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Subject: ISP / LSJE Wifi & Tower

Date: Mon, 03 Mar 2014 22:36:38 +0000

Attachments: Terrence_Quote.pdf; vINGN_Community_Anchor_Institution_List_10-30-13.xlsx

ISP

In order to become an ISP our entity must complete the following:

- 1) Register with Lt Governors office via application (VINGN initial connection fee of 500)
- 2) Register our Dragon wave and Red Line (ISP Equipment) with FCC
 - Dragon wave 1,500
 - Red Line 1,200 x 2 = 2,400
 - Total FCC Cost = 3,900
- 3) Provide VINGN with the following information about our entity
 - a) articles of organization
 - b) certificate of good standing
 - c) certificate of incumbency

Monthly ISP Operating Costs

VINGN 25 Meg Min Monthly Purchase at cost of \$40 per meg = 1,000 per mo
(must commit to a 2 or 5 year contract term)

VINGN Dual attached connectivity rate = 200 per month

VINGN Transport Aggregation = 100 per month

VINGN Co-Lo Package (External) = 800 per month

SBA Tower Rental on STT = 400 per month

Total Monthly Costs = 2,500

Total Annual Cost = 30,000

Cost per Meg = 100 per month

(Terrence believes that if we buy more 50 meg or more we will have ability to negotiate above figures)

30,000 annual cost will provide 25 Meg of internet for STC and LSJE. We would have to decide on how much to provide each property with.

Our current bandwidth and costs are as follows:

LSJE via Choice 15 Meg @ 2,625 per month = 31,500 annual cost (175 cost per meg per month)

STC via TM Telecom 4.5 Meg @ 2,139.60 per month = 25,648.56 annual cost (475 cost per meg per month)

Total annual cost 57,148.56 vs 30,000 as ISP = 27,148.56 annual savings

LSJE WIFI / Tower

Location of 10 x 10 concrete pad as been marked by Danny and Terrence by Berm

Tower:

- a) Weather Rating - 220 mph winds
- b) Corrosion not an issue since tower will be rust galvanized in hot dip for caribbean
- c) Tapper top with lightening rod and beacon light
- d) Must be painted orange and white every 10' (painting will be approximately 1 foot in width)
-> mandatory to paint on all towers greater than 40'
- e) Drag wave will be mounted at 30'
- f) Bridges and repeaters mounted at 40'
- g) High power AP's mounted at 47'

Attached bid of 263,598.45 requires a 50% deposit then 25% upon receipt of equipment and job beginning and final 25% upon completion of job

Bid is broken down as follows:

Materials	227,972
Labor	28,500
Shipping & Ground Trans	7,126

Terrence states that all equipment is at cost with exception of AP's / Bridges and Repeater. He marks up these items to cover warranty costs.

Our Cost of these items with 20% markup = 91,296

Terrence Cost = 76,080

Profit = 15,216

Negotiated Price = 257,000

It has been very tough to verify his costs. Please advise if i should ask him for vendor to verify costs or if not done through STC then we purchase materials directly from vendor

Terrence offers a Limited Warranty on equipment of 1 year and 3 months on his labor.

He recommends a Maintenance Contract for both the Wifi Equipment and Links (Dragon wave & Red Lines)

Anything that is wrong with equipment or labor will be replaced at no cost to us

Each mtc contract includes at least 2 days per month to look after equipment and do preventative maintenance

Maintenance contract not signed up at time of contract = 1,500 per contract x 2 x 12 months = 36,000 per annum

Maintenance contract at time of contract = 1,200 per contract x 2 x 12 months = 28,800 per annum

I was able to negotiate his maintenance contract to 850 per contract x 2 x 12 months = 20,400 per annum

Timing - 9 weeks start to finish for ISP and WIFI / 3 weeks for equipment lead time = 12 weeks = May 26th

-> Terrence believes that without unforeseen issues job should be completed by May 15th

ISP as Business

VINGN currently has 12 HOPS spread across STT and 22 HOPS across St Croix

Terrence estimates cost of 150,000 per 12 hops for WIFI = 1,800,000 plus additional 200,000 for core equipment

Total cost to blanket all of STT = 2,000,000

If equipment for all HOPS were purchased at once he would be able to receive a 30% discount which amounts to approximately 540,000

Core equipment includes the following:

Cisco Router 7606, 24 Port Cisco switch with 4 sfp ports, apc backup and inverter, 3 servers (DNS, Mail & AAA) & main wifi controller with enterprise software

Will need an office space to store main junction equipment (generators, backup batteries, cisco switches and air conditioning)

Preferable size of indoor space 10' x 12' or 15' x 15'

Hop equipment and estimated costs are as follows:

5,275 Cabinet

10,000 30 ft tower with braces and grounding / side arms and mounting wings for radio links

3,500 switch

15,000 section controller

30,000 high power AP's with sector antennas

39,200 Dragon Wave link

3,490 APC inverter / backup

2,295 Deep cell backup batteries

8,000 12k generator with transfer switch

5,743 PTMP section controller (may need 2 at some locations) - used for business customer who needs SLA and 5 or more Megs of service

3,183 CPE for those customers

Terrence projects 6,000 and 2 weeks to install each hop which includes labor, cables, brackets, anchors, screws, junction boxes and misc

Each HOP require a concrete pad (1' x 6')

Follow up

1) Map out 316 Community Anchor Institutions (CAI) (see attached Excel file) to see if there are specific areas to initially target

2) Statistics on CAI current internet usage and costs (may have to be telephone solicitation)

3) Blanket Red Hook as market test

4) Insurance requirements for our entity

Per Terrence there are currently 10 ISP's on STT:

6 new signed up via VINGN in addition to the existing 4 (choice, innovative, broadband vi & smart net)

Current customers of Terrence:

1) Ritz Carlton

2) Sugar Bay

3) Frenchman Cove

4) Westin

5) Banco Poplar

6) Scotia Bank

7) Botany Bay

Terrence is very honest and straightforward. His is a Manager at Guardian Insurance and is very weak back office is supported by his sister.

Richard Kahn

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