



# City of San Antonio

## Agenda Memorandum

**File Number:**19-2025

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**Agenda Item Number:** 17.

**Agenda Date:** 3/7/2019

**In Control:** City Council A Session

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**DEPARTMENT:** Aviation

**DEPARTMENT HEAD:** Russell J. Handy

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

License Agreement for a Neutral-Host Distributed Antenna System at the San Antonio International Airport

### **SUMMARY:**

This ordinance authorizes a license 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 San Antonio International Airport to provide an extended and improved wireless communications for existing and future technologies. A DAS will provide the general public with improved wireless communication connectivity inside and outside the facility. In addition, the neutral-host DAS will include a public safety system with a separate electric power source specified by the City and a separate antenna system that incorporates certain radio frequencies.

The initial term of the agreement is 10 years with two five-year renewal periods. Verizon will pay an annual license fee at the rate of \$45,000.00 per year, per carrier participating in the DAS. On the sixth year, the annual license fee will increase two percent each year thereafter. The revenue generated from the license agreement will be deposited into the Airport Operating and Maintenance Fund.

### **BACKGROUND INFORMATION:**

Passengers heavily rely on their wireless phones and it is critical to the overall experience to San Antonio and the airport that they enjoy reliable and seamless voice and data coverage inside and outside the Airport complex. As part of its ongoing efforts to enhance customer service, the San Antonio Airport System released a Request For Proposals solicitation for qualified and experienced companies to provide a neutrally-hosted DAS

to improve voice, data and public safety signals inside and outside the San Antonio International Airport complex.

In addition to having generally reliable and seamless voice and data coverage, it is also necessary to have the capacity to handle the influx of visitors that access the wireless networks simultaneously during peak hours at the airport. It's critical that there be adequate and reliable capacity for these peak times at the airport, which often represents San Antonio as a whole to visitors. Since San Antonio is truly an international destination, with visitors utilizing a variety of mobile technologies and wireless service providers, it is also critical that the Airport have a single-layer, multi-carrier solution, such as a neutrally hosted DAS.

As part of the license agreement, Verizon will build, manage and upgrade the system. In addition, as the license holder, Verizon will make available the DAS to other Commercial Mobile Radio Systems as sub-licensees.

## **ISSUE:**

In September 2017, the city released the RFP requesting respondents demonstrate experience, technical capacity, financial resources and commitment to design, engineer, install/build, own, operate, market, maintain, upgrade and manage a neutral-host DAS; market, encourage and negotiate wireless carrier participation; bear any and all costs associated with or related to the system so the city has no cost whatsoever; and, provide a fair market return to the city.

On November 1, 2017, the city received seven proposals. One of the seven was disqualified as the firm took exception to the City's terms and conditions. A selection committee, consisting of representatives from the Aviation Department, ITSD, and Convention & Sports Entertainment Facilities evaluated, scored, and ranked the proposals. Initially, the evaluation panel included an external stakeholder, but the individual was unable to participate on the panel and a new panelist could not be identified in time to participate in the RFP process. The selection committee evaluated and scored the proposals based on the published criteria which included: experience, background and qualifications, proposed plan, compensation plan and Airport Concessionaire Disadvantaged Business Enterprise Program (ACDBE). Two firms were selected to interview by the committee and the selection committee recommends entering into an Agreement with Verizon Wireless.

This project required significant coordination from Aviation, ITSD and City Attorney's Office on the technical components, implementation process and legal matters related to DAS. Coordination of the DAS elements resulted in a longer than usual process typical of a RFP solicitation. This item was presented to the Audit Council Committee as a pre-solicitation item on April 25, 2017 and was released on September 1, 2017. The item returned to the Audit and Accountability Council Committee on February 19, 2019 as a post-solicitation and approved to move forward to the full City Council for consideration.

Verizon was selected by the city for a similar project at the Henry B. González Convention Center on November 30, 2017. The firm has also installed and managed a DAS at DFW International, Intercontinental International and Reagan National airports.

## **ALTERNATIVES:**

City Council could elect to not approve this license agreement to Verizon, which will allow the firm to design, install, operate and maintain a neutral-host Distributed Antenna System at the San Antonio International Airport to provide an improved wireless communications system throughout the airport complex. However, the airport system does not have the budget, technology or expertise to manage such a project. This license agreement

authorizes Verizon to manage the project, improve wireless communications inside and outside of the airport complex and generate revenue for the airport system.

**FISCAL IMPACT:**

This ordinance authorizes a license 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 San Antonio International Airport. Verizon Wireless will pay the city an annual license fee of \$45,000.00 per wireless carrier participating in the DAS. On the sixth year and each year thereafter during the term, the annual license fee will be increased by two percent. This revenue will be deposited in the Airport Operating and Maintenance Fund.

**RECOMMENDATION:**

Staff recommends awarding a license agreement to Verizon to design, install, operate and maintain a neutral-host Distributed Antenna System at the San Antonio International Airport.