

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2018 May 31

FROM: CHIEF INFORMATION OFFICER

FILE: 1920-30
*Reference Digital Communications
Systems*

SUBJECT: CITY FIBRE NETWORK STRATEGY: AUTHORITY TO ENTER INTO
THIRD PARTY EXCHANGE AGREEMENTS

PURPOSE: To seek authority to enter into third party exchange agreements in support of the City's long-term strategy to implement a City-owned fibre communications network.

RECOMMENDATIONS:

1. **THAT** Financial Management Committee recommend Council authorize staff to negotiate and enter into third party agreements in support of the City's Fibre Network Strategy.

REPORT**1.0 INTRODUCTION**

In October 2017, Council approved in principle the strategic direction for the City's long term fibre communications network through three implementation approaches:

- co-build with existing capital works programs – include fibre communications conduit in upcoming Engineering and Parks capital works projects that traverse City facilities;
- leverage existing City planning procedures and processes – for major new developments, request that City network communications requirements be included in the planning process; and
- develop partnerships with 3rd parties – as opportunities arise, form partnerships with 3rd parties to build new fibre conduit, swap excess capacity (conduit, fibre cabling or both) and co-build new fibre communications conduit.

The City's fibre network will be constructed over a period of roughly 10 to 15 years, in as cost effective manner as possible, using these approaches. Although in the early stages, good progress has been made. City departments with civic works projects now incorporate fibre network requirements as part of their capital planning process. Staff have been in discussion with a number of third party utilities and telecommunications providers (e.g., Rogers Communications Inc., Shaw Communications Inc., Novus Communications Inc., Zayo Communications Inc. and Urban Networks Inc.) about working together to leverage projects that involve building conduit or fibre capability across Burnaby. The projects would allow for construction of the fibre network as quickly as possible while reducing construction costs and minimizing disruption to Burnaby residents and businesses (the 'dig once' concept). The purpose of this report is to seek authority for staff to negotiate and enter into these third party agreements, in order to implement the third approach in the City's Fibre Network Strategy.

2.0 AGREEMENTS WITH THIRD PARTIES

Mutually beneficial agreements with third parties would involve a range of opportunities including:

- A third party providing new fibre optic cabling to the City in exchange for access to existing City conduit
- Joint construction of fibre conduit
- Access to fibre conduit negotiated as part of a larger City initiative (e.g., with a developer or utility).

These agreements would be similar to those the City already has in place under municipal access agreements relating to telecommunications and utility companies' use of City road allowances, or are negotiated with developers for shared facilities (recent examples include the Brentwood area tower developments – Solo and Shape – and the Audi dealership at 2020 Lougheed Highway). The detailed terms and conditions of these agreements will differ based on the specific arrangement involved. In general, the agreements will address the following matters:

- Construction obligations and ownership of assets;
- Repair and maintenance responsibilities;
- Use of City and/or third party infrastructure;
- Approval requirements and conditions of the works;
- Relocation of equipment and responsibilities for relocation costs;
- Abandonment and removal/restoration requirements;
- Taxes and utilities, if applicable;
- Insurance and indemnity requirements; and
- Other matters specific to the arrangement.

In order to provide certainty to the City and third parties, the agreements are proposed to be for initial terms of up to 10 years, with 5-year renewal options and reasonable termination rights.

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Typically, neither the City nor the third party will be required to pay a fee to use each other's infrastructure. Cost sharing options will be explored as part of each proposed installation to ensure there is mutual benefit to the City and the third party. Where the infrastructure involves installations in City road allowances, the agreements will include requirements for the third party to pay plan approval and inspection fees as well as pavement degradation costs, similar to municipal access agreements for telecommunications and utilities companies.

Each legal agreement will be reviewed by the City's Legal and Risk Management departments, as well as impacted departments (e.g. Engineering, Parks, Planning), so that all City concerns are appropriately addressed. The City's Information Technology department will manage the agreements and ongoing relationships with the third parties once the agreements are executed and the infrastructure are installed.

3.0 RECOMMENDATIONS

Developing partnerships with third parties was approved by Council as one approach for implementing the City's long term Fibre Network Strategy. In order to implement this approach, it is recommended that the Financial Management Committee recommend Council authorize staff to negotiate and enter into third party agreements in support of the City's Fibre Network Strategy.



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CHIEF INFORMATION OFFICER

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Copied to: City Manager
Director Corporate Services
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