

MOTION NO. M2015-16

Underground Mobile Wireless license award

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Operations and Administration Committee	02/05/2015	Recommendation to Board	Brian McCartan, Executive Director of Finance and IT Jason Weiss, Chief Information Officer
Board	02/26/2015	Final Action	Ernest Ip, Senior IT Project Manager

PROPOSED ACTION

Authorizes the chief executive officer to (1) execute a ten year license with four five-year options to extend with Mobilitie Investments III, LLC to install, operate and maintain, at its sole cost, a cellular host network in all current and future tunnels and stations used by Link Light Rail, and (2) execute any agreements or permits with King County that are necessary to complete work associated with the Downtown Seattle Transit Tunnel.

KEY FEATURES SUMMARY

- Authorizes the chief executive officer to execute a master license for Mobilitie Investments III, LLC to install a reliable, seamless wireless communications system to provide cell service coverage for transit passengers in the underground tunnels and station facilities owned by Sound Transit, and potentially in the Downtown Seattle Transit Tunnel (DSTT).
- Under the license, Mobilitie is required to install, own, and maintain a neutral host network for wireless communications, and issue sublicenses to wireless carriers on a non-discriminatory basis. The license term will be for ten years from the date of commercial use of each segment, with options to extend by up to four additional five-year terms.
- The license will provide wireless service in underground tunnels and stations owned by Sound Transit, with the first phase of installation in the Beacon Hill, DSTT and the University Link facilities. Additional installations may be allowed in other tunnels and underground stations that Sound Transit constructs in the future.
- Installing wireless communications coverage will improve safety, security, and information opportunities for transit passengers travelling in the underground facilities. It will also create opportunities for additional communications methods and media for transit operations. The system will be designed to avoid intermodulation and radio frequency interference with existing transit communications systems and operations in the underground facilities.
- The vendor will completely fund the design, installation, operation and maintenance of the wireless project and will pay Sound Transit a monthly fee of \$7,500 for the entire license term, including any option years. There will be no cost to Sound Transit for the installation of the system aside from some administrative costs that are expected to be less than the monthly fee Sound Transit receives from the vendor.
- Once the system goes into operation, Mobilitie will continuously monitor the network. All ongoing maintenance of the system including periodic access to our tunnel facilities will also be funded by Mobilitie.
- For future light rail expansions, the vendor will make a one-time capital payment of \$250,000 for each additional link segment, including the University Link Extension, East Link Extension and Northgate Link Extension. Upon the completion of the Northgate Link Extension, Mobilitie will provide an additional one-time capital payment of \$50,000.
- Sound Transit is seeking authorization from King Country Metro to use of the DSTT for the installation of the wireless service in the DSTT. This action authorizes the chief executive officer to execute any necessary agreements or permits with King County to allow Mobilitie to

install, operate and maintain wireless services in the DSTT consistent with the terms of the License Agreement.

BACKGROUND

Sound Transit currently has approximately 6.65 miles of twin-bored tunnel that was constructed for the Initial Segment and the University Link Extension, for a total of 13.3 miles. Cell phone coverage in Sound Transit Link tunnels and stations is not currently available.

In 2013, the Procurement & Contracts Division issued a Request for Proposal (RFP) for a firm to fund, design, build, operate and maintain an underground mobile wireless system. The RFP required the wireless network system to be built, operated and maintained at no cost to Sound Transit.

In early 2014, Sound Transit received seven proposals—which represent the majority of firms nationwide with the capacity to meet the requirements of the RFP. The proposal submitted by Mobilitie received the highest score from a Sound Transit selection panel with representation from King County Metro, and Mobilitie was subsequently selected as the preferred recipient of the license. Sound Transit would have the ability to terminate the license if the vendor fails to install the system as planned.

The license will provide wireless service in underground transit tunnels and stations, including the Beacon Hill, DSTT and University Link tunnels, and other tunnels and underground stations that Sound Transit constructs in the future. Under the license, Mobilitie is required to install, own, and maintain a neutral host network for wireless communications, and issue sublicenses to wireless carriers on a non-discriminatory basis. The license term will be for ten years from the date of commercial use, with options to extend by up to four additional five-year terms.

On January 16, 2015, as required in the RFP, Mobilitie completed a proof of concept of their proposed system in the Beacon Hill Tunnel as a prerequisite to contract award.

Sound Transit is currently seeking a permit from King County to allow the vendor to install the cellular network in the DSTT. Sound Transit staff have met with King County representatives and reached consensus on the following points:

- King County will not participate in revenue sharing
- King County will be involved in the engineering design process for the DSTT
- Mobilitie will reimburse King County staff hours for project effort

FISCAL INFORMATION

Mobilitie will fund the installation and operation of the cellular system for the life of this agreement. Installed equipment will be Mobilitie property and upgraded as necessary.

