



## ITEM SUMMARY:

- The City Council will consider acting on a resolution at the February 7<sup>th</sup>, 2023 regular meeting that would authorize the city manager to enter into a nonexclusive license agreement with SiFi Networks McKinney, LLC to deliver on the four recommendations of the Broadband Assessment Report and Recommendations adopted by the city council February 15<sup>th</sup>, 2022.
- The City Council approved a resolution at the August 16<sup>th</sup>, 2022 regular meeting that allowed for the city to begin negotiations with SiFi Networks McKinney, LLC, and subsequently extended the period in December for an additional 60 days. Staff has utilized the negotiation period to develop the proposed license agreement on the February 7<sup>th</sup>, 2023 regular agenda.
- The Broadband Assessment Report and Recommendations, completed in partnership with HR Green, Inc., provided recommendations and summarized the current condition of broadband access in the City of McKinney. Specifically, the plan recommends,
  - Community infrastructure base: Work with the provider community to develop a tech base that moves towards a FTTP model.
  - City facilities: Expand the current, city owned fiber ring to City facilities that could benefit from connectivity but have not had fiber deployed to them.
  - City economic development: In addition to having excellent connectivity that could come from Recommendation 1, the McKinney Economic Development Corporation (MEDC) could initiate pilot projects to enhance certain properties and attract certain businesses or business types.
  - Adoption: There are people and groups in McKinney who might have access to broadband, but because of financial reasons, language barriers, age related challenges, etc. are not able to adopt (or purchase) broadband services.

## BACKGROUND INFORMATION:

- In the Summer of 2021, the City Council approved the continuation of staff's work on evaluating the city's digital infrastructure.
- Throughout 2021 and into January 2022, city staff and city consultant HR Green analyzed the current state of McKinney's broadband infrastructure, completed a survey of residents regarding connectivity, met with specific city departments regarding future broadband needs, conducted a broadband market assessment, and hosted a provider input meeting to arrive at the current Broadband Assessment Report and Recommendations.
- After adoption of the report and recommendation, staff moved forward with developing an RFP to address the recommendations adopted by Council.
- The City issued a Request for Proposal (RFP), 22-36RFP for Broadband Network Deployment on March 27, 2022.
  - Advertised in McKinney Courier Gazette
  - Posted on McKinney TV
  - 387 matching eBid Supplier Notifications, twenty-two (22) were Historically Underutilized Business (HUB) suppliers.
- Of the 387 supplier notifications, eleven (11) submittals were received on May 12, 2022.
- A committee comprised of staff from the Engineering Department, Strategic Services, McKinney Economic Development Corporation, Public Works, and Information Technology reviewed and ranked the proposals based on the following criteria:
  - 45 Points - Plausibility and Effectiveness of the Proposal for each of the four parts of

- the RFP
- 15 Points - Completeness, overall professional organization, and quality of the response
- 20 Points - Qualifications, experience, and past partnerships
- 10 Points - Intent, dedication, and experience in applying for broadband grant funding in partnership with the City.
- 15 Points - Approach to the following principles:
  - Maximizing the appeal and value of the proposed partnership structure and relationship with the City
  - Willingness to facilitate last-mile service in identified regions and unserved areas of the City
  - Embracing the City of McKinney's ICT Guiding Principles.
- Based on the results of the evaluated proposals, the evaluation committee selected three respondents to interview with the committee AT&T, NextEra, and SiFi Networks McKinney LLC. Interviews were evaluated on the following criteria:
  - 20 Points- Community Broadband Infrastructure Base
  - 20 Points- City Facilities
  - 20 Points- City Economic Development
  - 20 Points- Broadband Application
  - 10 Points- Interview: Team presentation, interaction, communication skills
- Based on the results of the combined scores for the proposals and interviews, the evaluation committee recommended the City move forward with exclusive negotiations with SiFi Networks McKinney LLC.
- After a period of negotiations through the end of 2022 and January 2023, staff is recommending approval of a nonexclusive license agreement with SiFi Networks McKinney LLC at the February 7<sup>th</sup>, 2023, regular meeting.

#### **FINANCIAL SUMMARY:**

- No funding outlay is required from the city.
- City will receive in the higher of a, 1) flat rate fee of \$10,000 quarterly, or 2) \$2.99 per connected premises with annual CPI increases.
- Future permitting process will necessitate SiFi reimburse city costs associated with the development of the network.

#### **BOARD OR COMMISSION RECOMMENDATION:**

- N/A