

# PLACER COUNTY

## ADMINISTRATIVE SERVICES DEPARTMENT

### MEMORANDUM

**TO:** Honorable Board of Supervisors

**FROM:** Clark L. Moots, Director of Administrative Services  
Jerry Gamez, IT Division Manager

**DATE:** December 11, 2007

**SUBJECT:** Recommendation to Approve a Resolution Authorizing the Award of a Contract in the Amount of \$2,248,763.00 to Foresthill Telephone Company for the Construction of the Community of Iowa Hill's Telecommunications Infrastructure Funded by the State of California Assembly Bill 140 Grant Program and Approving a Budget Revision in the Amount of \$665,100

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#### **ACTION REQUESTED**

Approve a Resolution authorizing the award of a contract in the amount of \$2,248,763.00 to Foresthill Telephone Company for the construction of the community of Iowa Hill's telecommunications infrastructure and approve the suspension of competitive bidding; authorize a Budget Revision in the amount of \$665,100 to the Telecommunications Division budget unit; reject all bids received from Bid Solicitation No. 9612; authorize the Purchasing Manager to sign a contract with Foresthill Telephone Company upon County Counsel approval; and authorize the Director of Administrative Services and Purchasing Manager to take all other actions necessary to implement the project.

#### **BACKGROUND:**

Assembly Bill (AB) 140, which became law on January 1, 2002 created a grant program funded via the California High Cost Fund-A and B for the purpose of expanding telecommunications service to low-income households in currently un-served, rural areas of California. Each community selected for grant funding was eligible to receive up to \$2.5 million for completion of a telecommunications service infrastructure.

On August 10, 2004 your Board approved Resolution No. 2004-219 for the acceptance of a grant in the amount of \$1,834,900 from the State of California Public Utilities Commission (CPUC) for the construction of a rural telecommunications infrastructure to serve the community of Iowa Hill and authorized the Administrative Services Department to serve as the Fiscal Agent for the AB140 Grant project.

In accordance with the grant requirements, plans, specifications, construction sheets and drawings were developed by Placer County's consulting firm and approved by Verizon of California and the CPUC prior to soliciting bids to construct the necessary infrastructure. In

August 2006, the Placer County Procurement Division released Bid No. 9612 soliciting bids from qualified firms to construct the Iowa Hill Rural Telecommunications infrastructure. The results of Bid No. 9612 identified that the project could not be implemented within the approved grant budget. The lowest responsive bidder was \$1,369,129 over the project's budgeted amount.

During the past several months the Administrative Department, the Community Development Resource Agency, Placer County Roads Department, the community of Iowa Hill and our consultant conducted extensive research to identify available options to construct the project within the budgeted amount. As part of our research, we have identified Foresthill Telephone Company as a viable partner to service the community of Iowa Hill.

Foresthill Telephone Company, a local public utility company, has submitted an infrastructure plan that meets all grant criteria and that can be implemented within the \$2.5 million grant allowance per community. Their solution utilizes the same technologies approved in the Iowa Hill Rural Telecommunications Grant Project, namely a Wireless Transport Link and Wireline Distribution Infrastructure. Foresthill Telephone Company has identified alternative locations for the wireless link sites, an alternative solar power generation plant with battery back up generator, as well as alternate methods of providing and installing the telephone distribution infrastructure.

These plans included boundary realignment with Verizon of California to incorporate the community of Iowa Hill into the Foresthill Telephone Company Service area. Foresthill Telephone Company coordinated with the CPUC and Verizon of California to revise the Map of Zoned Areas to realign the common exchange boundary between Foresthill and Verizon's Colfax exchange. A filing was submitted in August 2007, and became effective September 14, 2007 transferring approximately 24.13 square miles of territory from Verizon's Colfax exchange to Foresthill Telephone Company, thereby incorporating the community of Iowa Hill into the Foresthill Telephone Service Area.

On June 14, 2007 the Administrative Services Department submitted a request to the California Public Utilities Commission to extend the grant period through June 30, 2009, approve the Foresthill Telephone Company Project Plan and increase the Grant Agreement amount from the original \$1,834,900 amount to the new maximum amount of \$2,500,000. The request to extend the grant period, approve a change to the project scope of work incorporating Foresthill Telephone Company's plan and increase the Grant Agreement amounts was adopted by the California Public Utilities Commission on November 1, 2007 via CPUC Resolution T-17114.

In order to move forward with providing the citizens of Iowa Hill with reliable telephone services including the ability to contact emergency law enforcement, fire protection and medical aid services through Placer County's Emergency 911 system, under the Foresthill Telephone Company plan, the Department is requesting that the project be exempt from competitive bidding on the grounds that it is impractical to bid due to the project's unique geographic location and Foresthill Telephone's CPUC approvals, and that the public interest will not be served by bidding the project. In accordance with AB 140 and the CPUC's implementing regulations, Foresthill Telephone Company will own the project's components at the completion of construction.

**ENVIRONMENTAL**

The project is exempt under CEQA Guidelines Section 15303, New Construction or Conversion of Small Structures.

**FISCAL IMPACT**

For its continued role as the Fiscal Agent, the County shall be compensated a total of \$30,000 and the revised Grant Agreement amounts will offset the appropriations needed to construct the telecommunications infrastructure for the Community of Iowa Hill.

