design and build of the fiber network; design, procure, and installation of necessary network electronics, selection of provider(s) of outsource Network Operations Center (NOC) services, the selection of provider(s) of fiber provisioning, maintenance and repair service, and ongoing fiber business support services. Successful completion of the next step required specialized experience in the management of fiber installation contractors. Given the current staffing challenges, GWP did not have the necessary staff and expertise to execute this next phase of the project on its own. Completion of the work required the hiring of a firm with significant fiber experience and resources to provide project administration, RFP process management, fiber construction management, and ongoing fiber plan implementation support services.

After a rigorous RFF process, GWP hired Magellan, in November 2018, to provide fiber business plan implementation support. Magellan has worked with staff for the past five years to support the design and construction of the transport network at the Internet hub at One Wilshire Bldg. in Los Angeles, and the design and construction of the fiber backbone of the network. Magellan has managed every aspect of the construction of the fiber optic backbone by HHS Construction LLC, GWP's contractor, inspected their work, approved, and kept track of their work, managed invoicing, and billing. However, the contract with Magellan expired on December 31, 2023, but some critical work such as fiber splicing and testing were still ongoing. Hence, staff did not stop Magellan's work until May 20, 2024. As such, a few invoices covering the period from December 19, 2023, to May 18, 2024, totaling \$192,500 are still pending with \$486,826 still available in the existing Magellan PSA.

On November 17, 2022, Magellan Advisors was acquired by EN Engineering, an Entrust Solutions Group company. The acquisition letter is attached as Exhibit 1. EN Engineering (formerly Magellan) has over 20 years of experience in planning, designing and implementing broadband services for over 400 municipalities and utilities. This company has successfully managed the deployment of over 50 municipal broadband networks across North America. Recent clients include City of Portsmouth, VA, City of Palo Alto, CA, City of Rancho Cucamonga, CA, Newport Utilities, Newport, TN, and Riverside Public Utilities, Riverside, CA.

GWP plans to extend fiber optic backbone to parks and facilities in the Scholl Canyon area. Subsequent to receiving the City Council's approval on April 24, 2024, specifications were issued for the fiber extension project, and the staff is currently in the process evaluating bids to recommend the award of a contract. EN Engineering will provide project management support, including but not limited to field construction inspection, keeping track of invoicing, and verifying invoices before the contractor submits them to the city for payment. Additionally, EN Engineering will prepare the as-built plans for the fiber backbone project.

A breakdown of the cost is given below:

<b>No.</b>	<b>Task Description</b>	<b>Cost</b>
1.	Project Management	\$ 126,490
2.	Construction Inspections	\$ 78,849
3.	Project Backoffice Coordination (tracking work, reviewing invoices etc.)	\$ 36,676
4.	Prepare As-Built Plans for fiber backbone and Scholl Canyon fiber expansion	\$ 107,515
5.	Total Project Cost	\$ 349,530

### **Optional Tasks**

Optional Tasks will include tasks which will be part of the next phase of the project and will be based on the decisions of the City's Fiber Executive Committee. The Committee will provide directions to staff related to what fiber services will be provided, who will provide and manage the services, either GWP directly or indirectly using a third party service provider. These optional tasks will be part of the additional one-year extensions of the PSA. Staff will get the new rate from EN Engineering before seeking approval from the City Council for each extension. Funds for each extension will be budgeted during the annual budget process.

<b>No.</b>	<b>Task Description</b>	<b>Cost</b>
1.	RFP Process Management	\$ 36,290
2.	Ongoing Fiber Plan Implementation Support (T&M \$210.00/hr.)	\$ 129,271
	Total for optional tasks	\$ 165,561

Based on the foregoing, staff recommend that Council authorize it to execute a PSA with EN Engineering to manage this project as well as complete the pending work on the main backbone. Since EN Engineering has thorough, inherent and institutional knowledge of the project, hiring another consultant at this juncture is not advisable and will not benefit the project.

### **STAKEHOLDERS/OUTREACH**

Not Applicable.

## FISCAL IMPACT

The proposed PSA will cost \$349,530 for the first year. The funds for this project are available in GWP's capital budget for FY 2024-25 as detailed in the table below, therefore no additional funding is being requested at this time.

Existing Appropriation		
Amount	Account String	Funding Source
\$349,530	GL: 43110-5830-GWP-0020-P0000 PL: E30072	Electric Depreciation Fund

Before exercising any future extension options, staff will seek the new rate from EN Engineering and will seek Council approval of a not-to-exceed amount for each of the optional extension terms during the annual budget process.

## ENVIRONMENTAL REVIEW (CEQA/NEPA)

Not Applicable. The action herein is not a project as defined under the California Environmental Quality Act (CEQA) and as such not subject to CEQA since the action requested is to execute a PSA for fiber business plan implementation support.

## CAMPAIGN DISCLOSURE

In accordance with the City Campaign Finance Ordinance No. 5744, the following are the names and business addresses of the members of the board of directors, the chairperson, CEO, COO, CFO, Subcontractors and any person or entity with more than ten percent interest in the company proposed for contract in this agenda item report:

### Officers of **EN Engineering (formerly Magellan)**:

Full Name	Title	Business Address	City	State	Zip
Adam Biggam	Chief Executive Officer	28100 Torch Parkway Suite 400	Warrenville	IL	60555
Steve Conley	Chief Financial Officer & Vice President	28100 Torch Parkway Suite 400	Warrenville	IL	60555
Thomas C. Zeigenfuss	Vice Chairman	28100 Torch Parkway Suite 400	Warrenville	IL	60555
Dave Klimas	Chief Operating Officer	28100 Torch Parkway Suite 400	Warrenville	IL	60555

### Officers of **Magellan Advisors**:

Magellan Advisors' Campaign Disclosure Form from 2018 is attached below. EN Engineering acquired Magellan in 2022 and it no longer exists.

### Officers of **Magellan Advisors**:

Full Name	Title	Business Address	City	State	Zip
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John Honker	Chief Executive Officer/President	999 18 <sup>th</sup> Street, Suite 3000	Denver	CO	80202
Courtney Violette	Chief Financial Officer	999 18 <sup>th</sup> Street, Suite 3000	Denver	CO	80202

### **ALTERNATIVES TO STAFF RECOMMENDATION**

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Alternative 1: Decline to authorize the requested actions which will adversely impact GWP' s ability to manage the fiber optic business plan implementation project.

Alternative 2: Consider any other alternative not proposed by staff.

### **ADMINISTRATIVE ACTION**

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**Submitted by:**

Mark Young, General Manager - Glendale Water and Power

**Prepared by:**

Daniel Scorza, P.E., Assistant General Manager - Electric

**Approved by:**

Roubik R. Golanian, P.E., City Manager

### **EXHIBITS/ATTACHMENTS**

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Exhibit 1: Letter of Acquisition of Magellan Advisors by EN Engineering.