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City Manager's Report
April 8, 2025, City Council Meeting
Prepared by: M. Cleve Morris, City Manager
Item #: 12.3

Subject: Consider a Work Order #1 with Entrypoint Networks, Inc. in accordance with the Master Service Agreement entered into on November 12, 2025 for Engineering, Underground Construction, Splicing and Testing, Individual Parcel drops and Hut and Cabinet Installation in the amount of \$19,518,943 for the Broadband Fiber Planning project (CIP #42340) and authorizing the City Manager to open a joint escrow account Entrypoint Networks, Inc. and negotiate a deposit agreement with U.S. Bank National Association for payment to Entrypoint Networks, Inc. for the said Work Order #1, and authorizing four City Officials as Depositor Representatives.

Recommendation: Adopt a Resolution:

1. Authorizing the City Manager, City Attorney and City Engineer to negotiate the final provisions of Work Order #1 (Attachment B) in accordance with the Master Service Agreement entered into on November 12, 2025 for Engineering, Underground Construction, Splicing and Testing, Individual Parcel drops and Hut and Cabinet Installation in the amount of \$19,518,943 for the Broadband Fiber Planning project (CIP #42340) and authorize the City Manager to execute the said Work Order #1; and
2. Authorizing the City Manager to open a joint escrow account with Entrypoint Networks, Inc. and negotiate a deposit agreement with U.S. Bank National Association for payment to Entrypoint Networks, Inc. for the said Work Order #1 and naming Candace J. Bernardi, City Treasurer/Accountant, M. Cleve Morris, City Manager, Natalie M. Tornincasa, Assistant Finance Director, and David R. Warren, Assistant City Manager/Director of Finance as Depositor Representatives on the said escrow account.

Purpose: To authorize Work Order #1 with Entrypoint Networks, Inc. for the engineering, management, and construction of the Broadband Fiber Planning project in the amount of \$19,518,943.

Strategic Plan Strategy: Infrastructure-Maintain and improve infrastructure and facilities to provide a safe community. Strategy 2-Broadband C. Establish and expand Broadband to all businesses, services, and residents to support a localized live/work environment within the City.

Background: At its October 22, 2024 meeting (Agenda Item # 12.2), the City Council adopted Resolution No. 9372 (1) approving and accepting the award by the CPUC for the Last Mile Federal Funding Account Grant (Resolution T-17845, hereinafter referred to as "Grant") in the amount of \$20,198,943 for CIP #42340, (2) approving a budget appropriation for an equal amount for the

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Grant, and (3) authorizing the City Manager, City Attorney, and City Clerk to execute any documents necessary to secure the Grant. Additional details concerning this Resolution can be found in the City Manager's Report accompanying Agenda Item # 12.2 (Oct. 22, 2024).

At that same October 22, 2024 meeting (Agenda Item # 12.3), the City Council adopted Resolution No. 9373 authorizing the City Manager to negotiate and execute a Master Services Agreement with EntryPoint Networks, Inc. (EntryPoint) to provide project management, construction, and operational services related to the deployment of fiber-optic communications infrastructure and advanced networking solutions for CIP #42340. Additional details concerning this Resolution can be found in the City Manager's Report accompanying Agenda Item # 12.3 (Oct. 22, 2024).

On November 12, 2024 the Council adopted a resolution approving the Master Services Agreement with Entrypoint Networks, Inc. in the amount of \$20,198,943. The Master Services Agreement (Attachment C) outlines the necessary work orders to implement the grant requirements. These include the following:

- Project and Construction Management Services
- Software as a Service
- Networks Operations Center Services
- Billing Services
- Professional Services

Discussion: The action before the Council tonight is to approve Work Order #1 to provide Project and Construction Management Services for the Broadband Fiber Project in accordance with the CPUC Last Mile Federal Grant. Attachment 1 to the Work Order defines the specific Scope of Work of the project including the specific addresses to be served by the Grant.

City Staff working in conjunction with Entrypoint Networks is also working on plans to roll out fiber to the entire City. This involves additional work to market the new program to residents. Part of the program requires us to nail down costs. With the approval of this Work Order, we will then know our costs and can develop the program Citywide.

As has been extensively discussed by the City Council and City staff, CIP #42340 will provide a unique and critical end product in the form of fiber optic broadband connectivity to an estimated 264 unserved locations. Deploying approximately 40 miles of last-mile open-access network infrastructure using an underground network to ensure long-term (30-year) viability, the project will provide a low-cost plan providing up to 1/1 gigabyte per second symmetrical service. There are approximately 469 unserved units in the project area, including 116 unserved Multiple Dwelling Unit locations representing an estimated 315 unserved units which represents an estimated unserved population of 1,301 residents. Furthermore, an additional 2,145 residents will benefit from this investment in the Placerville community. In short, the criticality of CIP #42340 to the City and its residents—and the Grant issued to fund same—cannot be overstated.

At this date, the Work Order #1 is 95% complete. However, at the posting of the agenda, there were still some outstanding items that needed final discussion and approval from both sides. The CPUC Last Mile Federal Grant has very strict timelines for completion. The project must be completed and up and running by June 30, 2026. In order to meet that timeline and not put the

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project funding in jeopardy, Staff is requesting authorization to proceed with final negotiations and approval of the Work Order at a staff level. As stated in the recommendation, this will not be completed until the City Attorney, City Engineer, and the City Manager have approved the final document. All items such as cost, payment and timelines have been finalized.

The City will be receiving the CPUC Last Mile Grant funds on a reimbursement basis for the costs incurred on the proposed Work Order No. 1. In order to demonstrate expedited payment to Entrypoint Networks, Inc. and its subcontractor Fibertel, staff recommends that the City Council authorize the City Manager to open a joint escrow account with Entrypoint Networks, Inc. and negotiate a deposit agreement with U.S. Bank National Association for payment to Entrypoint Networks, Inc. for the said Work Order #1 and naming Candace J. Bernardi, City Treasurer/Accountant, M. Cleve Morris, City Manager, Natalie M. Tornincasa, Assistant Finance Director, and David R. Warren, Assistant City Manager/Director of Finance as Depositor Representatives (signers) on the said escrow account. Deposit Representatives will be authorized to approve ACH transfers from the City's General checking account with Umpqua Bank to the proposed escrow account with U.S. Bank National Association for outstanding invoices from Entrypoint Networks, Inc. Shortly after the City has received reimbursement for the said invoices from the CPUC, Deposit Representatives will be authorized to issue an ACH transfer from the escrow account to Entrypoint Networks, Inc. The proposed escrow account will have dual authorization and dual authentication controls in place.

Options:

1. Approve the actions recommended by staff.
2. Approve the recommended actions with modifications.
3. Do not approve the recommended actions and provide further direction to staff.

Environmental: As part of the grant application, the City was required to perform CEQA analysis for the project. Then Director of Development Services, Pierre Rivas, made the determination that the project was Categorically Exempt.

Cost: The total cost of the proposed Work Order #1 with Entrypoint Networks, Inc. is \$19,518,943.

Budget: At its meeting held on October 22, 2024, the City Council approved a \$20,198,943 budget appropriation for the Broadband Fiber Planning project (CIP #42340). The \$19,518,943 proposed Work Order No. 1 with Entrypoint Networks, Inc. is within the \$20,198,943 project budget.



M. Cleve Morris, City Manager

Attachment:

- A. Proposed Resolution
- B. Draft Work Order #1
- C. Master Services Agreement