

DAKOTA COUNTY BOARD OF COMMISSIONERS

Update On Dakota County Data Networks Planning And Authorization To Purchase Fiber Optic Cabling, Conduit And Duct

Meeting Date: 4/21/2015
Item Type: Regular-Action
Division: Operations, Budget and Management
Department: Information Technology
Contact: Cater, Dan
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Fiscal/FTE Impact:
 None Other
 Current budget Amendment requested
 New FTE(s) requested
Board Goal: Good for Business

PURPOSE/ACTION REQUESTED

Provide an update on 2015 Data Networks planning and authorize the purchase of fiber optic cabling, conduit, and duct in bulk for multiple Dakota County fiber projects.

SUMMARY

The 2014-15 Data Networks Capital Improvement Program (CIP) includes the County's strategic development of broadband infrastructure to connect County buildings to a high speed data network and to connect the County to other institutional or commercial networks. The installation of new fiber lines, and the cooperative use of existing lines, is a key component to increasing connectivity in the County. This initiative is designed to prioritize cost-sharing with cities and surrounding counties, and take advantage of existing construction projects where fiber can be installed at lower cost. Staff has identified a number of opportunities where these cost reductions can be realized, and recommend ordering materials in bulk to save additional funds. This purchase of fiber cabling, conduit, and duct will cover 16 projects, and take advantage of existing construction projects on Robert Street, among others.

Market analysts expect the demand for fiber optic cabling to outpace production over the next 12 to 15 months, dramatically increasing the cost and limiting availability. While it is possible for the County to buy just enough fiber for each project one at a time, the cabling will likely become more expensive before all of the projects are completed. Instead, the County can purchase the fiber cabling for multiple projects simultaneously to avoid future project delays and limit the overall cost. Fiber optic cabling currently sells for well over \$2 per foot; with this bulk purchase the County will pay less than \$1.45 per foot. Fiber optic conduit and duct, which house and secure fiber optic cabling underground, are sold per reel at a rate of \$1.323 per foot when purchased in bulk. The adopted Data Networks CIP Budget includes these budgeted fiber cabling, conduit and duct costs.

Under State law, purchases of conduit and duct valued in excess of \$100,000 must be made after advertising for sealed bids. However, State law also excuses the County from advertising for sealed bids if a purchase can be made through a national municipal association purchasing alliance that secures contracts on the basis of competitive bids or quotes. US Communities Government Purchasing Alliance is such an alliance, and the County Attorney advises that Dakota County may purchase through it in lieu of advertising for sealed bids. Graybar is a seller of conduit and duct and is a vendor in the US Communities Government Purchasing Alliance Program. Graybar offers conduit at comparable rates to other vendors, and the fiber is of technically superior quality ("Zero Water Peak") compared to fiber available from other vendors ("reduced water peak"). Graybar's reputation in the community is one of excellent customer service and responsiveness. Also, Graybar has arranged for expedited procurement of materials for Dakota County once a purchase order is received, to help keep Dakota County fiber projects on time.

Staff will provide an overview and update on planned data networks projects for 2015.

RECOMMENDATION

Staff recommends the Board authorize the Information Technology Director to purchase fiber optic cabling, conduit, and duct for multiple fiber optic projects in Dakota County.

EXPLANATION OF FISCAL/FTE IMPACTS

The bulk purchase of 438,636 feet of fiber optic supplies from Graybar totals \$1,187,140.02; this includes \$632,906.29 for cabling and \$554,233.73 for conduit and duct. The funding for this purchase is contained in the \$2,647,500 adopted budget for the 2014-15 Data Networks CIP. See Attachments A and B for CIP budget details.

Supporting Documents:

Attachment A: IT Fiber Optic Cable CIP Budget Detail
Attachment B: IT Fiber Optic Conduit and Duct CIP Budget Detail

Previous Board Action(s):

RESOLUTION

WHEREAS, Dakota County has multiple fiber optic projects throughout Dakota County; and

WHEREAS, Dakota County has incorporated the costs of the fiber optic cabling, conduit, and duct materials into each project as aforementioned in the Data Networks Capital Improvement Project (CIP) Budget; and

WHEREAS, fiber optic cabling, conduit, and duct is cheaper when purchased in bulk; and

WHEREAS, Dakota County is tax exempt and by purchasing the fiber optic cabling, conduit and duct in bulk saves 6.875%; and

WHEREAS, ordering fiber optic materials in bulk assures the supplies are on hand; and

WHEREAS, Dakota County wishes to be seen as a strategic business partner by keeping these projects on time; and

WHEREAS, Graybar is an authorized vendor to sell fiber optic cabling, conduit, and duct through US Communities Government Purchasing Alliance cooperative purchasing program contract MA-IS-1540125-1.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the Information Technology Director to execute a purchase order with Graybar off the US Communities Government Purchasing Alliance cooperative purchasing program contract MA-IS-1540125-1, for fiber optic cabling, conduit, and duct in the amount not to exceed \$1,187,140.02, payable from the CIP funds as aforementioned.

County Manager's Comments:

- Recommend Action
- Do Not Recommend Action
- Reviewed---No Recommendation
- Reviewed---Information Only
- Submitted at Commissioner Request

Reviewed by (if required):

- County Attorney's Office
- Financial Services
- Risk Management
- Employee Relations
- Information Technology
- Facilities Management



County Manager