

AGENDA



Thursday, June 5, 2008

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 34**

Subject: Authorize award, negotiation, and execution of a 120-month revenue agreement with CONCOURSE COMMUNICATIONS GROUP, LLC, Chicago, IL, to design, install, operate, maintain, and manage a neutral host distributed antenna system to provide cell phone and Wi-Fi coverage at Austin-Bergstrom International Airport, with an estimated expense of \$417,015 and an estimated revenue of \$3,627,736.

Amount and Source of Funding: \$60,462 estimated revenue for Fiscal Year 2007-2008. Revenue for the remaining 118 months of the original contract period will be included in future budgets. Funding in the amount of \$417,015 is available in the 2007-2008 Capital Budget of Aviation.

Fiscal Note: A fiscal note is attached.

For More Information: Mick Osborne, Specialist Sr. Buyer/974-2995

Purchasing Language: Sole proposal received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this contract. A local Women-Owned Business Enterprise has been selected as the subcontractor.

Boards and Commission Action: Recommended by the Airport Advisory Commission.

Currently there are five independent cell phone antenna systems installed in the Austin-Bergstrom International Airport (ABIA) terminal. These systems are owned and operated by the individual cell phone service providers. These antenna systems are necessary to boost signal strength within the public areas of the terminal facility; however, signal strength, reliability, and coverage for each cell service varies throughout the terminal and, in spite of these carrier-installed systems, the facility continues to experience low signal strength in many public and non-public (operational) areas.

Under this contract, Concourse Communications will, at their own expense, design and install a Neutral Host Distributed Antenna System (DAS) that will support all of the present cell phone service providers as well as provide a reliable, high security WiFi network throughout the ABIA terminal. The City will fund, in an estimated amount of \$417,015, an additional expansion of the system to include the parking garage, additional City buildings and outdoor areas of the airport campus. \$750,000 was included in the FY2007-2008 Capital Budget for this project.

After installation of the DAS, Concourse will assume all risk and costs associated with operating, maintaining and managing the system. Concourse will enter into agreements with the current cellular phone and WiFi providers who will then use the new DAS to deliver services to the public. This type of common use system has been proven to be reliable, efficient, and a viable business model at other airports in the United States and Europe.

Concourse proposes to provide free WIFI access to travel related (i.e. airline and rent car websites, etc), ABIA retail and food outlet websites, public service, and Austin specific sites (i.e. SXSW, ACL Festival, Convention Center events, Long Center events, etc) to the traveling public thru an ABIA sponsored portal. Additionally, ABIA will promote registered minority owned businesses thru this portal by providing free advertising and links to these businesses. Free WIFI access will also be available thru advertiser sponsorships, business partner promotions, and loyalty programs. Concourse has also proposed installation of wired, sit-down kiosks within the terminal that would provide free access to the Internet. This solution ensures equal access since it addresses the greater number of travelers who may not own or travel with a laptop computer or other WIFI enabled device. Secure, high speed, fee based WIFI services will also be available to meet the needs of the business traveler. All existing subscription services will continue to be offered.

Consolidation of all cell service providers onto one system will provide more extensive and reliable signal coverage throughout the terminal and parking garage. The installation of a highly reliable and secure wireless network will provide operational efficiencies and valuable services to the airlines and airport tenants as they implement various wireless technologies to support their operations, to improve communications among their support and maintenance staff, and to create value added services to remain competitive.

Placing all of the service providers on a shared system will enhance airport security by eliminating the need for various companies' technicians to access restricted secure areas of the terminal.

Concourse will pay the City a concession fee of 37% of the total gross revenue generated from the WiFi services (includes advertising and access fees) and 75% of the total gross revenue generated from cellular services. The revenue projections are significantly higher than the City now collects in site-licenses fees from the current service providers.

The DAS will be expandable and upgradeable to support additional wireless service providers, new technology, new security requirements, and to meet future capacity needs of the airport. Ultimately, this type of service enhancement allows ABIA to attract more air service business to the airport, which in turn attracts more passengers who then contribute to the overall health of the City economy.

Concourse Communications has over seven years of experience in the design, installation, operation, maintenance, and marketing of neutral host DAS and WiFi systems in major airports across North America, including Chicago O'Hare, JFK, LaGuardia, Minneapolis/St Paul, Baltimore, Nashville, St. Louis, and Oklahoma City.

In August 2007, a Request for Proposal was issued for this service. One proposal was received. An evaluation panel consisting of operations and information technology personnel from the Department of Aviation and Communications and Technology Management evaluated the proposal based on the proposer's understanding of the project scope, their proposed solution, past project experience and qualifications of proposed team members, project management plan, past project references, financial stability, and total evaluated cost.

MBE/WBE solicited: 0/1 MBE/WBE bid: 0/0

RECOMMENDED FIRM:

NON-MBE/WBE - PRIME

Concourse Communication Group, LLC., Chicago, IL

WBE SUBCONSULTANTS

DAR Communications, Buda, Texas (Wired Telecomm, Electrical & Consulting)

PROPOSAL ANALYSIS- RFP NO. MSO0011

- a. Sole proposal. Of the eight attendees at the mandatory pre-proposal conference, seven did not submit a proposal. Of these seven, two cellular providers were unwilling to provide a system that served their competition as well as themselves, one vendor aligned themselves with the recommended awardee and is part of their proposal, one vendor did not have the resources to commit to the project, and one vendor could only provide the WIFI portion of the project. Two of the vendors did not respond to inquiries.
- b. Fifty-nine notices were sent, including one WBE. There are no known MBEs available for these services. One proposal was received, with no response from the WBE.

- c. The revenue offered represents a 26% increase to the previous contractual arrangements with individual cellular providers.
- d. Local WBE will provide subcontracting services. Concourse estimates expenditure of \$448,000 for installation work associated with DAS to WBE.
- e. Local MBE/WBE will be retained for onsite maintenance and repair for the life of the contract.

APPROVAL JUSTIFICATION

- a. Sole proposal received.
- b. The Purchasing Office concurs with the Department of Aviation's recommended award.
- c. Advertised in the Austin American Statesman and on the Internet.