

RESOLUTION NO. 2006-540

Adopted by the Sacramento City Council

July 18, 2006

AUTHORIZING THE CITY MANAGER TO ISSUE A REQUEST FOR PROPOSALS (RFP) FOR THE DESIGN, INSTALLATION AND OPERATION OF A CITYWIDE WI-FI NETWORK IN THE CITY OF SACRAMENTO AND DIRECT STAFF TO BRING FORTH ZONING CODE AMENDMENTS FOR THE IMPLEMENTATION OF A CITYWIDE WIRELESS NETWORK

BACKGROUND

- A. On October 25, 2004, the City Manager's Office received an unsolicited written proposal from a local developer (Plaza 555) to create a public-private partnership that would analyze the potential and feasibility of installing a Wi-Fi network in Downtown Sacramento.

The City Manager's Office and City Attorney's Offices determined that it would not be in the City's best interest to enter into an exclusive agreement without first conducting an open and competitive process to solicit the best proposer/proposal from the wide range of companies in the business of providing such services.

- B. At the Council meeting of March 15, 2005 Council directed staff (Resolution # 2005-163) to issue an RFP to solicit proposals for the design, installation and operation of a Wi-Fi network.
- C. At the Council meeting of Sept. 20, 2005 the City Council authorized staff (Resolution # 2005-681) to negotiate the agreement with Mobil Pro/NeoReach to establish a City-wide Wi-Fi network.
- D. At the Council meeting of April 11, 2006, the Council formed the Wi-Fi Ad Hoc Committee to provide policy input to staff during negotiations and to the City Council during its consideration of the contract.
- E. On June 8, 2006, the Council received a letter and press release from Mobil Pro, informing the City that it was withdrawing from negotiations (Attachment 3).
- F. On June 15, 2006 the Council Wi-Fi Ad Hoc Committee reaffirmed their commitment to Wi-Fi deployment and reissuing the Request for Proposals (RFP)
- G. On June 15, 2006 the Council Wi-Fi Ad Hoc Committee directed that the following business terms be included in the RFP:

The City Council Ad Hoc Committee has determined that the following business terms

best meet the needs of the City, and that they should be clearly spelled out in the new RFP:

1. Coverage

- a. Initial deployment downtown (Sacramento River on the west to 16th St on the east, H St on the North to R St on the South)
- b. Citywide within 2 years of approval (guaranteed coverage for 95% of the area on the exterior of buildings and 90% coverage through 1 wall on the 1st and 2nd floors)
- c. Taller and denser buildings will require property owner to purchase compatible "Customer Premise Equipment"
- d. Proposer developed deployment schedule that is economically and ethnically balanced between diverse neighborhoods and Council Districts

2. Service Requirements

- a. Citywide free basic service at 300KBPS or greater
- b. No time or login limits for free service
- c. Subscriptions for higher speed service (subscription rates to be determined by proposer)

3. Advertising

- a. Proposer may elect sell advertising at the "free service" level to support such service. Proposer may propose alternatives to advertising supported free service.

4. Contract Terms

- a. Initial 5 year contract with two, 5-year renewal options

5. System Technology Requirements

- a. Basic technology requirements – Industry standard equipment that meets all appropriate FCC regulations
- b. Proposer to upgrade network as technology changes, including Wi-Max deployment at no cost to the City
- c. City will provide city owned dark fiber where available for the proposer to use for network backhaul

6. Permitting

- a. City shall amend zoning ordinance to allow for a single permit application for citywide deployment
- b. City shall waive local permit and encroachment fees
- c. Proposer will meet city's requirements for an aesthetically pleasing design. The City's guidelines will be available to proposers during the RFP process

7. Electricity

- a. Developer shall pay all cost of electricity at the City's rate for electricity usage based upon average per unit usage rates

8. Deployment

- a. City buildings, other facilities and light poles will be available to the Developer for deployment. The following qualifications apply:
 - i. 95% of City streetlights are gang-switched lights (no power present in the light arm when light is off).
 - ii. Many of the City's streetlights are ornamental and/or too short for deployment. In some cases there are neighborhoods that have no streetlights. The developer will be responsible for identifying a deployment strategy in these areas.

9. City Use of the System

- a. City will be entitled to use the system for its own business needs free of charge for the term of the agreement. Terms of use include:
 - i. On a priority basis at 1MBPS or greater
 - ii. On a separate and dedicated SSID
 - iii. The city is willing to consider proposals where the City could become an "anchor tenant" to support its use of the system. The proposer may offer multiple "anchor tenant" scenarios for the City to select from.

10. Digital Inclusion

- a. If the proposer elects to use advertising to support the free service (see #3 above), then 7% or greater of gross advertising revenue to fund or support qualifying 501(c)(3) nonprofit organization. The proposer may offer alternative approaches to funding Digital Inclusion, for example:
- b. Proposer may either create or partner with qualifying 501(c)(3) to provide the following funded by the 7% of gross advertising revenue or another alternative
 - i. Subsidize accounts for low income residents
 - ii. Purchase computers
 - iii. Create additional free access points in schools, libraries, community centers, etc.
 - iv. Provide technical services to qualified households.

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

Section 1. The City Manager is hereby authorized to release a Request for Proposal

(RFP) for the design, installation and operation of a Citywide Wi-Fi Network in Sacramento that includes the nine key business terms.

Section 2. Staff is directed to prepare and bring forth zoning code amendments for the implementation of a citywide wireless network.

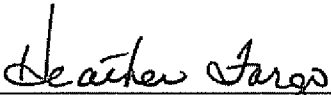
Adopted by the City of Sacramento City Council on July 18, 2006 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: None.



Mayor, Heather Fargo

Attest:



Shirley Concolino, City Clerk