



**Report to the  
Business Administration Committee**

**Recommendation to Award a Contract  
to Replace Wi-Fi Infrastructure Systems  
at Ronald Reagan Washington National  
Airport and Washington Dulles  
International Airport**

January 2016



# Purpose

The Business Administration Committee is requested to approve and recommend to the Board of Directors that it approve the award of a contract to replace Wi-Fi infrastructure systems at Ronald Reagan Washington National Airport and Washington Dulles International Airport to DISYS Solutions, Inc. of Ashburn, Virginia, in the amount of \$5,991,632.



# Background

- Over the last 10 years, the Airports Authority has utilized a single contract to provide Wi-Fi and cellular services. Under the CWAS (Common Wireless Access System) contract, the contractor:
  - Currently pays \$500K minimum annual guarantee (MAG)
  - Is the provider of cellular services within the airports
  - Provides and manages the Wi-Fi infrastructure and services
  - Controls all aspects of business capabilities, content management, advertising, technology infrastructure and upgrades
- The demand for Wi-Fi service is overburdening the current system and will only continue to grow in the future.



## Background (continued)

- In 2015, the Airports Authority conducted a business study of its Wi-Fi and cellular services. As a part of this study, an options analysis was performed to assess various options to design, build and support the Airports Authority's Wi-Fi system.
- The study recommended that the Airports Authority decouple its Wi-Fi and cellular services support contract because:
  - Wi-Fi is a strategic asset that impacts capabilities for revenue generation, customer satisfaction and future innovation. The Airports Authority should retain management control of its Wi-Fi infrastructure.
  - Cellular service investments are best managed by cellular service providers. To maximize the investments and returns on its space and power usage, the Airports Authority should transition to a licensing model with revised minimum annual guarantees (MAGs).



## Background (continued)

- The options analysis of the business study assessed options to design, build and support the Airports Authority's Wi-Fi system. The options fell under two general categories:
  - **Single Platform Wi-Fi:** The Airports Authority would build a modern Wi-Fi infrastructure that would serve as a single platform for all future Wi-Fi enabled systems and innovations. It would be designed, implemented and maintained by a third party vendor, but the Airports Authority would retain control over the technology and business capabilities.
  - **Standalone Public Wi-Fi:** The design and implementation of the public Wi-Fi systems would be outsourced to a third party vendor, which would also own and maintain the systems.

# Background (continued)

	Single Platform Option	Standalone Public Option
Pros	<ul style="list-style-type: none"> <li>– Serves as the foundation for all future systems &amp; innovations</li> <li>– Ability to manage Wi-Fi analytics, content and technology</li> <li>– Better capabilities to enhance customer experience and engage customers</li> <li>– Operations and management outsourced to contractor</li> <li>– Revenue generation opportunities </li> </ul>	<ul style="list-style-type: none"> <li>– MWAA specifies requirements for new Wi-Fi to meet design and content management needs.</li> <li>– Outsourced responsibility over equipment, operations and management</li> </ul>
Cons	<ul style="list-style-type: none"> <li>– Higher upfront investment cost</li> </ul>	<ul style="list-style-type: none"> <li>– Public Wi-Fi infrastructure only</li> <li>– Less ability to manage emerging technologies and content</li> <li>– Missed opportunities in customer experience and revenue generation</li> <li>– Monthly maintenance fees</li> <li>– Future innovations would be built in a slow gradual fashion</li> <li>– More costly in the long term</li> </ul>

As a result of the data collected, the study recommended that the Airports Authority build a single platform for its Wi-Fi infrastructure systems.

# Background (continued)

## Cost Comparison

	Single Platform Wi-Fi	Standalone Public Wi-Fi
Equipment	\$3,299,288	\$674,693
Professional Services	1,500,000	674,940
Operations, Administration & Management	781,404	239,545
Cabling*	-	15,152
<u>Marketing Platform</u>	<u>410,940</u>	<u>(not included)</u>
<b>Total Public Wi-Fi</b>	<b>\$5,991,632</b>	<b>\$1,604,330</b>
Future Costs to Build Other Wi-Fi Systems (employee Wi-Fi, airlines Wi-Fi, concessions Wi-Fi, etc.)	=	<u>\$7,000,000</u>
<b>Total Wi-Fi Systems Cost</b>	<b>\$5,991,632</b>	<b>\$8,604,330</b>

