



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: June 5, 2007
Author: Shari Wallace
Phone No.: 604.871.6501
RTS No.: 06792
VanRIMS No.: 04-4000-21
Meeting Date: June 12, 2007

TO: Vancouver City Council

FROM: The General Manager of Corporate Services, in consultation with the
General Manager of Engineering Services

SUBJECT: Revised Approach for the Deployment of a Municipal Wi-Fi Network

RECOMMENDATION

THAT Council approve the revised approach of proceeding directly to a Request for Information (RFI) to assess the level of interest from potential suppliers in building a pilot wi-fi network focused on a defined area of downtown Vancouver as identified in Appendix 1.

CITY MANAGER'S COMMENTS

The City Manager endorses this approach because it enables staff to obtain a better understanding of the conditions under which potential suppliers would be willing to partner with the City to build a municipal wi-fi network without the cost of a comprehensive feasibility study. The RFI responses submitted to the City will determine the next steps in the process: the City could choose to enter into negotiations with a potential partner, proceed with a more specific Request for Proposal (RFP) or conduct further analysis to address specific questions raised by the RFI.

COUNCIL POLICY

Related policies exist for the construction of cellular towers and the installation of cellular antennae.

SUMMARY

Based on recent developments in the wi-fi market¹, it is recommended that the City by-pass the detailed feasibility study and proceed directly to an RFI to determine the level of interest among wi-fi providers in implementing a wi-fi network across a pilot area of Vancouver.

PURPOSE

The purpose of this report is ask Council to authorize Staff to proceed directly to an RFI to elicit input from the private sector on the level of interest in building a municipal wi-fi network for a restricted pilot area (see Appendix 1) rather than conducting a detailed feasibility study.

BACKGROUND

On February 1, 2007, Council directed Staff to conduct a feasibility study as a pre-cursor to a Request for Proposal (RFP) seeking a private-sector partner to build and operate a wi-fi network on behalf of the City in a way that would not add costs to City taxpayers. Funding of \$440,000, to cover both study and RFP, was approved as part of the 2007 Basic Capital Budget, with the understanding that the City would try to recover the cost from the successful proponent.

Recent announcements from wi-fi providers¹ indicate that they are no longer willing to provide wi-fi networks to municipalities free of charge. Cities seeking a private sector partner to assist them in building a network will therefore need to develop innovative funding models or commit to a level of investment as an 'anchor tenant'. Since the original Council mandate for Vancouver's wi-fi network stated that the project should be low- or no-cost², the City needs to determine the entry-level requirements of private sector wi-fi providers before raising the expectations of business and citizen groups in a public consultation process. Responses to the RFI will allow the City to assess the costs, risks and benefits of entering into a partnership to build a wi-fi network in Vancouver. If required, the details of the network (e.g., geographical area, users, business model, technology) can be further refined by a detailed RFP process or further analysis into specific questions raised by the RFI.

DISCUSSION

Option 4 in the Council Report presented on February 1, 2007, laid out a three stage approach to a detailed feasibility study: a Public Consultation Process to assess the level of interest among key stakeholders, both private citizens and businesses; a Technology Review to assess the capability, capacity and health and safety aspects of wi-fi and a Legal Review to understand the regulatory framework related to wi-fi. If results proved favourable, the study would be followed by an RFP to seek a private sector partner to assist the City in building the network. Discussion at the February 1 Council meeting (CS&B) raised two additional requirements should the City decide to proceed to implementation: the need to consider not-

¹ *Earthlink, Metro-Fi and Kite now look for either an up-front \$ investment or 'anchor tenancy' agreement before building a network on behalf of municipalities.*

² *February 14, 2006*

for-profit organizations and low income groups and the desire to have wi-fi capability in place before the 2010 Olympic Games.

In advance of this formal study, Staff continued its research into wi-fi networks and noted the following: Developments in the wi-fi market place have raised questions about the City's ability to find a partner willing to build a low- or no-cost network, as well as its ability to recover the \$440,000 required for both a detailed study and RFP process. It seems reasonable therefore that the City should conduct an initial RFI to understand the business conditions under which a provider would be willing to build a wi-fi network in Vancouver before proceeding with further study or a detailed RFP. To reduce risk and accommodate the 2010 timeline, it is also recommended that the RFI focus on a pilot area (see Appendix 1). This approach is consistent with that taken by other cities (e.g., Toronto and Philadelphia). The proposed pilot area includes the City's urban Olympic sites³, some core downtown areas and a portion of the downtown Eastside to address the social inclusion aspects of wi-fi. A pilot roll-out would also enable the City to field-test wi-fi technology and determine future business applications and implementation plans. A municipal wi-fi network would supplement the growing number of wi-fi 'hot spots' around the City and the free wi-fi access offered by the Vancouver Public Library in each of its 20 locations.

ALTERNATIVES/OPTIONS

The alternative to moving directly to an RFI is to continue with the feasibility study and RFP as described in Option 4 of the February 1, 2007 Council Report. This approach is not recommended for the reasons outlined above.

FINANCIAL IMPLICATIONS

Proceeding directly with an RFI has the potential to reduce the cost of the study and RFP phase - although it is difficult to determine by how much until the RFI responses are evaluated.

