

Agenda Report

DATE: February 2, 2009

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: AUTHORIZATION TO AMEND CONTRACT NO. 18,459 WITH CALTECH (JPL) FOR UPGRADE OF A FIBER CONNECTION AND INCREASE TO THE FIBER LEASE RATE

RECOMMENDATION

It is recommended that the City Council:

- 1) Find that the JPL fiber optic upgrade project is exempt from CEQA review pursuant to State CEQA Guidelines Section 15303 (New Construction or Conversion of Small Structures).
- 2) Authorize the City Manager to amend contract no. 18,459 granting the City authority to upgrade the fiber connection between two Jet Propulsion Laboratory (JPL) facilities and increase the annual fiber lease rate from \$2,070 to \$8,280 charged for use of the upgraded fiber connection.

BACKGROUND

In 1998 and 1999, the City of Pasadena installed a 25-mile fiber optic backbone in a loop around the city. A portion of the fiber optic backbone is used to meet City voice and data communications requirements. The remainder of the fiber in the backbone is leased to a local telecommunications provider, TW Telecom, and several local institutions, including JPL, its local subcontractors, and Caltech.

JPL has requested an upgrade to the fiber connection provided by the City between two of its buildings. These facilities are currently connected by two strands of fiber, and JPL has a need for 96 strands to support new data communications intensive operations at its facilities. The proposed upgrade involves removal of the existing small fiber cable between the buildings, and installation of a larger fiber cable to meet JPL's requirements.

City staff estimates that the fiber cable upgrade will cost \$23,050, including project management and engineering, removal and installation of the cables, splicing and testing of the new fiber cable, and required materials. The proposed contract amendment will grant authority for the City to make the upgrade and recover the upgrade cost from JPL. In addition, the amendment provides for an increase in the fee related to the connection between the buildings from \$2,070 per year to \$8,280 per year, in recognition of the additional capacity provided by the larger fiber cable. This will result in a revenue increase of \$25,358 over the remainder of the five-year term of the lease agreement (four years and one month). JPL has agreed to the terms of the contract amendment.

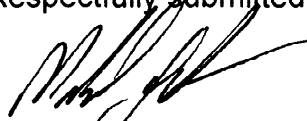
This fiber connection is leased to JPL as part of an agreement between the City and Caltech, which manages JPL. The agreement is currently in the first year of a five-year renewal. Historically, the lease agreement has involved payments to the City under the \$75,000 threshold which does not trigger City Council review. Given the cost of the fiber cable upgrade and related increase in the annual fees for the connection based on the increased capacity, the total revenues from the agreement will exceed \$75,000.

FISCAL IMPACT

The proposed fiber connection upgrade will cost approximately \$23,050, which will be paid for out of Capital Improvement Project 71203. JPL will reimburse the City this amount, which will replenish the Capital Improvement Project.

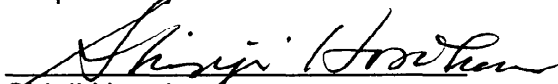
The proposed contract amendment will also increase the fiber optic lease revenues to the Telecommunications Fund by the amount of \$25,358 (from \$49,014 to \$74,382) over the remaining term of the lease agreement. The added revenues will be recognized in future year's budgets.

Respectfully submitted,



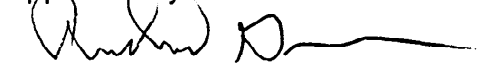
MICHAEL J. BECK
City Manager

Prepared by:



Shinji Hosokawa
Management Analyst II

Approved by:



Andrew Green
Director of Finance

Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment
Pasadena City Charter, Article XVII

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor/Organization Name:
Jet Propulsion Laboratory (California Institute of Technology)

2. Type of Entity:
 non-government nonprofit 501(c)(3), (4), or (6)

3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:

Chameau, Jean-Lou A.	- President
Stolper, Edward M.	- Provost
Currie, Dean W.	- vice President, Business & Finance
Yohalem, Harry M.	- General Counsel
Picovitsky, Gary	- Vice President - Institutional Relations
Sargent, Annella	- vice President, Student Affairs
Elochi, Charles	- vice President, Director of JPL
Ell, Sandra A.	- Treasurer, Chief Investment Officer
Webster, Mary L.	- Secretary to the Board of Trustees
O'Rourke, Robert L.	- vice President, Public Relations

4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:

Prepared by: MAI BARKER
Subcontracts Manager

Title: _____

Phone: (818) 393-2382

Date: March 17, 2008

Principal Executive Officers

Name	Position
Chameau, Jean-Lou A.	President
Stolper, Edward M.	Provost
Currie, Dean W.	Vice President, Business & Finance
Yohalem, Harry M.	General Counsel
Dicovitsky, Gary	Vice President - Institute Relations
Sargent, Anneila	Vice President, Student Affairs
Elachi, Charles	Vice President, Director of JPL
Ell, Sandra A.	Treasurer, Chief; Investment Officer
Webster, Mary L.	Secretary to the Board of Trustees
O'Rourke, Robert L.	Vice President, Public Relations