BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

In re: Complaint by BellSouth Tele-Communications, Inc., Regarding The Operation of a Telecommunications Company by Miami-Dade County in Violation of Florida Statutes and Commission Rules	)	DOCKET NO. 050257-TL

FINAL EXHIBIT NOS. 156 & 158-171

19 of 29

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MIAMI INTERNATIONAL AIRPORT COMMUNICATIONS OVERVIEW

The Dade County Aviation Department (DCAD) and the Miami International Airport (MIA) tenants primarily lease communications equipment from the two competing companies of Southern Bell and WilTel. Southern Bell provides services to MIA principally under the Florida Public Services Commission (FPSC) tariffs, and WilTel provides MIA service in accordance with the FPSC shared tenant rules and in accordance with contracts between Dade County and itself. DCAD and the MIA tenants have the option of leasing communications services from either or both companies. To the County, the primary differences between the companies are that WilTel's rates are lower than Southern Bell's rates, WilTel offers services that are not tariffed by Southern Bell, and that WilTel pays the County commissions on all sales to MIA tenants, while no commissions are paid to the County by Southern Bell on similar sales.

WilTel's Dade County contract was originally dated February 7, 1982 and it was renewed by the County Commission in 1991. The WilTel contract provides the County with a 40% discount for equipment that the County has leased for five or more years and it provides the County the option to replace older communications equipment with new equipment. These two provisions are extremely beneficial to the County. The first represents a savings of over $10,000 per month to the County for equipment that is now over five years old. The second provision allows the County to update communications equipment, without penalty, as technology and regulations change and as computerized communications cost decrease. The most recent system update, was this year when the MIA SL-1 telephone system was replaced by WilTel, with a Meridian One Option 71 system. The result of this upgrade was a new State-of -the-Art communications system for MIA and a reduced lease rate. In comparison, Broward County contracted in 1993 with WilTel to update and expand their SL-1 system to a Meridian One Option 71 system, at a cost of over $1.6 million. The recent major regulatory change affecting MIA's communications requirements is the American Disabilities Act (ADA). WilTel at DCAD's direction is upgrading MIA's equipment in specific locations with ADA compliant printers for the deaf, a computerized system to allow the visually impaired and the deaf to receive flight information, ADA elevator phones , etc., and WilTel is deleting the cost of the old equipment from DCAD's lease.

MIAMI INTERNATIONAL AIRPORT COMMUNICATIONS OVERVIEW

MIA tenants including DCAD have the option of obtaining service from any communications vendor, but the majority are served by either WilTel or Southern Bell. Having two large firms compete for the various communications services required by the MIA tenants, assures competitive prices, responsive services, and State-of-the-Art technology. WilTel's rates for basic service range from 17% to 50% less than the local utilities published rates (see attached). These lower rates coupled with quality service have attracted a significant number of tenants to the WilTel system. A few of WilTel's MIA shared tenant customers are United Airlines, TWA, DynAir, and various Departments of the Federal Government. These MIA tenants benefit from WilTel's lower rates, and DCAD benefits from the monthly commissions paid to the County by WilTel.

Current Dade County contract language was included in WilTel's contract when it was re-negotiated and renewed by the County in 1991. Some of the important provisions, of the contract, are that WilTel is responsible for equipment loss due to theft, system damage due to disasters such as lightning, fire, or hurricanes, and that the County may obtain equipment from a third party and attach it to the WilTel system. Additionally, WilTel routinely subcontracts significant portions of the communications work at MIA to minority firms.

Southern Bell in 1993 reduced its South Florida non-network communications staff, and it has withdrawn in several locations from bidding local government contracts. Earlier this year Southern Bell was unable to reach terms with Broward County on their bid for the Broward County Public Safety building and the bid was awarded to another vendor. Separately, Southern Bell did not submit a bid for a Meridian Option 21 system for the Orange County Public Schools. At present, Southern Bell's primary activity appears to be directed toward ESSEX and other network services.

Today, DCAD is in a complex communications environment with rapidly changing technology and regulations, and one in which Southern Bell has dramatically reduced its efforts in the local government market. The WilTel contract has effectively served the MIA community with low rates and State-of-the-Art communications. Maintaining the option to lease or purchase equipment from both Southern Bell and WilTel is in the County's best interest and that is the reason WilTel's contract was renewed by the County in 1991. WilTel's contract will continue for an additional eight years and Southern Bell's tariffs, as approved by the FPSC, will continue indefinitely.

