Wireless Connectivity in Graduate Housing – 12/5/12

After months of negotiating a proposed contract addendum for bulk internet service tied to an existing contract HDH holds with Time Warner Cable (TWC), HDH has formally notified TWC that we, on behalf of our customers, are not interested in their final offer which was at a price that could not be covered by the existing rates in our communities.

Please find here background timeline information on this project to date, details of an RFP process, and ultimately the options we believe are available to our community now.

Wireless Project Timeline (for reference)

1/12: Initial request was for wireless coverage at laundry/community rooms at Mesa/OMS.

2/24/12: Advisory committee approved proceeding with initial quote for common rooms. Agreed to Capital outlay of $80,000 for start-up costs of hardware and installation.

3/12: IT met with Purchasing and Time Warner Cable re: potential contract addendum to investigate the possibility of providing low cost general exterior wireless coverage of the ARCH Mesa area.

4/12 – 11/12: Various versions of the addendum were provided between HDH and Time Warner. As discussions continued, other solutions became possibilities, and scope changed to add additional communities. Rough back and forth of contract is noted below.

Proposals began with a rough “Wireless Mesh” for Mesa. That draft proposal was revised several times to include additional ARCH properties to determine best price points and service.

The next updated TWC Wireless hardware proposal included 1 wireless access point per building (Mesa) and several per building (OMS) which equaled 50 access points in total. Initial costs were expected to be on the range of at $3 per person/month for a very basic low speed “Wireless mesh” which could be covered by the existing rental rates.

Details of the TWC Wireless Mesh were review by HDH, Campus Purchasing and Campus ResNet.

After reviewing additional details of TWC draft proposal – additional inquiries and major issues were brought forward:

• This was TWC’s first Wireless Mesh proposal in the San Diego area.

• TWC was partnering with 3rd party Wireless vendor to provide this service.

• The 3rd party vendor had Mesh Wireless experience, but nothing this large or complex. Proof of concept requested from 3rd party – still has not been provided.

• 3rd party via TWC responsible for installation and maintenance of system – TWC has yet to guarantee their work and functionality.
• Determined that a substantial liability concern existed regarding copyright infringement and security. As HDH is not an ISP (Internet Service Provider) no protection against law suits for copyright infringement or other legal protection is afforded.

• Assuming liability for illegal on-line activities holds your company responsible. Safe harbor provision requires additional equipment and policies to prevent illegal activity and is therefore much more expensive.

• Sent TWC addendum re: liability and they have not responded. Expectation is that they will not assume this liability.

• TWC proposal must meet all required criteria to pass as a contract Addendum. Otherwise required by the University to go to the RFP process.

As the TWC Wireless Mesh proposal became less plausible and cost effective, TWC was approached to update proposals for other solutions. Time Warner came in with very attractive initial bulk service offer for a Wireless CDM (Cable Data Modem) unit per apartment.

It was then determined by TWC senior management that the Bulk service at that wholesale pricing was not an option due to the fact that almost 80% of the ARCH community already subscribes to TWC (Retail Customer Services). This was not appealing to them at the proposed lower cost.

Final proposal from TWC came in at an unacceptable rate and service level. HDH declined.

TWC came back with an even less attractive service level (3 mbps) for $15 per apartment per month

12/12: Notified TWC that we are not interested in their final proposal as a contract addendum. Proposing that we move forward with interim solution at Mesa/OMS community rooms and to pursue the public RFP process. Zero dollars have been spent to date.

---

What is the standard process of an RFP?

Draft RFP - in progress. Due internally by 12/18/12. This document includes standard clauses and scope of desired service.

Draft RFP to then be vetted in the purchasing system before public posting.

Pending review success, public posting would take place approximately mid-January. Posting is required to be public for two weeks.

Vendors have four weeks to prepare their bids, have questions answered, and participate in a physical walk through of the affected communities. Vendors submit their proposed bids.

Two weeks are allowed for the evaluation of submitted bids after which time a preliminary award is made.
Once preliminary award has been made final negotiations initiate during which any concerning details are reviewed by legal entities on behalf of the vendor and university. Final award is then made. Implementation follows as negotiated in the final contract.

Possible outcomes of an RFP:

1. We will receive an excellent vendor bid that meets our needs for service level and price which can be covered by our current rents. If this is the case we will accept the best bid.
2. We will receive bids that are only achievable by going beyond what we can cover with current rents. At this point we would decline the bids and cancel the RFP. Then we would move forward with wireless being a service that residents contract for directly with a service provider as is currently the case.

The HDH workgroup who has been working on this project is suggesting the following possible solutions and is requesting input and direction from our GSA:

Interim Solution:
Go back to the initial proposal to the Advisory Committee and request a wireless cable data modem in each community/laundry room at Mesa/OMS that will allow limited wireless access (est. under 20 access points). This can be accomplished via TWC within current ARCH rental rates. This would take approximately 30 days to completion from initial notice to proceed. The cost of this interim solution is $27,600 annually at $115.00 per month per access point (20), which leaves a balance of $52,400 from the ARCH Advisory Committee recommended capital outlay of $80K which was incorporated into the 2012-13 rates under the assumption a deal could be struck. If this solution is acceptable, we could credit back the balance remaining to residents.

Long Term Solution - A:
We would like to propose, if the GSA supports, the initiation of a formal Request for Proposal (RFP) process for wireless service per apartment in the following communities: Mesa, OMS, Coast and Rita Atkinson Residences. We are only interested in this service level if it can be provided at a cost that can be covered by the existing rents collected in these communities. Residents are already purchasing residential service directly from service providers (80% from TWC). We want an excellent bulk rate/service level for this solution in order to switch from the current method of securing service. This would allow private market to come in and propose solutions for the service. If this option were selected, we would further propose that two graduate students be selected to serve on the workgroup pursuing this option.

Long Term Solution – Option B:
Having now identified that nearly 80% of all ARCH residents already subscribe to TWC, let that service continue to provide residents the choice of purchasing data services from TWC or an alternate vendor. This supports the long standing philosophy of minimizing the number of “required” services that residents don’t have a choice in paying for and allows them to choose any or no data option that best fits their personal needs. If this is the desired option, and we are directed to close these efforts there would be no costs incurred and we could credit back the $80,000 to residents. This credit would be approximately $54.00 per apartment for the year. We are ready to meet with anyone on this subject in an effort to answer any questions and set a clear direction for the effort.