



# CITY COUNCIL AGENDA

[Create New From This M&C](#)

**DATE:** 10/31/2023 **REFERENCE NO.:** M&C 23-0925 **LOG NAME:** 13P RFP 22-0146 BROADBAND ENHANCEMENTS CH CITY

**CODE:** P **TYPE:** NON-CONSENT **PUBLIC HEARING:** NO

**SUBJECT:** (ALL) Authorize Execution of Agreement with Sprocket Networks, Inc. for Broadband Infrastructure Providing a Fiber Backbone for Network Connectivity in an Amount Up to \$7,500,000.00 for an Initial 34 Year Term, Authorize Annual Operational Expenditures in an Amount Up to \$3,625,000.00 per Year for the Term of the Agreement; Authorize Two Ten-Year Renewal Options in the Amount of \$5,000.00 Each; Approve Allocation of American Rescue Plan Act State and Local Fiscal Recovery Funds in the Amount of \$4,500,000.00 in Support of the City of Fort Worth Broadband Initiative, Approve the Acceptance of \$3,000,000.00 in Federal Surface Transportation Block Grant Funds from North Central Texas Council of Governments for Eastside Arterial Broadband Improvements for the Information Technology Solutions Department, and Adopt Appropriation Ordinances

**RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize execution of an agreement with Sprocket Networks, Inc. for broadband infrastructure providing a fiber backbone for network connectivity in an amount up to \$7,500,000.00 for an initial 34-year term and two ten-year renewal options with the one-time extension fee payment in the amount of \$5,000.00 for each renewal;
2. Authorize annual operational expenses in an amount up to \$3,625,000.00 for the term of the agreement;
3. Approve the allocation of \$4,500,000.00 from the American Rescue Plan Act, Subtitle M (Coronavirus State and Local Fiscal Recovery Funds) for the purpose of transferring to the Grants Cap Projects Federal Fund for the FY23 Broadband project (City Project No. 104934);
4. Approve the acceptance of \$3,000,000.00 in federal Surface Transportation Block Grant funds from North Central Texas Council of Governments for Eastside Arterial Broadband improvements;
5. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Cap Projects Federal Fund, transferred from the Grants Operating Federal Fund, in the amount of \$4,500,000.00, for the purpose of funding the FY23 Broadband project (City Project No. 104934);
6. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Capital Project Other Fund in the amount of \$3,000,000.00, subject to the receipt of the grant, for the purpose of funding the FY23 Broadband project (City Project No. 104934).

**DISCUSSION:**

The Information and Technology Solutions Department (ITS) approached the Purchasing Division to finalize an agreement to construct broadband infrastructure with a qualified service provider that will design, build, test, repair, and operate a fiber network that will meet the needs of government, residential, and business subscribers.

Purchasing issued a Request for Proposal (RFP) No. 22-0146 that consisted of detailed specifications describing the City's desires for broadband infrastructure. The proposal was advertised in the Fort Worth Star-Telegram on May 11, 2022, May 18, 2022, and May 25, 2022. The City received six (6) responses.

The proposals were evaluated using the best value method with specific criteria listed below. An evaluation panel consisting of representatives from the Information Technology Solutions Department, City Manager's Office, and the Diversity and Inclusion Department. The City also partnered with Mighty River, LLC, who assisted the City with the preparation of the RFP and review and scoring of the submittals. Prior to the final scores, the top 3 companies were invited for interviews. The individual scores were then averaged for each of the criteria and the final scores are listed in the table below. Sprocket Networks, Inc. was the highest-scoring company; therefore, staff recommends awarding the agreement to Sprocket Networks, Inc.

No guarantee was made that a specific amount of services would be purchased.