DCAD AIRTELE RATES

DESCRIPTION Rates for Systems Under 15 Lines	LOCAL UTILITY MONTHLY RATES	WILTEL MONTHLY RATES	% SAVINGS
Single Line 1FB	$38.60	$29.00	25%
Rotary Line to Key Systems	53.43	40.00	25%
Call Transfer/Conference	5.00	2.50	50%
Call Wtg., Call Forward, Call Forward Don't Answer	9.00	4.50	50%
Call Waiting	5.00	2.50	50%
Call Forwarding	3.00	1.50	50%
Air-Com Single Line	47.97	29.00	40%
Air-Com Rotary Lines	47.97	40.00	17%
Airport Private LInes	42.30	32.00	24%

NXT 8854

FACSIMILE

WILTEL COMMUNICATIONS SYSTEMS
1401 WEST COMMERCIAL BOULEVARD
SUITE #130
FORT LAUDERDALE, FL 33309

FAX NUMBER: 305 / 351-2037

TELEPHONE NUMBER: 305 / 938-0220

NUMBER OF PAGES FOLLOWING COVER PAGE: 3

DATE: 12/1/93

TO:

NAME: Jerry Bailey

LOCATION:

FAX NUMBER:

TELEPHONE NUMBER:

FROM:

NAME: Byron Moore

BRANCH:

TELEPHONE NUMBER:

COMMENTS:

NXT 8855

FACSIMILE

WILTEL COMMUNICATIONS SYSTEMS
1401 WEST COMMERCIAL BOULEVARD
SUITE #130
FORT LAUDERDALE, FL 33309

FAX NUMBER: 305 / 351-2037

TELEPHONE NUMBER: 305 / 938-0220

NUMBER OF PAGES FOLLOWING COVER PAGE: 3

DATE: 12/1/93

TO:

NAME: Dan Paul

LOCATION:

FAX NUMBER: 372-9928

TELEPHONE NUMBER: 371-2600

FROM:

NAME: Byron Moore

BRANCH:

TELEPHONE NUMBER: 351-2029

COMMENTS:

NXT 8856

FACSIMILE

WILTEL COMMUNICATIONS SYSTEMS
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FAX NUMBER: 305 / 351-2037

TELEPHONE NUMBER: 305 / 938-0220

NUMBER OF PAGES FOLLOWING COVER PAGE: 3

DATE: 12/1/93

TO:

NAME: Tim Abbott

LOCATION:

FAX NUMBER: 876-7294

TELEPHONE NUMBER:

FROM:

NAME: Byron Moore

BRANCH:

TELEPHONE NUMBER: 351-2029

COMMENTS:

NXT 8857

FACSIMILE

WILTEL COMMUNICATIONS SYSTEMS
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SUITE #130
FORT LAUDERDALE, FL 33309

FAX NUMBER: 305 / 351-2037

TELEPHONE NUMBER: 305 / 938-0220

NUMBER OF PAGES FOLLOWING COVER PAGE: 3

DATE: 12/1/93

TO:

NAME: Jim Nabors

LOCATION:

FAX NUMBER: 305/876-0134

TELEPHONE NUMBER:

FROM:

NAME: Byron Moore

BRANCH:

TELEPHONE NUMBER: 305/351-2029

COMMENTS:

NXT 8858

FACSIMILE

WILTEL COMMUNICATIONS SYSTEMS
1401 WEST COMMERCIAL BOULEVARD
SUITE #130
FORT LAUDERDALE, FL 33309

FAX NUMBER: 305 / 351-2037

TELEPHONE NUMBER: 305 / 938-0220

NUMBER OF PAGES FOLLOWING COVER PAGE: 3

DATE: 12/1/60

TO:

NAME: Bob Waters

LOCATION:

FAX NUMBER:

TELEPHONE NUMBER:

FROM:

NAME: Byron Moore

BRANCH:

TELEPHONE NUMBER:

COMMENTS:

NXT 8859

Tim Abbott FAX 305-876-7294
Jim Nabers
Bob Waters
Dad Paul

NXT 8860

PL - File

Williams Communications Solutions to Upgrade Cellular Service, Eliminate 'Dead Zones' at Miami International Airport

MIAMI – Williams Communications Solutions, LLC, a unit of Williams (NYSE: WMB), which owns and operates Miami International Airport's (MIA) state-of-the-art fiber optic-based communications network, is eliminating "dead zones," a nuisance of the past for MIA's cell phone users.

Williams Communications Solutions is installing throughout the airport terminal 72 antennas and 36 remote cells, which are linked to its fiber optic backbone, for AT&T Wireless Services of Florida, Inc. "By early 1999, AT&T Wireless customers will enjoy substantially improved cellular capabilities at MIA as a result," said Byron Moore, senior manager, national accounts for Williams Communications Solutions.

