



Legislation Details (With Text)

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Title: Approve the Wireless Marketing Agreement with 5 Bars Communities a dba of XG Communities, LLC allowing 5 Bars to actively market wireless service infrastructure for City designated sites and authorize the City Manager or his designee to execute related documents.

Sponsors: Information Services Department

Indexes:

Code sections:

Attachments: 1. 5 Bars XG Communities Wireless Marketing and License Agreement.pdf

Date	Ver.	Action By	Action	Result
5/25/2017	1	City Council	approved as amended	Pass

REPORT TO THE CITY COUNCIL

May 25, 2017

FROM: BRUCE RUDD, City Manager

BY: BRYON HORN, Chief Information Officer
Information Services Department

SUBJECT

Approve the Wireless Marketing Agreement with 5 Bars Communities a dba of XG Communities, LLC allowing 5 Bars to actively market wireless service infrastructure for City designated sites and authorize the City Manager or his designee to execute related documents.

RECOMMENDATION

Staff recommends that City Council authorize the City Manager or his designee to sign the Wireless Marketing Agreement between the City of Fresno (City) and 5 Bars Communities a dba of XG Communities, LLC (5 Bars).

EXECUTIVE SUMMARY

On October, 21, 2016, the City of Fresno released a Request for Qualifications (RFQ) Bid File 3503 for a Gigabit Wireless and/or Wired/Fiber System. The City was soliciting qualified interested parties to recommend solutions on how they would best use the City’s assets in providing broadband

connectivity to the constituents of the City of Fresno.

The City received thirteen (13) responses to the RFQ. As a respondent, 5 Bars was chosen due to its unique business proposal. The proposed solution is to develop and implement a marketing program where 5 Bars will market the City's assets for lease/license at no cost to the City. This effort will result in revenue to the City. The goals of this endeavor are to:

- Increase Connectivity
- Enhance Wireless Coverage
- Minimize/Close the Digital Divide
- Improve E911 Services
- Address Smart City Initiatives
- Generate Revenue to the City
- Drive Local Economic Development

5 Bars will market to all wireless carriers in the area without discrimination and/or favoritism to any wireless carrier, thereby executing a fair and reasonable process. Leasing the City's assets is projected to generate \$2.6 million in revenue to the City over 5 years.

5 Bars will develop a highly detailed project plan for the City. The goal is to lay out the strategy of anticipated processes and tools to be used during the project and act as a primary source of information for the project as it is planned, executed, monitored controlled and completed. Key tasks will include:

- **Master License Agreement (MLA).** Negotiate and execute an MLA to represent the City with the four major carriers and third party operators.
- **Technology Roadmap/Planning.** Provide planning for the City to serve as a roadmap for technology development now and in the future. The 5 Bars team will provide planning for the City that will include carrier marketing, network solutions, inventory of City assets, management and guidance around aesthetic design and development. 5 Bars will create a plan to enhance wireless coverage that allows ubiquitous coverage, which may also include constructing a network using municipal assets where possible, licensing the site locations to the carriers and providing rent or access fees to the City. 5 Bars will act as an advocate to the City and the agreement will give the City the ability to maintain control of the numerous applications received from carriers due to regulations.
- **Compile City Assets.** Compile available City assets in a GIS platform including fiber, street lights, conduit, street furniture, buildings and align them with gaps in carrier coverage.
- **Carrier Marketing.** Provide advocacy and representation in the implementation of the City's planning and secure funding from the wireless carriers on behalf of the City. 5 Bars will develop a marketing package, generate carrier interest, rationalize assets and host regular meetings with all major carriers.
- **Carrier Agreements.** Negotiate and execute carrier agreements for the initial term of 5 years with the City's option to extend. 5 Bars will provide input, guidance and market data in regards to rates, best practices and carrier interests.
- **Carrier Site Selection.** 5 Bars will engage in carrier site selection in that they will articulate all appropriate steps to the carriers and third party operators as well as sharing access to GIS data in order to select available pre-approved sites. In conjunction with the assets made available to carriers over the GIS database platform, 5 Bars will work with the City to ensure

that all locations offered to carriers are pre-approved for placement and in acceptable locations that meet the carriers' network requirements for seamless coverage. 5 Bars will have personnel dedicated to the City in order to ensure all guidelines and requirements are met.

- **Site Encroachment & Permitting.** Coordinate with carriers on behalf of the City for the planning, permitting and management of a seamless municipal wireless system. 5 Bars will streamline permits for all carriers and become a single point of contact for cell site applications. 5 Bars will be the City advisor and advocate, working closely in collaboration with the carriers to increase carrier participation and generate revenue more quickly. The cost-effective model requires no out of pocket cost for the City. 5 Bars will assist with batch permitting applications submitted to the City under the required form factor specifications and pricing.
- **Technology Construction.** Manage site locations to be determined with City approval in coordination with the carriers. Administer the use of public assets through a Site License Agreement according to the terms of the Master License Agreement and provide on-site supervision and coordination with the wireless carriers. Encourage attachments to existing City assets to reduce new pole clutter and increase revenue to the City. City participation will include providing available asset inventory and designating a single point of contact. The City will have final approval of sites, form factors, pricing, permits and guidelines.
- **Ongoing Marketing and Revenue Generation.** Provide ongoing marketing for revenue generating technology, regulation consulting and wireless coverage assessment. 5 Bars will also work with the ecosystem partners to encompass citywide technology strategies such as the Internet of Things (IOT), analytics, sensor technologies and other communication platforms in order to address smart city initiatives.

5 Bars has an extensive background in telecommunications and wireless experience in planning, marketing, implementing, deploying, maintaining and managing wireless networks and complex technical solutions. 5 Bars has established strong relationships with the carriers and service providers at key levels and possess an extensive background and experience in legislative, regulatory and corporate communication with public policy, corporate strategy, external affairs and strategic partnerships. 5 Bars has already established relationships and agreements with AT&T, Verizon, Sprint and T-Mobile.

BACKGROUND

On October, 21, 2016, the City of Fresno released RFQ Bid File 3503 for a Gigabit Wireless and/or Wired/Fiber System. The City was soliciting qualified interested parties to recommend solutions on how they would best use the City's assets in providing broadband connectivity to the constituents of the City of Fresno. During the process, several respondents submitted various proposals and 5 Bars was chosen as a qualified provider to offer services that would benefit the City as a whole. 5 Bars' response was a unique business model that would produce revenue through the use of the City's assets.

ENVIRONMENTAL FINDINGS

The approval of this agreement is not a project for the purposes of the California Environmental Quality Act.

LOCAL PREFERENCE

Local preference was not utilized as the Consultant selection is based on the most qualified and not fee based.

FISCAL IMPACT

No funds shall be expended for this agreement. This project is projected to generate \$2.6 million over 5 years. Breakdown is as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Revenue	\$286,875	\$392,063	\$482,237	\$617,866	\$844,417	\$2,623,458

These projections are based upon the leasing of assets to carriers for wireless (cell) coverage.

Attachments:

Wireless Marketing Agreement