\*Note: Cabling under the single platform Wi-Fi build would be funded through an existing contract



# Discussion

Based on the recommendations of the business study, the following actions will be taken:

- 1. Extend Existing Wi-Fi and Cellular Services Contract for One-Year Period**
  - Extend existing contract from April 2016 to April 2017 to allow time for the construction and implementation of the new system
- 2. Design & Transition to a Single Platform Wi-Fi Network**
  - Procure new Wi-Fi provider services (design, implement, manage)
  - New provider to design, transition from existing system, implement tiered Wi-Fi services
  - Procure operational support for new Wi-Fi infrastructure
- 3. Renegotiate Existing Terms of Cellular Services Agreement**
  - Negotiate new MAG
  - Require improved coverage in non-public spaces
  - Transition to a licensing model with cellular service providers



## Discussion (continued)

- The Commonwealth of Virginia’s Virginia Information Technology Agency (VITA) contract with DISYS Solutions, Inc. will provide the Airports Authority with the resources needed to complete its Wi-Fi infrastructure systems replacement and allow access to the same pricing and discounts that was fully competed and negotiated by the Commonwealth of Virginia.
- In accordance with Section 1.3.1 of the Contracting Manual, the Manager, Procurement and Contracts has determined that using this competitively procured VITA contract is appropriate and beneficial for the Airports Authority.
- The cost to build the modern single platform Wi-Fi infrastructure systems at Reagan National and Dulles International Airports is estimated to be \$5,991,632.



## Discussion (continued)

- Implementation of the Wi-Fi infrastructure system is projected to be completed by April 2017.
- Incorporated in 1994 as a certified Minority Business Enterprise, DISYS Solutions, Inc. is headquartered in Ashburn, Virginia and holds contracts in over a dozen states and the District of Columbia.
- The operations & maintenance portion of the Wi-Fi infrastructure system will be handled through a separate contract.



# Recommendation

The Business Administration Committee is requested to approve and recommend to the Board of Directors that it approve the award of a contract to replace Wi-Fi infrastructure systems at Ronald Reagan Washington National Airport and Washington Dulles International Airport to DISYS Solutions, Inc. of Ashburn, Virginia, in the amount of \$5,991,632.



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## Proposed Resolution

### Awarding a Contract to Replace Wi-Fi Infrastructure Systems at Ronald Reagan Washington National Airport and Washington Dulles International Airport

WHEREAS, Over the last 10 years, the Airports Authority has utilized a single Common Wireless Access System (CWAS) contract to provide Wi-Fi and cellular services at both Airports;

WHEREAS, A business study that the Airports Authority conducted of its Wi-Fi and cellular services in 2015 recommended that the Airports Authority own and control the Wi-Fi infrastructure systems;

WHEREAS, The Airports Authority will 1) extend its existing CWAS contract for one year to April 14, 2017 to allow time for the construction and implementation of the new system; 2) design, construct and transition to a single platform Wi-Fi Network; and 3) renegotiate the existing terms of the cellular services agreement;

WHEREAS, Section 1.3.1 of the Contracting Manual permits the Airports Authority to obtain required goods by utilizing a contract previously awarded by a government entity using competitive procedures;

WHEREAS, The Commonwealth of Virginia's Virginia Information Technology Agency (VITA) contract with DISYS Solutions, Inc. will provide the Airports Authority with the resources needed to complete its Wi-Fi infrastructure systems replacement and will provide the Airports Authority with the same pricing and discounts negotiated by the Commonwealth of Virginia; ;

WHEREAS, The cost for DISYS Solutions, Inc. to build the modern single platform Wi-Fi infrastructure systems at Reagan National and Dulles International Airports is estimated to be \$5,991,632, and the implementation of the systems is projected to be completed by April 2017;

WHEREAS, The operations and maintenance portion of the Wi-Fi infrastructure systems will be handled through a separate contract;

WHEREAS, The Business Administration Committee has reviewed the terms of this contract as presented by staff, and recommended that the contract be awarded; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to enter into a contract with DISYS Solutions, Inc. consistent with the terms presented to the Business Administration Committee at its January 20, 2016 meeting.

*For Consideration by the Business Administration Committee  
and Board of Directors on January 20, 2016*