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REVISED
EXECUTIVE MANAGEMENT COMMITTEE
MAY 17, 2012

SUBJECT: CELLULAR PHONE SERVICE IN RAIL STATIONS AND TUNNELS

ACTION: STATUS UPDATE

RECOMMENDATION

Receive and file status report on progress toward implementing a 20-year revenue-generating contract to provide cellular phone service in rail stations and tunnels.

ISSUE

The Metro Board Chairman requested staff to provide a plan for improving safety and security for Metro Patrons. This plan includes the provision of cell phone service at all Metro Rail stations and tunnels at no cost to Metro. Wi-Fi service was also included as an option in the request for proposal.

DISCUSSION

Other properties who provide cell phone service to their patrons include the Bay Area Rapid Transit District, New York MTA (on train platforms only), and Boston MTA. The installation of cell phone and data services within Metro's subways and tunnels will contribute to customer convenience and will allow for faster notification by patrons during times of emergencies.

A fair and reasonable revenue sharing agreement will be negotiated to provide the best possible financial outcome for the agency over a 20-year period. An outside consultant has been retained for assistance in the analysis of all proposed revenue-sharing plans. Revenue to Metro would begin during the initial installation and implementation period and would increase as the underground cell phone system matures and the number of cell phone and data users on the Metro system increases.

The RFP was issued on December 22, 2011 and proposals were due on February 24, 2012. A pre-proposal conference, several Red Line site visits and a Union Station site visit were held prior to the proposal due date. A Source Selection Committee (SSC), consisting of staff from Rail Operations, Systems Engineering,

and Service Planning and Scheduling, was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based upon the following evaluation criteria and weights:

- Proposer's Skills, Experience and Past Performance 35 percent
- Project Plan/Understanding of Requirements 35 percent
- Revenue Generation 30 percent

The evaluation criteria are appropriate and consistent with criteria developed for other, similar types of procurements. Several factors were considered when developing these weights, giving the greatest importance to technical and project-related factors over revenue generation.

Staff will continue to negotiate with each of the proposers on technical and/or project issues, revenue sharing, final terms and conditions of the contract, solicit Best and Final Offers, and then issue a notice of intent to award to the selected proposer. Final award is anticipated in August or September 2012.

DETERMINATION OF SAFETY IMPACT

Providing cell phone service to patrons who ride Metro service could enhance response time during emergencies. It will also provide Metro patrons with more confidence regarding their safety during an emergency.

FINANCIAL IMPACT

Funding for implementation of this contract is included in the FY12 and FY13 proposed budgets in Project #380004 and various rail operating cost centers 3920, 3922, 3924 and 3928. Actual implementation of the contract will provide revenues to Metro during the life of the contract.

Impact to Budget

The revenues earned from this contract will be eligible for any Metro operating or capital use.

NEXT STEPS

Staff will complete the procurement process and make a recommendation for award.

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