



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
July 11, 2012**

TO: Mayor and City Council
FROM: Michael Chandler, Senior Management Analyst
SUBJECT: Wi-Fi Agreement – Phase II Implementation
DATE: July 3, 2012

RECOMMENDATION:

Adopt a resolution accepting AirCloud Communications’ proposal to implement Phase II of the Public Digital Initiative (Wi-Fi) project, and allocating PEG support funding for same.

BACKGROUND:

The City entered into public digital initiative “wi-fi” agreement with AirCloud Communications on June 3, 2010 (“Agreement”). The Agreement included an initial Phase I buildout, which was completed in early 2011 and involved installations on City infrastructure at a number of access points along Main Street; at the Amtrak Station; and at Martinez City Hall. The Agreement also referenced an option to expand coverage as part of a “Phase II.”

Representatives from AirCloud recently proposed updated terms and locations for Phase II. New locations proposed for installation include the corners of Escobar at Court, Ferry, and Castro streets; the corners of Ward at Court and Estudillo streets; the Martinez Marina; the Rankin Aquatic Center; and coverage for the new sports complexes located at 330 and 360 Ferry Street via a redirected signal at the Amtrak Station.

AirCloud representatives informed the City that AirCloud intends to remove the “for pay” subscription service and focus instead on a faster, higher quality product free to end users that will support advertising space as its primary means of generating revenue. To help achieve this end, the proposal for Phase II also includes upgrading the existing equipment installed under Phase I, resulting in a 5x increase in bandwidth (from 4 Mbps to 20 Mbps).

AirCloud presented an overview of the success of Phase I and the proposal for Phase II to the City Council on June 6, 2012. Council indicated support for the proposal, and expressed an interest in expanding the wi-fi network to include Hidden Lakes Park and more of Waterfront Park if possible. Staff subsequently coordinated site visits with representatives from AirCloud and Alhambra Electric to evaluate all the new locations and discuss the necessary steps for implementation of Phase II. A copy of AirCloud’s latest proposal, dated June 26, 2012, is attached as Exhibit A. It includes the addition of Hidden Lakes Park and expanded coverage for

Waterfront Park to include the Bocce courts, Joe DiMaggio ballfields and John Muir Amphitheatre, in addition to the Marina complex. The total budget for Phase II installation is \$24,641.37. This amount consists of AirCloud's fixed cost for completing Phase II of \$19,876.37, and Alhambra Electric's cost for completing the necessary electrical prep work on 5 downtown streetlight locations at a cost of \$4,765.00.

The existing terms of the Agreement remain intact. The City will continue to receive a 10% share in the net revenues generated from the advertisements and any for-pay subscriptions (which are expected to discontinue based on the overwhelming popularity of the free usage). The City will also continue to receive rights to 5,000 free impressions per month to advertise the City's website; web-streaming of City Council meetings; and upcoming special events. Similarly, the Chamber of Commerce and Main Street Martinez will continue to receive rights to 5,000 free impressions each per month, to promote their various events, programs, and memberships.

FISCAL IMPACT:

City funding for completing Phase II of the Wi-Fi network in the not-to-exceed amount of \$25,000 will cover the necessary electrical prep work and equipment procurement and installation costs. The resolution authorizes these funds from Public-Educational-Government (PEG) account number 3600406-5300 for this project. All revenues received as part of the City's 10% net share will be returned to the PEG account.

ACTION:

Motion to adopt a resolution accepting AirCloud Communications' proposal to implement Phase II of the Public Digital Initiative (Wi-Fi) project, and allocating PEG support funding for same.

Attachments:

Resolution

Exhibit A: AirCloud Proposal – Phase II of Downtown Public Wi-Fi Project

APPROVED BY:


City Manager

RESOLUTION NO. -12

**ACCEPTING AIRCLOUD COMMUNICATIONS' PROPOSAL TO IMPLEMENT
PHASE II OF THE PUBLIC DIGITAL INITIATIVE (WI-FI) PROJECT,
AND ALLOCATING PEG SUPPORT FUNDING NOT TO EXCEED \$25,000 FOR SAME**

WHEREAS, the City on June 3, 2010 entered into an agreement ("Agreement") for a public digital initiative (Wi-Fi) with AirCloud Communications (hereafter "AirCloud"); and

WHEREAS, the City's Agreement with AirCloud includes consideration for Phase II upgrades and expansion of the network, at the City's election; and

WHEREAS, AirCloud recently provided the City with an updated proposal for completing Phase II of the network, and

WHEREAS, AirCloud subsequently provided a report on the success of Phase I of the network to the Martinez City Council on June 6, 2012, and included proposed terms for upgrading and expanding the network as part of Phase II; and

WHEREAS, Council indicated its support at the June 6, 2012 meeting for proceeding with Phase II of the network, and requested additional expansion of Phase II to include more sites at Waterfront Park as well as Hidden Lakes Park; and

WHEREAS, consideration for Council's request to further expand the network is included in AirCloud's proposal dated June 26, 2012, attached hereto as Exhibit A; and

WHEREAS, the terms of the Agreement remain intact, including the City's 10% share in net revenues generated by the advertising and paid access on the system in Martinez, and the City's rights to free advertising on the network; and

WHEREAS, the City's funding for completing Phase II of the network will be in an amount not to exceed \$25,000 from the Public-Educational-Government (PEG) funds account; and

WHEREAS, any revenues received as part of the City's 10% share in net revenues generated by the advertising and paid access on the system in Martinez will be returned to the PEG funds account.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Martinez hereby accepts AirCloud Communications' proposal to implement Phase II of the Public Digital Initiative (Wi-Fi) project.