Bidders	Evaluation Criteria
---------	---------------------

	a	b	c	d	e	Total Score
Sprocket Networks, Inc	23.0	18.0	17.2	9.0	23.00	90.20
Zayo	20.0	15.6	15.6	8.2	19.0	78.40
AT&T	22.0	10.8	16.8	8.0	15.5	73.10

Best Value Criteria:

- a. Approach to manage and implement Broadband Enhancements.
- b. Meeting Government private Wide Area Network (WAN) needs
- c. Digital Equity
- d. Expansion
- e. Accountability

This Mayor and Council Communication (M&C) is to authorize execution of an agreement with Sprocket Networks, Inc. for broadband infrastructure to provide a fiber backbone for network connectivity. With the Agreement, Sprocket will construct, install, operate, maintain, repair, and upgrade, as needed, the "Sprocket Fiber Network." The Sprocket Fiber Network means Sprocket's approximately 300-mile high-speed broadband network consisting of a Fiber Optic Ring, Dark Fiber, Drops, and associated property, connecting to locations designated by the City. With the Sprocket Fiber Network, Sprocket will offer high speed broadband Internet access service and other services to residents and businesses in designated underinvested areas within the City's corporate limits. Additionally, the City will obtain from Sprocket an indefeasible right to use ("IRU") 24 optical fiber strands of dark fiber within the Sprocket Fiber Network. After obtaining a 50% residential and business subscription rate for last mile broadband service in the designated underinvested areas, the City will receive a franchise fee equal to three percent (3%) of the gross revenues collected by Sprocket, as defined by the Agreement. The City will pay Sprocket \$7,500,000.00 in consideration of Sprocket's granting the City the IRU the dark fiber strands and to pay for a portion of the cost of design, planning, and construction (the "IRU Fee"). The IRU Fee will be made in two payments. \$4,500,000.00, in allocated ARPA funding as discussed below, will be paid not later than 30 business days after receiving an invoice from Sprocket once the Agreement is executed, and \$3,000,000.00 will be paid within 30 business days after receipt of grant funds from the North Central Texas Council of Governments, as discussed below. In addition to the IRU Fee, the City will pay Sprocket annual payments for the IRU and maintenance and operations fees in accordance with the terms of the Agreement.

Upon City Council approval, this M&C will also authorize the use of up to \$4,500,000.00 of American Rescue Plan Act (ARPA) Subtitle M (Coronavirus State and Local Fiscal Recovery Funds) funding to increase the resiliency, capabilities, and delivery efficiency of City of Fort Worth (City) technology services as those items relate to infrastructure and broadband initiatives. The identified ITS capital project has been determined to be a qualified priority by City Management for ARPA funding as approved.

This M&C will also authorize the acceptance of the \$3,000,000.00 designated for Arterial Broadband improvements in the form of Transportation Development Credits available in FY24 from the North Texas Council of Governments (NCTCOG) at the completion of the approval process for the Federal Surface Transportation Block Grant funds to be allocated. Federal authorization comes through the Federal Project Authorization and Agreement process. NCTOG is working in parallel with the federal authorization timeline to execute an advanced funding agreement with the Texas Department of Transportation (TxDOT); however, the advanced funding agreement is subject to approval by the NCTCOG Executive Board.

Allocation of ARPA Subtitle M Funding

ARPA Section 603(c)(1)(D) of Title VI of the Social Security Act, (added by ARPA) provides funding for necessary investments in broadband infrastructure. Upon approval by Council, the requested funds will be allocated to the FY23 Broadband project (City Project No. 104934). ARPA funds must be committed by December 31, 2024 and spent by December 31, 2026. Approval of this M&C will allocate \$4,500,000.00 for Fiscal Year 2023 in the American Rescue Plan Act project in the Grants Operating Federal Fund budget for transfer to the Grants Cap Projects Federal Fund for the FY23 Broadband project. Necessary reporting and documentation requirements will be followed to ensure the City can comply with all reporting requirements of the ARPA legislation.

