



# Council Business Meeting

October 3, 2023

<b>Agenda Item</b>	Approval of multiple Public Contracts for Internet Bandwidth	
<b>From</b>	Chad Sobotka	AFN Operations Manager
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<b>Item Type</b>	Requested by Council <input type="checkbox"/> Update <input type="checkbox"/> Request for Approval <input checked="" type="checkbox"/> Presentation <input type="checkbox"/> Consent <input type="checkbox"/> Public Hearing <input type="checkbox"/> New Business <input type="checkbox"/> Old Business <input type="checkbox"/>	

## **SUMMARY**

Approval is being requested to enter into multiple public contracts for Internet Bandwidth. The services include providing internet bandwidth, monitoring the City's internet bandwidth needs, and managing the network routing of the internet bandwidth. Multiple contracts are required to ensure carrier and path diversity.

## **POLICIES, PLANS & GOALS SUPPORTED**

This contract award to renew and improve Internet services will support the City's goals of achieving carrier and physical path diversity and operational efficiencies. It will result in more robust and resilient Internet service to all AFN customers: citizens, businesses, and all departments of the City of Ashland.

## **BACKGROUND AND ADDITIONAL INFORMATION**

The sourcing method used to obtain proposals for Internet Bandwidth is a formal Competitive Sealed Proposal (Request for Proposal). The City received four (4) proposals in response to this RFP. The proposals were evaluated in accordance with the evaluation process and criteria set forth in the RFP. A three-person evaluation committee evaluated the proposals and the evaluation summary is attached for your review.

AFN has had a presence in Portland since January 2018. Portland is an important connection point because major carriers have connection points there. While many tier 1 carriers may travel through Southern Oregon, none of them offer a connection point.

The existing contracts expire on October 31, 2023. Although we could extend the existing contracts an additional 2 years for a maximum term of 5-years, staff felt the cost savings would justify going out to bid again.

The new bandwidth contracts will begin on November 1, 2023 and will expire on October 31, 2025. There are options for 3 1-year extensions.





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## **FISCAL IMPACTS**

The new bandwidth contracts will save the City approximately \$42,000 per year over the previous contract. The total amount for the proposed contracts is \$180,552.

	<b>Proposed Annual Cost</b>	<b>Savings from Existing Contracts</b>
<b>FY2024</b>	\$60,184	-\$28,296
<b>FY2025</b>	\$90,276	-\$42,444
<b>FY2026</b>	\$30,092	-\$14,148
<b>Total Proposed Cost</b>	<b>\$180,552</b>	

AFN will retain the dual 10 Gbps transports between Portland and Ashland as well as one IP transit connection in Ashland and one IP transit connection in Portland. This will continue to provide physical path and carrier diversity. Funds have already been allocated for FY2024 and FY2025.

## **DISCUSSION QUESTIONS**

### **SUGGESTED NEXT STEPS**

Staff recommends multiple public contracts be awarded to the highest ranked proposers that will ensure carrier and path diversity as follows:

<b><u>Name of Proposer</u></b>	<b><u>Service to be Provided</u></b>
Hunter Communications	IP Transit in Ashland (10 gig internet bandwidth)
LS Networks	Transport Ashland to Portland (10 gig)
LS Networks	Transport Ashland to Portland (10 gig diverse)
Cogent	IP Transit in Portland (10 gig internet bandwidth)

## **REFERENCES & ATTACHMENTS**

Evaluation Summary

PowerPoint Presentation



**CITY OF ASHLAND  
REQUEST FOR PROPOSAL  
INTERNET BANDWIDTH  
EVALUATION SUMMARY  
September 26, 2023**

EVALUATION CRITERIA	POINTS	Cogent			Hunter			LS Networks			Spectrum		
		1	2	3	1	2	3	1	2	3	1	2	3
Letter of Introduction, Table of Contents, & Proposal Submission Form	5	5	5	5	5	5	5	5	5	5	5	4	5
Qualifications and Experience	15	12	13	14	15	15	15	15	15	15	10	5	7
Transports	20	0	3	0	0	0	0	20	20	20	15	10	11
IP Transits	20	20	18	19	20	20	20	20	20	20	15	15	13
Activation Plan	10	5	7	8	10	10	10	10	10	10	8	4	6
Outage Notification and Resolution Protocol	5	5	5	5	5	5	5	5	5	5	5	4	4
New Technologies and/or Additional Services	10	8	8	9	10	10	10	10	10	10	0	2	1
References	10	4	4	4	10	10	10	10	10	10	6	4	5
Contract Terms and Conditions	5	3	3	4	5	5	5	5	5	5	3	2	2
Subtotal	100	62	66	68	80	80	80	100	100	100	67	50	54
		65			80			100			57		
Cost Proposal	25	8			4			23			11		
Grand Total	125	70	66	68	84	80	80	123	100	100	78	50	54
		73			84			123			68		

*Table 1 shows the three evaluator score cards.*

	Cogent	Hunter	LS Networks	Spectrum
PDX IP Transit	25	0	19	6
Ash IP Transit	0	11	25	8
Transport	0	0	25	17
Average	8	4	23	11

PDX IP Transit	\$800	n/a	\$1,080	\$3,299
Ash IP Transit	n/a	\$2,500	\$1,100	\$3,299
Transport	n/a	n/a	\$4,223	\$6,040

*Table 2 shows the Cost Proposal scores.*



# Ashland Fiber Network – Bandwidth RFP

# AFN's Internet Connection

- AFN provides internet to over 4,000 residential and business customers
- AFN currently purchases its bandwidth from multiples providers across Oregon:
  - 10 Gigabit from Hunter Communications in Ashland
  - 10 Gigabit from LS Networks in Portland
  - 10 Gigabit from NWAX in Portland
  - 20 Gigabit transport from Ashland to Portland



# Current Usage/Cost

Below is a table showing our current usage (in gigabits) and the cost per megabit:

	Usage (in gigabits)	Cost per megabit
LS Networks in PDX	4.54	\$0.15
NWAX in PDX	3.47	\$0.03
Hunter in Ashland	1.95	\$0.45
<b>Total</b>	9.96	
Transport to PDX	8.01	\$0.51



# New Bandwidth Contract

This table shows the cost per megabit under our new bandwidth contracts as well as the percent change from the previous contracts:

	Cost per Megabit	% Change
<b>Cogent in PDX</b>	\$0.08	-47%
<b>NWAX in PDX</b>	\$0.03	0%
<b>Hunter in Ashland</b>	\$0.25	-44%
<b>Transport to PDX</b>	\$0.42	-17%



# Internet Bandwidth Goals

The new internet bandwidth contracts continue to meet the goals of AFN:

- **Carrier diversity:** AFN will now use four separate companies to connect to the internet
- **Path diversity:** We will still maintain two diverse paths between Ashland and Portland; one through Eastern Oregon and the other along I5
- **Cost Savings:** Our new bandwidth contract reduces our cost by 32%. Our yearly cost savings is \$42,444.





# Questions?

