



City of San Antonio

Agenda Memorandum

File Number: 17-5885

Agenda Item Number: 28.

Agenda Date: 11/30/2017

In Control: City Council A Session

DEPARTMENT: Convention & Sports Facilities

DEPARTMENT HEAD: Michael J. Sawaya

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT: An ordinance authorizing an agreement with San Antonio MTA, L.P. d/b/a Verizon Wireless ("Verizon Wireless") for the design, installation, operation and maintenance of a neutral-host Distributed Antenna System (DAS) at the Henry B. González Convention Center.

SUMMARY:

This Ordinance authorizes an Agreement with San Antonio MTA, L.P. d/b/a Verizon Wireless ("Verizon Wireless") for the design, installation, operation and maintenance of a neutral-host Distributed Antenna System (DAS) at the Henry B. González Convention Center to provide a reliable and interference-free wireless voice and data coverage within the Henry B. González Convention Center for an initial term of ten (10) years with two (2) automatic five (5)-year renewal periods in exchange for annual fees payable to the City of \$25,000.00 and an additional \$25,000.00 per participating wireless carrier.

BACKGROUND INFORMATION:

The Convention Center Expansion Project was completed in 2016 and added approximately 300,000 square feet of new building to the transformed complex. Once completed, the Convention and Sports Facilities conducted testing of the cell phone signal throughout the new Convention Center. Through this testing, it was determined that less than optimum cell signals are realized throughout the facility, creating a serious service issue for attendees at conferences at events. In March 2018, the Convention Center will host Final Four events such as the NCAA Fan Fest, VIP Fan Experience and National Association of Coaches Conference. In order to provide reliable and interference-free wireless voice and data coverage within the Convention Center in time to host this high-profile event, the City released a Request for Proposals (RFP) for a Distributed Antenna System (DAS) for the Henry B. González Convention Center (Convention Center), RFP 17-002, on March 16, 2017. The RFP was advertised in the San Antonio Express-News and on the City's website. Responses were due June

28, 2017, and a total of ~~ten (10)~~ twelve (12) (*corrected November 21, 2017*) firms responded to the RFP.

A selection committee, consisting of representatives from the Convention & Sports Facilities, Finance, Information Technology Services Department, and Visit San Antonio evaluated, scored, and ranked the proposals. The selection committee evaluated and scored the proposals based on the published criteria which included: experience, background and qualifications, proposed plan, Local Preference Program, and Veteran-Owned Small Business Preference Program. Based on the evaluation, the selection committee recommends entering into an Agreement with Verizon Wireless.

Due to the time constraints and technical nature of this project (the City is not expending funds), the Small Business Office approved a Waiver to the Small Business Economic Development Advocacy (SBEDA) Program.

The DAS consists of antennas strategically placed inside and outside the facility that are connected by fiber to each wireless carrier's equipment. The DAS receives each wireless carrier's signal and amplifies it for the users who are within the range of the system, improving signal strength and reliability for individual mobile users. Having strong cell signals in large facilities like the Convention Center is key and critical for the cell service providers. Verizon will invest an estimated \$4 million and will recuperate their costs by having other carriers join the DAS and share in the cost. In return for allowing the DAS to be installed in the Convention Center, Verizon will pay the City an annual fee, as will the other carriers that join the system.

Key terms of the proposed agreement are:

1. **Term:** Ten (10) years, with two (2) automatic five (5)-year renewal periods.
2. **License Fee:** Verizon Wireless as licensee sublicenses use of the DAS to other wireless carriers. Each participating wireless carrier, including Verizon Wireless, will pay a \$25,000.00 annual License Fee to the City. This amount provides the City with a reasonable return on the commercial use of its real estate, while incentivizing wireless carriers to participate on the DAS. Verizon Wireless will work to secure as many of the other major wireless carriers as possible.
3. **Coverage:** Entire interior of the Convention Center Complex, including all levels, exhibit space, multipurpose space, meeting rooms, ballrooms, walkways, common areas, hallways (front and back of house), indoor courtyard, business center, administrative offices, security offices, maintenance offices, kitchens, storage areas, utility/mechanical rooms, and loading docks. The coverage area also includes the entire Lila Cockrell Theatre, a 2,319-seat Performing Arts Theatre, including dressing rooms, administrative and security offices, hallways, walkways, and utility rooms.
4. **Technology:** Cellular, and enhanced 4G and 5G coverage. Verizon Wireless must also upgrade to future technologies and new bands as well.
5. **Costs:** Verizon Wireless is responsible for all costs related to the design, installation, and ongoing operation and maintenance, except for electrical usage. Verizon Wireless also recoups their actual capital investment costs, as well as operational and maintenance costs, from each participating wireless carrier on an equal, pro rata basis.
6. **Space:** Verizon Wireless shall utilize the headend space it currently occupies at the Alamodome for the Convention Center DAS. Headend space will be provided by the City at the Facility.
7. **Operation and Maintenance:** The DAS will be operated and monitored continuously. Verizon

Wireless has a network operations center in Schertz and will provide continuous dispatch and maintenance coverage for the DAS.

8. **Public Safety System:** The neutral-host DAS will include Public Safety System and include a separate antenna system that incorporates certain radio frequencies and the complete rebroadcast of 139 current channels.

Verizon Wireless has participated in the installation of hundreds of DAS in hotels, convention centers, airports and stadiums, including the Valero headquarters locally, the airports of Dallas' DFW, Houston's Bush Intercontinental, and Washington D.C.'s Reagan International, as well as Boston's Central Artery/Tunnel project (i.e. "Big Dig").

ISSUE:

In order to provide reliable and seamless voice and data coverage, the DAS is critical to handle the influx of visitors that access the wireless networks simultaneously during events at the Convention Center. Without the DAS, voice and data users overload networks, cause poor service and dropped calls. Further the City is hosting the 2018 NCAA Final Four Men's Basketball Championship and the DAS will enhance the demands of hosting over 70,000 patrons attending this event and to and to meet the growing needs of the Convention Center.

FISCAL IMPACT:

Verizon Wireless and each additional participating wireless carrier will pay the City an annual license fee of \$25,000.00. This contract will generate \$250,000.00 from Verizon Wireless over the initial 10 year term. Each additional participating wireless carrier will pay \$25,000.00 per year, for a potential total of \$250,000.00 during the initial term. This revenue will be deposited in the Community and Visitor Facilities Fund upon approval.

RECOMMENDATION:

Staff recommends authorizing an Agreement with San Antonio MTA, L.P. d/b/a Verizon Wireless ("Verizon Wireless") for the design, installation, operation and maintenance of a neutral-host Distributed Antenna System (DAS) at the Convention Center.

This contract was procured by utilizing a formal Request for Proposals; therefore, as required by the Ethics Ordinance, a Discretionary Contracts Disclosure Form is included herein as an attachment.