The following chart reflects the current status for allocation of the City's ARPA funding under Subtitle M and incorporates each ARPA M&C on the October 17, 2023 Council Agenda:

		M&Cs
Total CFW ARPA Subtitle M Funding	\$173,745,090.00	21-0445 362021 AMERICAN RESCUE PLAN
Allocations Approved To-Date	\$6,000,000.00	21-0794 25ARPA-VFW-TDG

Allocations Approved To-Date	\$1,000,000.00	21-0805 13ARPA-ADMINISTRATION
Allocations Approved To-Date	\$4,245,533.42	21-0810 17ARPA ALLOCATIONS EVANS & ROSEDALE REDEVELOPMENT
Allocations Approved To-Date	\$2,400,000.00	21-0811 17ARPA ALLOCATIONS UNTHSC TECHSTARS
Allocations Approved To-Date	\$10,100,000.00	21-0814 19ARPA ALLOCATIONS TO HOUSING AND HUMAN SERVICES PROJECTS
Allocations Approved To-Date	\$3,000,000.00	21-0809 19ARPA ALLOCATION CDFI FRIENDLY AMERICA
Allocations Approved To-Date	\$300,000.00	21-0820 25ARPA-WRMC MURAL PLAQUES
Allocations Approved To-Date	\$6,400,000.00	21-0935 21ARPA-PEG FUNDING-FUTURE CITY HALL
Allocations Approved To-Date	\$8,000,000.00	21-0908 23ARPA-VACCINATIONS AND TESTING
Allocations Approved To-Date	\$4,560,000.00	21-0913 25ARPA-PED\_CAPITAL\_RESTORE
Allocations Approved To-Date	\$52,000,000.00	21-0934 21ARPA-FWCC EXPANSION FUNDING & PROJECT MANAGEMENT
Allocations Approved To-Date	\$3,000,000.00	22-0268 17ARPA CENTER FOR TRANSFORMING LIVES
Allocations Approved To-Date	\$5,000,000.00	22-0270 19ARPA ALLOCATION FOR PERMANENT SUPPORTIVE HOUSING
Allocations Approved To-Date	\$7,091,047.00	22-0368 04ARPANEIGHBORHOOD WIFI CARES RATIFICATION/ARPA ALLOCATION
Allocations Approved To-Date	\$3,595,000.00	22-0366 04ARPA INFRASTRUCTURE PROGRAM
Allocations Approved to-Date	\$3,675,000.00	22-0367 04ARPA CYBERSECURITY PROGRAM
Allocations Approved to-Date	\$16,000,000.00	22-0789 MMA INFRASTRUCTURE – STREETLIGHTS & PEDESTRIAN SAFETY
Allocations Approved to-Date	\$2,500,000.00	22-0789 MMA INFRASTRUCTURE – COBB & HIGHLAND HILLS PARKS
Allocations Approved to-Date	\$3,200,000.00	22-0789 TARRANT AREA FOOD BANK FACILITY
Allocations Approved to-Date	\$2,000,000.00	22-0789 POLICE AND FIRE COVID WORKER'S COMPENSATION CLAIMS
Allocations Approved to-Date	\$1,458,372.00	22-0789 POLICE COVID HEALTH EXPENDITURES
Allocations Approved to-Date	\$750,000.00	22-0789 VISIT FORT WORTH SPECIAL EVENT FUNDING
Allocations Approved to-Date	\$4,411,080.00	22-0789 UNITED WAY ONE SECOND COLLABORATIVE
Allocations Approved to-Date	\$8,000,000.00	22-0789 DEEPLY AFFORDABLE HOUSING INFRASTRUCTURE & DRAINAGE

