



CITY OF LONG BEACH

Department of Parks, Recreation and Marine

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June 14, 2005

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute an agreement with iDockUSA.com, a subsidiary of ICOA, Inc., for the installation and maintenance of Wireless Internet Service in the Long Beach marinas, for a three-year period. (Districts 2 and 3)

DISCUSSION

As the use of the Internet continues to expand, the demand for wireless internet access (Wi-Fi) is quickly becoming a service sought by the general populace, and particularly the marina community, which is more mobile and has less access to hard-wired resources. As a result, marinas with Wi-Fi can use this as a marketing tool to attract marina customers. In an effort to provide this service in the Long Beach marinas, the Department of Parks, Recreation, and Marine prepared a Request for Proposal (RFP) for wireless internet service providers. The objective of the RFP was to identify a company that would install the hardware necessary to provide the service, offer the service to marina customers, bill the subscribers directly, and provide the City with a share of the gross service revenue generated.

The RFP was sent to six companies; five responses were received, one stating "no bid," while two were from Long Beach-based businesses. Four of the respondents made oral presentations to an evaluation committee, which included representation from the City's Technology Services Department. The consensus of the committee was that iDockUSA.com (iDock) was the most qualified to meet the needs of the marina customers and the City, now and into the future. iDock possessed far more marina experience than any of the other respondents.

Through the proposed three-year agreement, iDock will provide complete design, deployment, management (including billing and collections), operation and full support of an 802.11 Wi-Fi network, including all hardware, equipment, installation and cabling, at no cost to the City. They will provide the City a revenue share of 10 percent of gross revenues generated from the subscribers in the first year, with increases to 12 percent and 15 percent in years two and three, respectively.

The proposed agreement contains the following major terms and provisions:

- Term of Agreement: Three Years

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- Use: Provide complete design, deployment, management (including billing and collections), operation and full support of an 802.11 Wi-Fi network, including all hardware, equipment, installation, and cabling to provide wireless Internet services to marina customers and commercial businesses.
- Rent: Contractor will pay to the City a revenue share of 10 percent of gross revenues received for wireless Internet service from subscribers, transient users and businesses in the marinas for the first year. This percentage increases to 12 percent and 15 percent in years two and three, respectively.
- Utilities and Maintenance: Contractor is responsible for all utilities and maintenance of the equipment.

This matter was reviewed by Deputy City Attorney J. Charles Parkin on May 23, 2005, and by Budget Management Officer David Wodynski on May 24, 2005.

TIMING CONSIDERATIONS

City Council action is requested on June 14, 2005, to begin immediate installation of Wi-Fi services to accommodate an ever-growing demand.

FISCAL IMPACT

There are no City costs associated with iDock's service. As mentioned, iDock will provide the City a revenue share of 10 percent of gross revenues received for wireless Internet service from subscribers, transient users and businesses in the marinas for the first year. This percentage increases to 12 percent and 15 percent in years two and three, respectively. iDock calculated revenue projections based on market industry assumptions and growth rates. The projections indicate that the City will receive estimated revenue in the amount of \$35,000 over the three-year term of the agreement. The revenue will be deposited into the Tidelands Fund (TF) in the Department of Parks, Recreation and Marine (PR).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PHIL T. HESTER
DIRECTOR OF PARKS, RECREATION AND MARINE

APPROVED:



GERALD R. MILLER
CITY MANAGER

PTH:MAS:bjg