Mobilitie will pay to the agency, ongoing monthly payments beginning when the wireless communication coverage is activated, at \$7,500 per month, and as all four major carriers get enlisted the payments could grow to \$10,000 per month, for the life of this agreement. Mobilitie will make a one-time payment of \$250,000 for each light rail link segment which includes University Link, East Link and Northgate Link. An additional one-time \$50,000 payment will be made upon completion of Northgate Link Extension. It is estimated that the initial ten year contract would provide Sound Transit \$1.7 - \$2.0 million dollars in total revenue.

Mobilitie will pay the costs of equipment and the cost to operate and maintain the wireless system. Sound Transit will be responsible for costs associated with managing the contract which may include vendor communications, inspections and other administration work.

Costs associated with escorting Mobilitie staff as well as third party vendors in the tunnel facilities; securing county and state permits and if necessary adding additional utilities power capacity will be reimbursed by Mobilitie under the License Agreement. It is estimated that these costs would range from \$100,000 to \$500,000 annually during the system implementation phase and would then decrease as the wireless system is completed. Expenditures in 2015 will be charged to the Finance and Information Technology departmental budget. This activity was not anticipated at the time the budget was developed. These expenditures will be offset by Mobilitie's reimbursement once it is received. Beginning in 2016 these costs will be budgeted in the Finance and Information Technology budget.

Given that the agreement or permit with King County has not been reached and approved by the Board, there is risk that terms of consensus outlined earlier in this report could change and alter Sound Transit's financial obligations under the License Agreement and further Board approval will be sought for these changes.

In accordance with Sound Transit provisions, Mobilitie will be required to have their own insurance protection at Sound Transit established limits before they will be allowed to work in the DSTT or any Sound Transit facilities.

SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Not applicable to this action.

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

A delay in a Board decision to award the contract would delay the launch of cellular services in the tunnel facilities and increase costs for installation in University Link tunnels.

ENVIRONMENTAL REVIEW

JI 12/5/2014

LEGAL REVIEW

BN 2-02-15

MOTION NO. M2015-16

A motion of the Board of the Central Puget Sound Regional Transit Authority delegating to the Operations Committee the authority to approve contracts to license, install, operate and maintain a cellular host network in all current and future light-rail tunnels and underground stations, and to approve agreements with King County to install, operate and maintain the network in the Downtown Seattle Transit Tunnel.

BACKGROUND:

On February 5, 2015, the Operations and Administration Committee recommended Board approval of Motion No. M2015-16 authorizing a contract with Mobilitie Investments III, LLC., (a competitively procured vendor), to install, operate and maintain a cellular host network to provide cell phone coverage and nondiscriminatory access to wireless carriers in all light-rail tunnels and underground stations (Beacon Hill, DSTT, Northgate, University and East Link) at no cost to Sound Transit. The recommended contract requires Mobilitie to pay license fees (\$800,000) and operating costs (\$1.45 million for the first 10 years) and to pay Sound Transit a \$7,500-\$10,000 monthly license fee for the contract term, which could extend for 30 years.

Motion No. M2015-16 also recommends that the Board authorize the chief executive officer to negotiate agreements with King County to permit Mobilitie to install, maintain, and operate the network in the Downtown Seattle Transit Tunnel.

After the Operations Committee approved Motion M2015-16, Sound Transit staff identified up to \$1.28 million in additional third-party and internal staff costs for design review, construction management, and engineer field inspections that were not accounted for in the proposed contract terms with Mobilitie.

The Board concludes that an agreement should be approved with Mobilitie or another host network provider, to license, install, maintain, and operate a cellular host network in light-rail tunnels and underground stations. To facilitate network installation by the University Link opening date in 2016, the Board delegates authority to the Operations Committee (1) to approve necessary agreements with Mobilitie or another host network provider, and with King County to license, permit, install, maintain, and operate the cellular network with nondiscriminatory access to wireless carriers for up to 30 years in all current and future light-rail tunnels and underground stations for appropriate compensation, which must not be less than the total costs incurred by Sound Transit during the contract term to implement the project, (2) to allocate all identified third-party expenses and Sound Transit staff costs between Sound Transit and Mobilitie or another host network provider, and (3) to authorize necessary expenditures within the Committee's standing authority.

MOTION:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Operations Committee is delegated authority (1) to approve necessary agreements with Mobilitie or another host cellular network provider, and with King County, to license, permit, install, maintain, and operate a host cellular network with nondiscriminatory access to wireless carriers, in all current and future light-rail tunnels and underground stations for appropriate compensation, which must not be less than the total costs incurred by Sound Transit to implement the project during the contract term, (2) to allocate all identified third-party expenses and Sound Transit staff costs between Sound Transit and Mobilitie or another host network provider, and (3) to authorize necessary expenditures within the Committee's standing authority.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 26, 2015.



Dow Constantine
Board Chair

ATTEST:



Kathryn Flores
Acting Board Administrator