BE IT FURTHER RESOLVED that the City Council authorizes funding in an amount not to exceed \$25,000 from the special revenue PEG funds account 3600406-5300; and

BE IT FURTHER RESOLVED that all revenues received as part of the City's 10% share in net revenues will be returned to the special revenue PEG funds account 3600406-5300.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at an Adjourned Regular Meeting of said Council held on the 11th day of July, 2012, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

EXHIBIT A



1794 30th AVE NE
Issaquah WA 98029
925-260-4119
E-Mail: dwilson@aircloud.com
www.aircloud.com

June 26, 2012

Michael Chandler
City of Martinez
525 Henrietta Street
Martinez CA 94553

Dear Mr. Chandler:

airCloud is pleased to provide the following proposal to complete Phase II of the downtown public WiFi project and expand coverage inside City Hall and the Police Station.

In the last 12-months, significant advances in technology has occurred and we believe from a system management perspective that we should incorporate these advances in the Martinez Public Wi-Fi Network. As such, we propose that we not only expand coverage to the seven new locations, but also retrofit the existing seven locations to newer, faster and more reliable radios. Due to the steady increase in demand we propose upgrading the bandwidth available to the network from 4Mbps to 20Mbps. And finally, we have included in the new Phase II budget placing an additional four radios inside the City Hall and Police Station to improve coverage in those building.

Another item we would like to propose is just offering a free Wi-Fi solution vs. both a free and paid plan. It has been our observation that over 99.9% of the users are using the free service and offering a paid solution is simply not necessary. By increasing the bandwidth to the free users we will create a better experience and allow us to focus more on ad sales and placement as a revenue source.

The equipment we propose moving to is the Ubiquiti UniFi solution. Ubiquiti is a publicly traded company (UBNT) with a tremendous track record of providing breakthrough performance at a previously unattainable price point. The UniFi controller software runs on the Amazon Cloud and provides for both free and paid access as well as a secure private network for the owners.

Scope of Work

1. airCloud will acquire, configure, and deploy 13 outdoor Ubiquiti outdoor Wi-Fi Radios at the following new locations:
 - a. Escobar@Court
 - b. Escobar@Ferry
 - c. Escobar@Castro
 - d. Ward@Court
 - e. Ward@Estudillo
 - f. Aquatic Center
 - g. Rankin Park Bathrooms
 - h. Bocce Court Concession Stand (Marina Complex)
 - i. Waterfront Park Concession Stand (Marina Complex)
 - j. Amphitheater Control Hut (Marina Complex)
 - k. Harbormaster House (Marina Complex)

1. Hidden Lakes Park Light Pole 1 (Parking Lot)
- m. Hidden Lakes Park Light Pole 2 (Parking Lot)
2. airCloud will acquire, configure and deploy 8 outdoor Ubiquiti outdoor Wi-Fi Radios at the following existing locations:
 - a. Main@Castro
 - b. 635 Main
 - c. Main@Ferry
 - d. Main@Las Juntas
 - e. Main@Court
 - f. City Hall
 - g. Amtrak Station
 - h. City Hall Park (on roof of City Hall)
3. airCloud will acquire, configure, and deploy 6 (2 replacements and 4 new) Ubiquiti radios at agreed upon locations within the City Hall & Police Station Buildings.
4. airCloud will upgrade the primary network feed on top of the County Courthouse building to accommodate the increase to 20Mbps.
5. The City of Martinez will, as in Phase I, provide at its expense the suitable electrical service at each of the specified outdoor locations and within 50' of all indoor locations.

Terms

- Project is fixed-cost at **\$19,876.37** for airCloud equipment and labor. Payment is due in advance.
 - Fixed cost includes equipment, configuration, project management, installation oversight, and commissioning.
- Electrical work is **\$4,765.00**. Contract shall invoice the City directly.
- airCloud shall pay City **10%** sharing of NET revenues generated through advertising sales.
- airCloud will warranty radios for 1 year after installation
- Ongoing maintenance and support costs
 - Out of warranty network maintenance @ 90.00/hr
 - Engineering and Support of additional services such as VLAN or other applications @ 90.00/hr
- Electrical work shall be performed by Licensed Contractor. Mechanical work in public right-of-way shall be performed by City Workers under the supervision of an airCloud project engineer.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Dan Wilson
airCloud Communications