

Expression of Interest - Community Wireless Internet Services

Originating Officer	Senior Contracts Officer - Tim Hoggan
Corporate Manager	Manager Finance - Ray Barnwell
General Manager	General Manager Corporate Services - Vincent Mifsud
Report Reference	GC180911F03

Confidential



Confidential Motion

That:

1. Pursuant to Section 90(2) and (3)(b) and (d) of the *Local Government Act 1999*, the Council orders that all persons present, with the exception of the following persons: Adrian Skull, Chief Executive Officer; Vincent Mifsud, General Manager Corporate Services, Abby Dickson, General Manager City Development; Tony Lines, General Manager City Services; Kate McKenzie, Manager Corporate Governance, Ray Barnwell, Manager Finance & Contracts, Jaimie Thwaites, Unit Manager Governance and Records; Victoria Moritz, Governance Officer; Fiona Harvey, Manager Innovation & Strategy, Tim Hoggan, Senior Contracts Officer, Phil Mattingly, Unit Manager ICT Service Delivery and Infrastructure and Rebecca Kersten, Acting Unit Manager Communications and Media be excluded from the meeting as the Council receives and considers information relating to the report *Expression of Interest - Community Wireless Internet Service* upon the basis that it is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential on the grounds that the report contains information of a commercial nature and would on balance, be contrary to the public interest.

REPORT OBJECTIVE

This purpose of this report is to inform Council of the outcome of the Expression of Interest (EOI) for the undertaking of Wireless Community Internet Services undertaken as resolved by Council (GC260618R07) and provide a recommendation on the outcome of the EOI.

EXECUTIVE SUMMARY

The primary objective of the EOI was to explore the benefits to our community by entering into a "Trial" with an Internet Service Provider (ISP) to provide cost effective high speed internet services to our residents.

The provision of internet services to premises has been largely delivered via traditional wired infrastructures, often aging and not designed specifically for the high speed consumption of data. This has been recognised by governments as a barrier to the speed of data consumption predicted in the future and although the NBN is a step towards improving this, the City of Marion is keen to explore what other offerings could be available in the market place, and beneficial to our rate payers.

RECOMMENDATION

That Council:

1. Notes this report.
2. Endorses the engagement of [REDACTED] for the provision of high speed internet services through a Pilot Project in a trial area in the City of Marion.
3. Authorises the CEO to work with [REDACTED] in implementing the Pilot Project (including identifying the most suitable trial area in the City of Marion).
4. In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the minutes, Expression of Interest - Community Wireless Internet Services (GC180911F0X), having been considered in confidence under Section 90(2) and (3)(b) and (d) of the Act, except when required to effect or comply with Council's resolution(s) regarding this matter, be kept confidential and not available for public inspection until 5.00pm on Thursday 13 September 2018.
5. In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the report and appendices, Expression of Interest - Community Wireless Internet Services (GC180911F0X), having been considered in confidence under Section 90(2) and (3)(b) and (d) of the Act, except when required to effect or comply with Council's resolution(s) regarding this matter, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2018.

GENERAL ANALYSIS

Following Council's resolution on 26 June 2018 (GC260618R07) to "Approve a competitive Expression of Interest (EOI) process, open to the internet service provision market, for the provision of high speed internet services through a Pilot Wi-Fi project in a trial area in the City of Marion, with the potential for this service to be extended more broadly across the City", an open EOI process was undertaken.

The project Brief was purposefully broad to encourage a variety of responses from potential providers of a wireless internet service.

Details of the EOI include:

- The EOI was released on 26 July 2018 through the SA Tenders & Contracts website.
- EOI's closed on Wednesday 15 August 2018 at 2pm under formal tender box conditions, and four (4) submissions were received from the following organisations:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Evaluation Process

A summary of the evaluation outcomes follows, with a total score out of 100:

Respondent				
Evaluation Criteria				
Organisational / Management structure and reliance on subcontractors	7.0	8.0	6.0	5.0
Timeframe and availability	7.0	8.0	6.0	6.0
Appreciation of the Services	7.0	6.0	6.0	4.0
Methodology including staging rollout approach	7.0	6.0	7.0	4.0
Non-wired ISP services	8.0	7.0	6.0	6.0
Council's Investment expectations	7.0	5.0	6.0	4.0
Benefit to constituents	8.0	7.0	4.0	4.0
Geographic target for Pilot (and perceived benefit)	7.0	6.0	7.0	4.0
Value Adds	6.0	7.0	6.0	5.0
Qualifications, partnerships, viability, experience	7.0	8.0	5.0	5.0
Total	71.5	66.5	59.5	45.5

Innovation: Potential to enable smart controls to areas of street lighting

Connected: Provision of cost effective high speed internet services to areas currently poorly serviced

DISCUSSION

A summary of the assessment follows:

is a South Australian based national ISP and provided a unique wireless solution utilising SAPN street light poles and augmented with Council infrastructure to create a "wireless mesh" network connecting resident or business premises to the internet. They have a business model able to deploy this network based on a competitive product offering in the market to gain customer take up, and so negating the need for any financial input from Council.

██████ is the only sub mm wavelength wireless internet service of its type in Australia and the technology platform enables speeds and performance beyond current NBN speeds and more akin to the recent Adelaide City Council "Ten Gigabit Adelaide" fibre optic network announcement.

By utilising wireless rather than fibre optic cables the approach minimises infrastructure build disruption whilst speeding up the deployment timeframes ultimately resulting in a cost competitive product able to be offered to market.

The service offers "faster speeds for less money" and a trial is currently underway in Campbelltown Council with the results expected to reinforce ██████ national deployment strategy.

██████ are willing to explore a similar staged pilot approach with Council to determine a location beneficial for both parties, potentially enabling residents access to high performance internet services that currently are poorly serviced "black spots". ██████ are also open to expanding the service to all the Council area pending stage 2 planning.

Their response included a free public access WiFi offering across the area covered by the network similar to the Campbelltown pilot.

Being ranked in the top 3 fastest growing companies based in South Australia, ██████ recently were successfully awarded a State Government grant of \$5M to create more than 200 new jobs over the next few years.

There is also opportunity to explore possible shared cost savings from aligning the SAPN pole access charges for the ██████ wireless equipment installations with Council's LED Streetlight replacement programme.

Having a cost effective high speed network covering Council's region would provide the enabling infrastructure for future technologies the Smart Cities initiatives are predicting will be needed.

██████ put forward their current ██████ product, currently a ██████ customer available network based on their public phone boxes and their customers houses. There was little tailoring to Council specifics and the offer suggested there would be ongoing Council funding to be negotiated that would provide a Council branded Wi-Fi network "free" to our residents within reach of the service. There were some attractive metrics available that could enable a marketing/branding opportunity. ██████ T&C's would apply. To improve potential internet "black spots" within Councils' area would potentially require investment by Council as this would be beyond the reach of the current network already deployed.

██████ is a 100% Australian owned company. They offered a point-to-point based service currently in use in some regional areas. There was an unclear statement of Council's investment requirement and revenue share. The technology would require the use of antennas or towers.

██████ requested Council to define the reference points, budget, and requirements of the Pilot. This was not in the Brief as Council sought offerings from the market. ██████ did not advise sufficient detail on the type of technology in their service offering as compared to other Respondents. ██████ currently provide a Wi-Fi network to the Royal Adelaide Zoo.

Based on the evaluation of the submissions received, ██████ is recommended to be engaged for a a Pilot Wi-Fi project in a trial area in the City of Marion.