**RECOMMENDATION**

Approve a Resolution authorizing the award of a contract in the amount of \$2,248,763.00 to Foresthill Telephone Company for the construction of the community of Iowa Hill's telecommunications infrastructure and approve the suspension of competitive bidding; authorize a Budget Revision in the amount of \$665,100 to the Telecommunications Division budget unit; reject all bids received from Bid Solicitation No. 9612; authorize the Purchasing Manager to sign a contract with Foresthill Telephone Company upon County Counsel approval; and authorize the Director of Administrative Services and Purchasing Manager to take all other actions necessary to implement the project.

Cc: Ron Baker, Senior Administrative Services Officer  
Sandy Hammock, Senior Administrative Services Officer  
Jim Boggan, Purchasing Manager  
Rhonda Armstrong, Foresthill Telephone Company  
Cathy Morgan, Iowa Hill Community Club  
Richard Marks, Iowa Hill School

Attachments

**BEFORE THE BOARD OF SUPERVISORS  
COUNTY OF PLACER, STATE OF CALIFORNIA**

**In the matter of:  
A RESOLUTION AUTHORIZING THE  
AWARD OF A CONTRACT IN THE AMOUNT  
Of \$2,248,763 TO FORESTHILL TELEPHONE  
COMPANY FOR THE CONSTRUCTION OF  
THE COMMUNITY OF IOWA HILL'S  
TELECOMMUNICATION INFRASTRUCTURE  
AS FUNDED BY THE STATE OF CALIFORNIA  
ASSEMBLY BILL 140 GRANT PROGRAM AND  
APPROVING A BUDGET REVISION IN THE  
AMOUNT OF \$665,100**

**Resol. No:** \_\_\_\_\_

**Ord. No:** \_\_\_\_\_

**First Reading:** \_\_\_\_\_

**The following Resolution was duly passed by the Board of Supervisors  
of the County of Placer at a regular meeting held \_\_\_\_\_, 2007,  
by the following vote on roll call:**

**Ayes:**

**Noes:**

**Absent:**

**Signed and approved by me after its passage.**

\_\_\_\_\_  
**Chair, Board of Supervisors**

**Attest:  
Clerk of said Board**

\_\_\_\_\_  
**WHEREAS, the community of Iowa Hill in Placer County, California is underserved by  
telecommunications services and an upgrade to the community's telecommunications  
infrastructure is in the public interest.**

WHEREAS, an upgrade to Iowa Hill's telecommunications infrastructure will allow residents to contact emergency law enforcement, fire protection and medical aid services through Placer County's Emergency 911 system.

WHEREAS, the State of California has provided, through its Assembly Bill 140 Grant Program, funds to the County of Placer to upgrade Iowa Hill's telecommunications infrastructure.

WHEREAS, Foresthill Telephone Company, a regulated public utility, has received necessary California Public Utility Commission (CPUC) approvals to serve the community of Iowa Hill and further possesses the technical capabilities to install the telecommunications infrastructure needed to provide the community telecommunications services within the budget available to the County for such purposes.

WHEREAS, the CPUC has approved Foresthill Telephone Company's Wireless Transport Link and Wireline Distribution Infrastructure project plan to serve the Iowa Hill community.

WHEREAS, as a result obtaining required CPUC approvals and because of the project area's unique geography, Foresthill Telephone Company is the only entity currently commercially capable of installing necessary upgrades to the Iowa Hill community's telecommunications infrastructure.

WHEREAS, Foresthill Telephone Company's CPUC approvals include standards for performance and protections for the use of Assembly Bill 140 grant funds.

WHEREAS, the County previously bid the Iowa Hill Rural Telecommunications Infrastructure Project, No. 9612, and did not obtain any bids within the County's budget for the Project.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE Board of Supervisors, County of Placer, State of California, that this Board approves the award of a contract in the amount of \$2,248,763.00 to Foresthill Telephone Company for the construction of the community of Iowa Hill's telecommunications infrastructure in accordance with the State of California Public Utilities Code and as funded by the State of California Assembly Bill 140 Grant Program.

BE IT FURTHER RESOLVED that the project is exempt from competitive bidding on the grounds that it is impractical to bid because of the project area's unique geography and Foresthill Telephone Company's CPUC-granted approvals and, further, that the public interest will not be served by bidding the project.

PLACER COUNTY

PAS DOCUMENT NO.

**BUDGET REVISION**

Cash Transfer Required  
 Reserve Cancellation Required  
 Establish Reserve Required  
 Auditor-Controller  
 County Executive  
 Board of Supervisors

**POST DATE:**

DEPT NO.	DOC TYPE	TOTAL AMOUNT	TOTAL LINES
10	BR	1,330,200.00	2

**APPROPRIATION ADJUSTMENT**

**ESTIMATED REVENUE ADJUSTMENT**

DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT	DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT
01	006	250	100	650005			8193			665,100.00	01	014	250	100	650005			2555			665,100.00
<b>TOTAL</b>											<b>665,100.00</b>										
<b>TOTAL</b>											<b>665,100.00</b>										

REASON FOR REVISION: To increase appropriation and estimated revenues per increase in Grant Agreement adopted by the California Public Utilities Commission  
Nov 1, 2007 for the Iowa Hill Telecommunications Infrastructure Grant. Backup on file of Administrative Services / Telecommunications

Prepared by Sandy Hammock Ext 4226  
 Department Head \_\_\_\_\_  
 Board of Supervisors \_\_\_\_\_

Date: 11/9/07  
 Page: \_\_\_\_\_

Budget Revision # \_\_\_\_\_ FOR INDIVIDUAL DEPT USE

2007 NOV - 9 P 3 30

AS AUDITOR-CONTROLLER

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