



REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

CONSENT
September 20, 2005

Honorable Mayor and
Members of the City Council

Subject: Contract: Authorization to Negotiate with MobilePro/NeoReach for a Wireless Network (Wi-Fi / Wi-Max)

Location/Council District: Citywide

Recommendation:

Adopt a Resolution authorizing the City Manager to negotiate a contract with MobilePro/NeoReach for a Wireless Network (Wi-Fi / Wi-Max) and present a final recommendation to the City Council for approval prior to executing the contract.

Contact: Stephen R. Ferguson, Chief Information Officer, 808-8600

Presenters: N/A

Department: Information Technology

Division: Administration

Organization No: 1311

Summary:

On March 15, 2005, City Council authorized the City Manager to issue a Request for Proposal (RFP) to explore the market place for a public wireless network (Wi-Fi / Wi-Max) in Sacramento. The RFP was issued in April 2005 and the City received three responses. A multi-jurisdictional team from the City, Sacramento State University, and the Metropolitan Cable TV Commission reviewed the responses and recommend that City staff negotiate an agreement with MobilePro/NeoReach. The attached resolution would authorize the City Manager to negotiate an agreement for Wi-Fi services with MobilePro/NeoReach and present a final recommendation to the City Council for approval.

Committee/Commission Action: None.

Background Information:

On April 22, 2005, the City of Sacramento issued an RFP to find out if there were companies interested in developing a commercial Wi-Fi (wireless) network for public use in Sacramento. City staff developed the RFP after reviewing the experiences of other cities with Wi-Fi projects. It was decided that the best approach for the City to take was to look for vendors who would design, install, and operate the network as a business venture. Staff felt that a public/private partnership could be developed if the City offered support for the project in the form of an expedited permit process and granting non-exclusive rights for the selected company to install their equipment on City facilities. In exchange, the City hoped that the vendors would respond with a plan that provided citywide Wi-Fi access at affordable prices and would include attractive levels of free service to the community.

Proposals were received from SBC, Motorola and MobilePro/NeoReach by the specified deadline.

A multi-jurisdictional team from the City, Sacramento State University, and the Metropolitan Cable TV Commission reviewed the responses. The evaluation team determined that there was a great deal of variation in the RFP responses, and decided to request a "best and final" offer from the three responders. Best and final responses were received from MobilePro/NeoReach and Motorola. SBC notified the City on July 18, 2005 that they were withdrawing their proposal.

The evaluation team reviewed the latest offers from MobilePro/NeoReach and Motorola. Each vendor was invited to the City to present information on their proposal and to allow the evaluation team the opportunity to ask questions about the vendor's plan. At the conclusion of the presentations, the evaluation team unanimously recommended that the City begin negotiating an agreement with MobilePro/NeoReach. We expect to bring a proposed agreement to City Council in November of 2005.

If a final agreement is approved by City Council, MobilePro/NeoReach will design, install and operate the network at their cost. While the final details of the project are still under discussion, MobilePro/NeoReach's proposal was impressive because it included more services and features than the City was expecting. Some examples include: eventual deployment of the network throughout the entire city, a significant level of free access for everyone, hourly/daily access for transient professionals and visitors, open access to any Internet Service Provider (ISP), impressive connection speeds, state of the art security and free wireless service to the City for over 2,000 concurrent users.

Financial Considerations:

The company will design, install and operate the network at their cost. The radios used will tap into building or other facility power sources, consuming small amounts of

electricity. In exchange, the City may receive no-cost wireless services representing a major savings over current subscription services. The City may also avoid some future costs for installing fiber cable, if the wireless network can be used to serve City facilities not on the existing or planned network.

Other financial considerations will be noted when the contract is finalized and presented to the City Council for approval in November.

Environmental Considerations:

This project has been determined to be exempt from the requirements of the California Environmental Quality Act (CEQA), under Section 1506(b)(3), which states that CEQA applies only to projects that have the potential for causing a significant effect on the environment. This project involves the deployment of public wireless services in Sacramento with no potential for significant effect of the environment.

Policy Considerations:

None at this time.

Emerging Small Business Development (ESBD):

MobilePro and its subsidiary are not certified as Emerging or Small Business Enterprises (ESBE) at this time. The project will include the installation and maintenance of at least 1,000 radio transceivers citywide. MobilePro management has indicated that they would accept a recommendation from the City for local ESBE companies that could perform the installation and maintenance work. This will be incorporated into the final agreement.

Respectfully Submitted and Approved by:



Stephen R. Ferguson
Chief Information Officer

Recommendation Approved:



ROBERT P. THOMAS
City Manager

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RESOLUTION NO.

Adopted by the Sacramento City Council

AUTHORIZING THE CITY MANAGER TO NEGOTIATE A CONTRACT WITH MOBILEPRO/NEOREACH FOR A WIRELESS NETWORK (WI-FI / WI-MAX) AND PRESENT A FINAL RECOMMENDATION TO THE CITY COUNCIL FOR APPROVAL PRIOR TO EXECUTING THE CONTRACT

BACKGROUND

- A. On April 22, 2005, the City of Sacramento issued an RFP to find out if there were companies interested in developing a commercial Wi-Fi (wireless) network for public use in Sacramento. City staff developed the RFP after reviewing the experiences of other cities with Wi-Fi projects. It was decided that the best approach for the City to take was to look for vendors who would design, install, and operate the network as a business venture. Staff felt that a public/private partnership could be developed if the City offered support for the project in the form of an expedited permit process and granting non-exclusive rights for the selected company to install their equipment on City facilities. In exchange, the City hoped that the vendors would respond with a plan that provided citywide Wi-Fi access at affordable prices and would include attractive levels of free service to the community.
- B. Proposals were received from SBC, Motorola and MobilePro/NeoReach by the specified deadline.
- C. A multi-jurisdictional team from the City, Sacramento State University, and the Metropolitan Cable TV Commission reviewed the responses. The evaluation team determined that there was a great deal of variation in the RFP responses, and decided to request a "best and final" offer from the three responders. Best and final responses were received from MobilePro/NeoReach and Motorola. SBC notified the City on July 18, 2005 that they were withdrawing their proposal.
- D. The evaluation team reviewed the latest offers from MobilePro/NeoReach and Motorola. Each vendor was invited to the City to present information on their proposal and to allow the evaluation team the opportunity to ask questions about the vendor's plan. At the conclusion of the presentations, the evaluation team unanimously recommended that the City begin negotiating an agreement with MobilePro/NeoReach. We expect to bring a proposed agreement to City Council in November of 2005.

- E. If a final agreement is approved by City Council, MobilePro/NeoReach will design, install and operate the network at their cost. While the final details of the project are still under discussion, MobilePro/NeoReach's proposal was impressive because it included more services and features than the City was expecting. Some examples include: eventual deployment of the network throughout the entire city, a significant level of free access for everyone, hourly/daily access for transient professionals and visitors, open access to any Internet Service Provider (ISP), impressive connection speeds, state of the art security and free wireless service to the City for over 2,000 concurrent users.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager is authorized to negotiate a contract with MobilePro/NeoReach for a Wireless Network (Wi-Fi / Wi-Max) and present a final recommendation to the City Council for approval prior to executing the contract.