

Brettle, Jessica

From: Rice, Danille
Sent: Thursday, October 1, 2020 9:11 AM
To: Council, City; Council Agenda Email
Cc: ORG - Clerk's Office; Executive Leadership Team
Subject: Council Agenda Consent Questions for October 5: Item 6

**Council Question Response**

Dear Mayor and Council Members:

On behalf of City Manager Ed Shikada, please find below the staff response to an inquiry made by Council Member Tanaka in regard to the October 5, 2020 Council Meeting agenda.

Item 6: Contract Amendment with Magellan Advisors

- 1. If there are net savings as a result of the synergies, then why is the total amount of the contract almost doubling? "As a result of synergies of combining Phases 1 and 3, staff re-negotiated high-level design and City of Palo Alto Page 5 travel expenses with Magellan which reduced total project budget by \$35,200 and is reflected in the contract award amount. There was also a project reduction of \$19,221 in the Phase 1 of the previous contract award".**

The total cost for all phases is not increasing; work is simply being advanced from a future phase to the current. Staff was asked by the UAC to expanding the scope of Phase I with six tasks related to fiber-to-the premises (FTTP) which were previously scheduled for future Phase III. No additional dollars are being added to the overall project. The six tasks include development of a business case and high-level design for FTTP, a local broadband market assessment, exploration of public private partnership business models and community surveys for FTTP, electric undergrounding and/or electrification. The savings and synergies are realized primarily in the high-level design of the fiber network expansion. The FTTP network design will be an integrated plan including other capital improvement projects. By combining the tasks, this will shorten the design duration and ensure there is fiber available for FTTP and future use cases.

Thank you.

**Danille Rice**

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