



# City of San Antonio

## Agenda Memorandum

**File Number:**17-6628

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**Agenda Item Number:** 36.

**Agenda Date:** 12/14/2017

**In Control:** City Council A Session

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**DEPARTMENT:** Office of Innovation

**DEPARTMENT HEAD:** Jose De La Cruz

**COUNCIL DISTRICTS IMPACTED:** City Wide

**SUBJECT:**

Digital Community Kiosks Contract Award

**SUMMARY:**

An Ordinance authorizing the execution of a professional services agreement for an initial five-year term with IKE Smart City, LLC to install, operate and maintain 25 digital community kiosks at no cost to the City with an agreement that IKE Smart City, LLC will pay the City the greater of 21.5% of net advertising revenue generated from each IKE kiosk or a minimum annual guarantee of \$150,000 for the first year prorated to coincide with the operational date of the kiosks and a total of \$787,080.00 for the following four years of the initial term. Under this agreement the City has the option to renew for up to four additional one-year periods. This ordinance authorizes IKE Smart City, LLC to advertise off premises in accordance with Chapter 28, section 28-10 of the City's municipal code.

**BACKGROUND INFORMATION:**

As part of the FY 2017 Budget, City Council approved several smart city projects including a Pilot program for Digital Community Kiosks. This Pilot Program will install 25 digital community kiosks, at no cost to the City, throughout the City including some City Parks, World Heritage Missions, the San Antonio International Airport, the convention center and downtown. A partnership with VIA Metropolitan Transit is being explored to install some kiosks at VIA transit centers and high-use bus stops.

The kiosks will include hyper-local information on way finding, public transit, b-cycle, events, local businesses and park programs. In addition, the kiosks serve as Wi-Fi hotspots, have air quality and pedestrian sensors, and can provide emergency communications when needed. IKE kiosks are ADA accessible and can provide content in multiple languages. The contract term is for five years with an option to renew for up to four additional one-year periods.

The kiosks will be installed at no cost to the City, IKE Smart City will be responsible for the installation and maintenance of the Kiosks. The advertisement and content of the Kiosks will be approved by the City, under this agreement IKE Smart City is authorized to advertise off premises in accordance with Chapter 28, section 28-10 of the City's municipal code. The City will receive 21.5% of the total net revenues or a minimum guaranteed amount as included in the fiscal impact of this memorandum.

The fabrication and installation of the Kiosks is anticipated to take 4 to 6 months from the approval of this agreement. The content and design can be customized to each of the locations where the Kiosks will be installed. The City will seek public input from the Community regarding the content and design of the Kiosks prior to installation.

A Request for Proposal (RFP) was issued on May 1, 2017, to select a qualified and experienced vendor to provide 25 digital community kiosks for the City of San Antonio. The RFP was advertised in the San Antonio Express-News, TVSA channel, City's website, and distributed by email to a list of potential Respondents identified by the Office of Innovation on May 1, 2017. Responses were due June 9, 2017, and a total of four (4) firms responded to the RFP however, one (1) firm was deemed non-responsive for evaluation as they failed to meet the Minority/Women Owned Business Enterprise (M/WBE) Subcontracting Program requirement.

A selection committee consisting of representation from the City Manager's Office, Office of Innovation, Finance Department, World Heritage Office, Aviation, Transportation and Capital Improvements Department, VIA Metropolitan Transit, Information Technology Services Department, and a representative from the tech community evaluated and ranked the submissions.

Scoring was based on the published evaluation criteria in the RFP, which included: Experience, Background, and Qualifications (25 points), Proposed Plan (30 points), Compensation (10 points), Small Business Economic Development Advocacy (SBEDA) Program including Small Business Enterprise (SBE) Prime Contract Program (10 points) and the Minority/Women Business Enterprise (M/WBE) Prime Contract Program (10 points), Local Preference Program (LPP) (up to 10 points), and the Veteran-Owned Small Business Preference Program (VOSBPP) (5 points). Additionally, the contract requires a 4% Minority/Women-Owned Business Enterprise Subcontracting requirement.

Following the initial discussions and review, the selection committee chose to interview all three (3) Respondent firms. Initial interviews were held on June 29, 2017. After interviews were completed, the evaluation team determined to have the Respondents present demonstrations of their proposed kiosks to the City. Product demonstrations were held on August 24, 2017. After all scoring was completed by City staff and the evaluation committee, the highest ranked firm IKE Smart City, LLC was selected for award recommendation.

This contract will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small, minority, and women-owned business participation on the contract. The Goal Setting Committee applied the SBE and the M/WBE Prime Contract Programs with ten (10) evaluation preference points for each program, respectively. IKE Smart City, LLC was not awarded these points, as it is not certified as a SBE and/or M/WBE firm located within the San Antonio Metropolitan Statistical Area.

There were no proposals submitted from local Respondents for this contract; therefore, the Local Preference Program was not applied. There were no proposals submitted from veteran-owned small business Respondents for this contract; therefore, the Veteran-Owned Small Business Preference Program was not applied.

## ISSUE:

This ordinance authorizes the execution of a professional services agreement for an initial five-year term with IKE Smart City, LLC to install, operate and maintain 25 digital community kiosks at no cost to the City with an agreement that IKE Smart City, LLC will pay the City the greater of 21.5% of net advertising revenue generated from each IKE kiosk or a minimum annual guarantee of \$150,000 for the first year prorated to coincide with the operational date of the kiosks and a total of \$787,080.00 for the following four years of the initial term. Under this agreement the City has the option to renew for up to four additional one-year periods. This ordinance authorizes IKE Smart City, LLC to advertise off premises in accordance with Chapter 28, section 28-10 of the City's municipal code.

## ALTERNATIVES:

City Council may elect not to approve this contract.

## FISCAL IMPACT:

This item is a revenue contract. As part of the contract, IKE Smart City, LLC agrees to pay the City the greater of an amount equal to 21.5% of the Net Revenue generated from the operation of the kiosks equal to the gross revenue less the upfront cost of the kiosks or a Minimum Annual Guarantee per each year as shown in the table below:

Year	Minimum Annual Guarantee to the City
1	\$150,000.00 (prorated to coincide with the operational date of the kiosks)
2	\$175,000.00
3	\$200,000.00
4	\$204,000.00
5	\$208,080.00
Renewal 1	\$212,241.60
Renewal 2	\$216,486.43
Renewal 3	\$220,816.16
Renewal 4	\$225,232.48

Revenues associated with agreement will be deposited in the City's General Fund.

## RECOMMENDATION:

Staff recommends approval of the contract with IKE Smart City, LLC for the installation, maintenance, and operation of IKE kiosks. This contract is procured by means of Request for Proposals and the Contract Disclosure Form is attached.