

September 15, 2011



**APPROVE ACTIONS RELATIVE TO THE AWARD OF
CONTRACT NO. 2012-BT-1, *WIRELESS INTERNET EQUIPMENT ONBOARD
GOLDEN GATE TRANSIT BUSES, TO GLOBAL REACH CORPORATION LIMITED***

Recommendation

This Building and Operating Committee recommends that the Board of Directors approve actions relative to the award of Contract No. 2012-BT-1, *Wireless Internet Equipment Onboard Golden Gate Transit Buses*, as follows:

1. Authorize award of Contract No. 2012-BT-1 to Global Reach Corporation, London, England; and,
2. Authorize a project budget increase in the amount of \$88,000 in the FY 11/12 Bus Transit Division Capital Budget, funded from District reserves, for a revised project budget of \$260,000, subject to the concurrence of the Finance-Auditing Committee at its meeting of September 22, 2011.

This matter will be presented to the Finance-Auditing Committee at its September 22, 2011, meeting for concurrence and to the Board of Directors at its September 23, 2011, meeting for appropriate action.

Summary

In order to improve the quality of the District's transit services and to attract riders, the District is implementing a wireless internet system intended to appeal to riders by allowing them the opportunity to use commute time to their advantage by "working on the way to work" or just internet surfing for fun. The project is also intended to (1) enhance the District's ability to communicate with customers with online banners/notices, (2) provide the ability to conduct brief passenger surveys and (3) provide the ability to make special announcements of District services. Various usage and data reports that will also be available could be useful in future marketing efforts.

In 2009 and 2010, the District issued Requests for Proposals for the provision of wireless connectivity equipment and services that would be provided at no cost to the District. Both solicitations were unsuccessful. The District then contacted a number of wireless service providers to ascertain whether any of the firms were interested in providing wireless services on the District's bus fleet. FreeFi Networks submitted a proposal to provide such services at no cost to the District or the District's customers, with the understanding that the District would be

responsible for the purchase, installation and maintenance of the wireless equipment needed to provide the wireless service. The Board authorized execution of an agreement with FreeFi Networks pursuant to Resolution 2011-066. The District entered into a Professional Services Agreement on July 25, 2011, with FreeFi Networks to provide the internet connectivity at no monthly operating cost to the District.

On July 19, 2011, the District issued an Invitation for Bids for the wireless equipment. The District identified three Categories of wireless equipment that bidders could bid on: (1) 3G; (2) 3G upgradeable to 4G; and (3) 4G. Bids were evaluated on a blind bid basis, in which the identity of bidders remained unknown to the District and to the public until the District determined which Category would be the basis for contract award. On August 9, 2011, the District Secretary's Office publicly opened the two bids received, without revealing the names of the bidders. The selection committee chose the 4G Category of wireless equipment because it is the most advanced wireless equipment available at this time and its pricing compared favorably to the pricing of the other Categories of equipment. This choice was conveyed to the District Secretary's Office on August 16, 2011. On August 16, 2011, the District Secretary's Office then opened the full bids of each bidder, which revealed that the low bidder in the 4G Category was Global Reach Corporation Limited of London, England, for 170 units of 4G equipment for a total cost of \$243,557.75.

Neither bidder identified itself as a certified Disadvantaged Business Enterprise (DBE) in its bid submission. No contract-specific DBE goal was established for this Contract. The DBE Program Administrator has determined that bid forms are in order from a DBE perspective.

Fiscal Impact

The Wireless Internet on Buses project is included in the FY 11/12 Bus Transit Division Capital Budget in the amount of \$172,000 and is 100% District funded. A capital budget increase in the amount of \$88,000 (\$72,000 equipment adjustment plus \$16,000 contingency for miscellaneous parts) from District reserves is required to fully fund this project at the proposed budget of \$260,000. This increase can be funded from savings achieved due to the increase in federal participation rate in the procurement of the 32-45' buses also in the FY 11/12 Bus Transit Division Capital Budget. The increased federal participation rate resulted in savings of over \$560,000.