



## Request for City Council Committee Action from the Minneapolis Convention Center

**Date:** September 29, 2014

**To:** Chair John Quincy, Ways and Means Budget Committee

**Subject:** Wireless Network Services at the Minneapolis Convention Center

**Recommendation:** Authorize the appropriate City staff to amend and restate the Wireless Network Services agreement at the Minneapolis Convention Center.

**Previous Directives:** The convention center has a current contract with vendors for Wireless Network Services that expires on 2-28-2015. The City Council authorized City staff to amend and restate the Wireless Services agreement for a five (5) year extension on June 29, 2014.

### Department Information

Prepared by: Jeff Johnson, Executive Director Convention Center Approved by: Spencer Cronk, City Coordinator Presenters in Committee: Jeff Johnson
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### Reviews

- Permanent Review Committee (PRC): Approval X Date 3-6-14, 6-12-14, & 9-18-14

### Financial Impact

- As a revenue based contract the convention center will receive increased revenue through this amended and restated contract.

### Community Impact

### Supporting Information

This action was previously approved by the City Council on June 29<sup>th</sup> of this year. During final negotiations with the vendor some contract language and terms could not be resolved under the previously authorized terms. As we worked through those issues some components of the contract renewal changed from our approved agreement. We brought all changes to our IT Department and again through the PRC in order to get the proper reviews. Both the IT Department and the PRC support the changes that have been made to the contract renewal.

The areas of change within this renewal are:

- Term was increased from five (5) to eight (8) years.

- Capital investments by the contractor and their subcontractors increased from \$500,000 to \$700,000 with \$150,000 used in year six (6) of the contract.
- Language regarding the contractual obligation of the City after year eight (8) was clarified so that the City will have no obligation to Insite Wireless after this contract renewal.

Below is information from the June RCA regarding the process that was undertaken leading up to this current action. We feel that this new deal is a better option than going out to RFP due to the less than favorable terms in the current contract for non-renewal and the considerable capital investments that the vendor is proposing.

From the June 29<sup>th</sup> RCA:

The convention center is currently under contract with Insite Wireless (Insite) to provide wireless network services for client use. The network is separated into two parts with a Distributed Antennae System (DAS) for cell phone signal and a second system that carries internet services both wired and wireless. The contract with Insite and its subcontractor Smart City is set to expire after 10 years at the end of February of 2015. Due to the importance and technical nature of this contract we have been working with the Permanent Review Committee (PRC) and the City's IT Department to determine the best plan going forward.

In March of this year we discussed a plan with the PRC that would allow the convention center to negotiate with Insite and Smart City on a five (5) year extension of our contract. The convention center hired Ncompass as a third party advisor to the City to help us understand our options and determine that an extension was the best answer at this time.

As a result of this plan, the convention center has a framework of amendments to our agreement that will maintain excellent service for our customers, significantly increase our revenue, and invest substantially in the technology infrastructure needed to administer the network. The City IT Department reviewed these findings and the current contract and they support our recommendation to amend and restate our current contract.

On June 12, 2014, the convention center staff returned to the PRC with the information gained from our discussions with Insite and Smart City. The PRC recommended that the convention center staff negotiate and work with our City Attorney's office to restate and amend the current contract for an additional five (5) years. If for any reason these negotiations fail, the convention center will return to the City Council for authorization to release a request for proposal for these services.