ENVIRONMENTAL IMPLICATIONS

The health and safety considerations of a wi-fi network implementation will be included within the scope of the RFI.

SOCIAL IMPLICATIONS

The potential to provide free or low cost access to the internet via wi-fi will be included within the scope of the RFI. The proposed pilot area also includes a part of the downtown Eastside.

³ *Bell Canada and Nortel Networks will build a private wi-fi network at official Olympic sites for the use of the Olympic Family only.*

IMPLEMENTATION PLAN

The implementation plan - or the need for further analysis or an RFP process - will be based on the responses to the initial RFI.

CONCLUSION

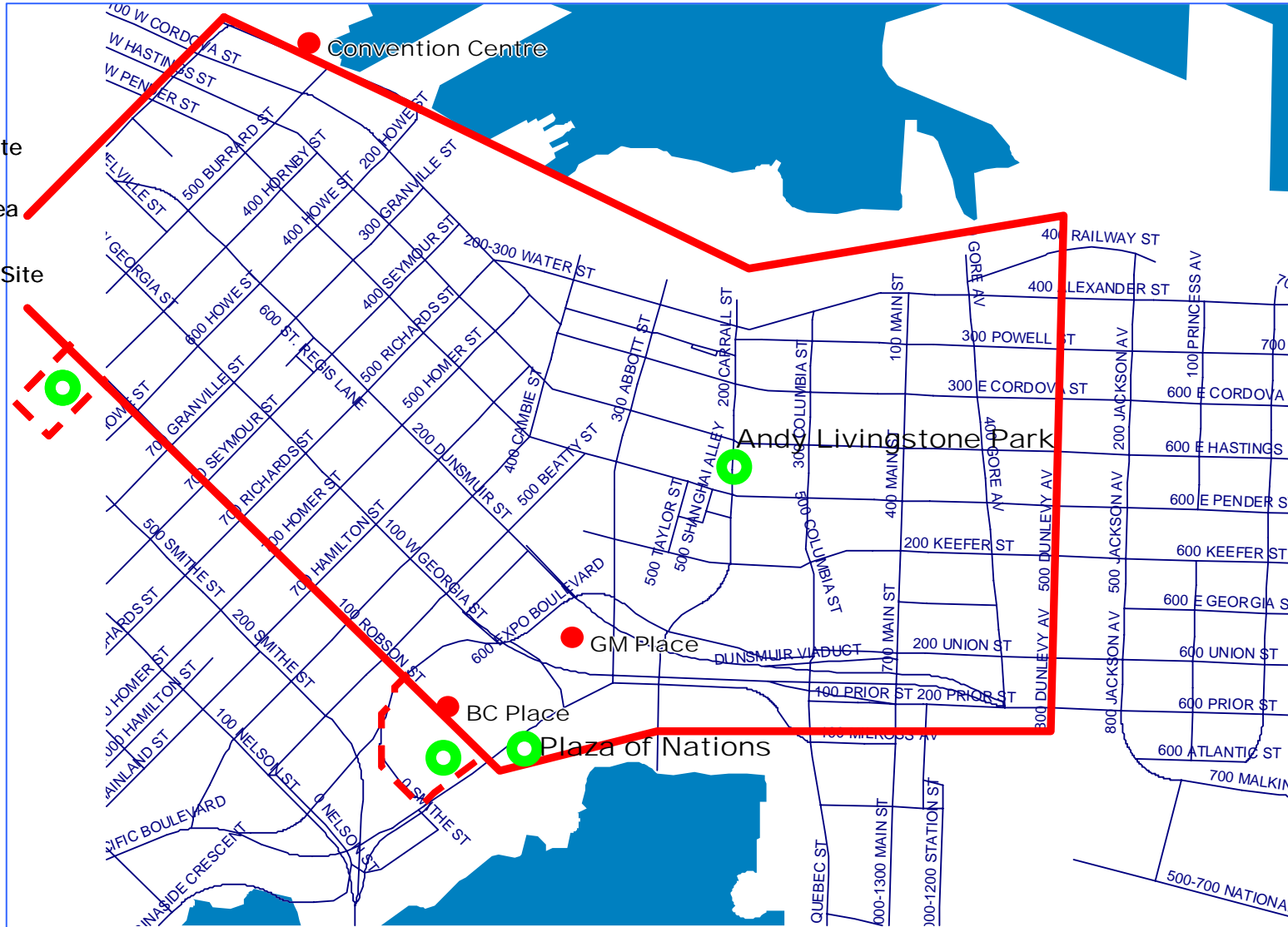
It is recommended that Council approve the proposal to move directly to an RFI to assess the level of interest from wi-fi network providers in implementing a wi-fi network across a pilot area in Vancouver by 2010.

* * * * *

Proposed Wi-Fi Network Pilot Area [to be confirmed or amended by the proponents responding to the RFI]

Legend

- = Olympic Site
- = Urban / Live Site
- = Core Pilot Area
- = Possible Pilot Area for Live Site



Wi-Fi Access at Vancouver Public Libraries

- ★ 55 access points across 20 branches live as of May 21
- ★ Free of charge to card holders
- ★ Meets some of Council's social objectives re: wi-fi

