

**CITY COUNCIL ACTION REQUEST**

<b>Department(s):</b> Finance	<b>CEQA:</b> Categorically Exempt, File No. PP19-024, CEQA Guidelines Section 15303(d)	<b>Coordination:</b> Information Technology Department, City Attorney's Office, and City Manager's Budget Office	<b>Dept. Approval:</b> /s/ Julia H. Cooper
<b>Council District(s):</b> Citywide	New Construction of Small Structures		<b>CMO Approval:</b> <i>Gregory St. Maguire</i> 5/22/2020

**SUBJECT: ACTIONS RELATED TO PURCHASE ORDERS WITH SMARTWAVE TECHNOLOGIES, LLC FOR RUCKUS WI-FI INSTALLATION, SUPPORT, AND MAINTENANCE**

**RECOMMENDATION:**

Adopt a resolution authorizing the City Manager to:

- (a) Execute a purchase order with SmartWAVE Technologies, LLC ("SmartWAVE") (Alpharetta, GA) for new Ruckus Wi-Fi installations, including related labor, equipment, materials, and support and maintenance, for the first year of the initial three-year term ending on April 20, 2021 for a maximum compensation not to exceed \$650,000, subject to the appropriation of funds;
- (b) Execute purchase orders for the second and third years of the initial term through April 20, 2023 and exercise up to two (2) one-year options to extend the terms through April 20, 2025 for existing Ruckus Wi-Fi installations, including related labor, equipment, and materials, and support and maintenance, subject to the annual appropriation of funds; and
- (c) Approve a contingency of \$100,000 for increases in demand and unanticipated expenses for new installations, maintenance, and support during the first year of the initial term.

**Desired Outcome:** To provide, maintain, and expand internet access and services to City employees and residents.

**BASIS FOR RECOMMENDATION:**

The Information Technology Department (ITD) is responsible for overseeing installation, support, and maintenance of the City's indoor and outdoor Wi-Fi network, currently with access points at over thirty (30) locations citywide. The Wi-Fi network provides free internet service to City residents, enables wireless work connectivity at City facilities, and supports business transactions at equipped facilities. In support of the City's Smart City Vision and departmental operating priorities, as funds allow, ITD is ensuring that contractual capacity exists to expand, enhance and maintain the City's Wi-Fi network in support of City departments and initiatives.

In 2011, the City released a Request for Quotation to develop a vendor partnership to revitalize the City's downtown with a fast wireless network. As a result of that bid, the City received a donation of Ruckus Wi-Fi equipment, which was installed throughout the downtown corridor. In 2014, the City released a Request for Proposal (RFP) for the maintenance and expansion of the Ruckus Wi-Fi network. The RFP included a one-year initial term with five (5) additional options and was awarded to SmartWAVE, the sole respondent. The City has been utilizing SmartWAVE by leveraging that RFP solicitation process, but the term of the RFP expired.

Therefore, to replace the previous contract, a competitive Request for Bid (RFB) was issued by the Finance Department for Ruckus Wi-Fi installation, support, and maintenance. The RFB was posted from February 28, 2020, through March 23, 2020. 475 vendors were invited to participate, and 22 vendors downloaded the bid. One responsive bid was submitted, and no protests were received.

SmartWAVE maintains a local office and equipped crews in San José, and requested and received the local and small business enterprise preference, but the preference did not affect the outcome. Because only one bid was received, staff contacted several firms that downloaded the bid but did not submit a response. Feedback included that (1) they did not meet the certification requirements and minimum qualifications for the bid, (2) they did not intend to bid, but are a Ruckus supplier or that the bid was relevant to their partners and contractors so they downloaded it for informational purposes, and/or (3) they had a medical emergency and were out of the office at the time of bid closing. Pursuant to the bidding procedures of the San José Municipal Code, Section 4.12.310.B, staff recommends award to SmartWAVE as the sole responsive and responsible bidder.

A purchase order was issued to the vendor under the City Manager’s Contract Authority for \$99,940 for the first year of the initial three-year term for ongoing maintenance and support of the City’s existing Ruckus Wi-Fi network and will expire on April 20, 2021. Maintenance and support of the current infrastructure for the second and third years of the initial term will be provided at the same annual rate, plus maintenance and support for any new installations that occurred during the previous year. Annual maintenance and support for new installations will be provided at \$113 per indoor access point and \$248 per outdoor access point during the three-year initial term. Costs for new installations will include labor provided at established rates, Ruckus hardware at 35% off list price, and incidental non-Ruckus items required for turn-key installation at cost plus 20%. Annual maintenance and support for new installations will be pro-rated based on the installation date and a true up occurs at each anniversary of the agreement while the contract is in effect.

This solicitation may be leveraged to expand Wi-Fi access and support the City’s efforts to bridge the digital divide, as well as coverage needs related to new work patterns required to deal with safe COVID-19 practices. The value will depend on the required volume and the maximum compensation annually will not exceed \$650,000, with a contingency in the first year. Should demand for these products and services significantly exceed the volume projections anticipated in the RFB, staff will initiate a new bid based on the revised projections to ensure that the City receives the most competitive pricing for the increased volume.

Approval of this recommendation will allow staff to issue up to four (4) additional annual purchase orders for ongoing maintenance and support of the existing Wi-Fi network and up to five (5) annual citywide purchase orders for new Ruckus Wi-Fi installations.

Climate Smart San José: No proposed changes to service delivery, programs, or staffing that has significant community/resource impacts, including any negative impact on Climate Smart San José energy, water, and mobility goals.

Commission Recommendation/Input: There is no commission recommendation or input associated with this action.

This Council item is consistent with the City’s 2019-2020 Adopted Budget City Areas Delivery Framework: “To effectively develop, manage, and safeguard the City’s fiscal, physical, technological, and human resources to enable and enhance the delivery of City services and projects.”

**COST AND FUNDING SOURCE:**

Products and services provided under both purchase orders will be managed by ITD on behalf of various City departments. Recommendation A is similar to a Master Agreement and gives the City the capacity to expand or upgrade the existing Wi-Fi network and will be executed only if funding is identified first. The project scopes, costs, and funding sources, as well as any ongoing maintenance and support, will vary and be subject to the appropriation of funds. Recommendation B is for the ongoing maintenance and support of the infrastructure, at \$99,940, and is budgeted in the various departments requiring those services, with approximately 65% currently in departmental General Fund budgets and the remaining budgeted in various enterprise and capital funds. ITD will pay the vendor and charge the requesting departments directly for all work performed under the purchase orders.

**FOR QUESTIONS CONTACT:** Jennifer Cheng, Deputy Director of Finance, at (408) 535-7059