Allocations Approved to-Date	\$1,500,000.00	22-0789 FORT WORTH ZOO ROAD REPAIR, EROSION CONTROL, BROADBAND
Allocations Approved to-Date	\$200,000.00	22-0789 TX WESLEYAN ON-CAMPUS PUBLIC UTILITY RELOCATION
Allocations Approved to-Date	\$1,925,000.00	22-0789 WILL ROGERS MC AIR HANDLER REPLACEMENT
Allocations Approved to-Date	\$5,950,000.00	22-0789 WILL ROGERS MC CONCOURSE, LOBBY AND RESTROOM UPDATES
Allocations Approved to-Date	\$2,000,000.00	23-0284 ARPA FWTC INNOVATION PARTNERSHIP
Allocations Approved to-Date	\$50,000.00	23-0518 WSTAMUS ILA
Allocations Approved to-Date	\$100,000.00	23-0609 ARPA\_CENTRAL\_MULTIMODAL\_MOBILITY\_HUB
Reclaimed Funds	\$(4,216,902.00)	23-0609 ARPA\_CENTRAL\_MULTIMODAL\_MOBILITY\_HUB
Pending Allocations	\$4,500,000.00	RFP 22-0146 BROADBAND ENHANCEMENTS CH CITY (This M&C)
Remaining Unallocated Balance	\$3,050,960.58	

A breakdown of the remaining unallocated balance of ARPA SLFRF funding is detailed below:

Amount	Project
\$2,950,000.00	Revenue Recovery Funds - Held for Texas A&M University System Research and Innovation Hub
\$65,682.00	Revenue Recovery Funds - Held in contingency for project shortfalls
\$35,278.58	Non-Revenue Recovery Funds - Held in contingency for project shortfalls
<b>\$3,050,960.58</b>	<b>Total - Remaining Unallocated Balance</b>

AGREEMENT TERMS: Upon City Council approval, this agreement shall begin upon execution and expire 34 years from that date.

RENEWAL TERMS: This agreement may be renewed for two additional 10-year terms with a one-time extension fee payment of \$5,000.00 each. This action does not require specific City Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal term.

DIVERSITY AND INCLUSION (DVIN): Sprocket Networks, Inc. is in compliance with the City's Business Equity Ordinance by committing to 9% MWBE participation on this project. The City's MWBE goal on this project is 9%.

ADMINISTRATIVE CHANGE ORDER: An administrative change order or increase may be made by the City Manager up to the amount allowed by relevant law and the Fort Worth City Code and does not require specific City Council approval as long as sufficient funds have been appropriated.

This project will serve ALL COUNCIL DISTRICTS.

**FISCAL INFORMATION/CERTIFICATION:**

The Director of Finance certifies that funds are currently available in the Grants Operating Federal Fund American Rescue Plan Act project, and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the Grants Cap Projects Federal Fund and Grants Capital Project Other Fund for the FY23 Broadband project to support the execution of the agreement. Prior to any expenditure being incurred, the IT Solutions Department has the responsibility of verifying the availability of funds. This is an advance grant.

BQN\\

TO

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount
------	---------------	---------	------------	---------	----------	-------------	----------------------------	--------

**FROM**

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount
------	---------------	---------	------------	---------	----------	-------------	----------------------------	--------

---

**Submitted for City Manager's Office by:** Reginald Zeno (8517)  
Valerie Washington (6192)

**Originating Department Head:** Reginald Zeno (8517)  
Kevin Gunn (2015 )

**Additional Information Contact:** Jo Ann Gunn (8525)  
Christopher Ha (8066)

---

**ATTACHMENTS**

[ARPA Availability at 9.20.23.PNG](#) (CFW Internal)

[FY23 Broadband FID.xlsx](#) (CFW Internal)

[ORD.APP 13PRFP 22-0146 BROADBAND ENHANCEMENTS CH CITY\\_AO\(r4\)\\_31001.docx](#) (Public)

[ORD.APP 13PRFP 22-0146 BROADBAND ENHANCEMENTS CH CITY\\_AO\(r5\)\\_31003.docx](#) (Public)

[SAMs.PNG](#) (CFW Internal)

[Signed Compliance Memo 6.13.23 AI.pdf](#) (CFW Internal)

[Sprocket Form 1295 Certificate WG Signed.pdf](#) (CFW Internal)