"We believe this represents the first fiber-based micro-cell system to be installed for AT&T Wireless within an airport anywhere in the country," said Moore. "We believe Miami International Airport is setting a standard in cellular service, which we anticipate will be copied by other U.S. airports. Installing these mini-antennas inside the airport terminal should extend the Williams Communications local area network to include cell service applications, while dramatically reducing connection losses for travelers using AT&T Wireless cell phones at the airport."

Users must have a phone compatible with AT&T Wireless's network to benefit from the signal improvements; however, Moore expected that other companies will sign up soon to use Williams Communications' fiber backbone for cellular services.

More

"Most major cellular service providers currently have antennas stationed in garages and other locations outside the MIA terminal," Moore said. "While their cell phones can operate within the airport, users often experience 'dead zones' at the terminal's ticket check-in counters, baggage claim areas, restaurants and retail shops.

"AT&T Wireless is the first cellular service provider to use a portion of Williams Communications' eight million feet of fiber optic cable to support remote cells inside the airport terminal," Moore explained. "Installing numerous antennas and remote cells throughout the terminal should virtually eliminate connection losses once the system is operational later this year."

"Cell phone usage is growing dramatically, especially among international travelers," said Kirk Carter, senior radio frequency manager for AT&T Wireless Services of South Florida. "Notably, South Florida has one of the highest cell phone penetration rates in the country

"By using Williams Communications Solutions' fiber optic network, we can provide our customers with more consistent signal strength throughout the expansive airport terminal," Carter explained. "Fiber optic technology achieves a cleaner, more efficient transfer of signals over long distances and allows users to process a lot more

information than any other type of conduit. We believe this technology gives us a distinct competitive edge in providing better services to our cell phone users at MIA."

Design and engineering for Phase I of the multi-million dollar project began in the first quarter of 1998. In August 1998, AT&T Wireless contracted with Williams Communications Solutions to use its fiber optic network for cellular services. Since then, Williams Communications Solutions has been installing additional fiber optic cable, new antennas and remote cells, which are metal boxes that contain a fiber optic controller for the antenna and the back-up battery system to support the cells. The remote cells process the calls and reroute them to the main cell, which is located in an airport parking garage.

Moore said the first phase of the project is slated for completion by Spring 1999. Upon completion, Williams Communications Solutions will monitor and maintain the fiber optic network and maintain the remote cells through its Local Area Network. Eventual plans call for extending this improved cell phone capability throughout MIA's concourse areas.

Integrating cutting-edge voice, data and video technologies over eight million feet of fiber optic cable, the Williams Communications Solutions network at Miami International Airport supports 7,000 telephones, 1,400 computers, hundreds of security cameras and multiple software applications. These applications include e-mail, computer-based reference systems, computer-aided design (CAD) drawings, Internet access with firewall security, an internal MIA wireless phone system, computer-driven multilingual signage, as well as passenger check-in and

More

gate systems. Williams Communications Solutions provides these communications services to federal agencies, the Miami-Dade County Aviation Department, numerous airlines and other businesses at MIA.

Williams Communications Solutions, LLC is a $1.5 billion, North American, single-source provider of business communications equipment and multimedia integration services for data, voice, video and advanced applications. Its end-to-end network support solutions include a diverse portfolio of full-service products from the industry's leading manufacturers, as well as value-added services that include configuration, design, installation, maintenance and management of mission-critical networks. Williams Communications Solutions is a business unit of Williams (NYSE:WMB), based in Tulsa, Okla. Williams Communications Solutions information is available at www.wilcomsol.com.

About Williams (NYSE:WMB)

Williams, through its subsidiaries, provides a full range of traditional and leading-edge communications and energy services, and is the nation's largest volume transporter of natural gas. Williams Communications includes a U.S.-based wholesale multimedia fiber-optic network; North American single-source business communications systems

integration; international video satellite and fiber-optic transmission, multipoint video and audio conferencing and satellite business applications. Williams information is available at www.twc.com and www.wilcom com.

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 Portions of this document may constitute "forward looking statements" as defined by federal law. Although the company believes any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Any such statements are made in reliance on the "safe harbor" protections provided under the Private Securities Reform Act of 1995. Additional information about issues that could lead to material changes in performance is contained in the company's annual reports filed with the Securities and Exchange Commission.

2/8/99

WORLDCITY BUSINESS
THE LOCAL NEWSPAPER OF INTERNATIONAL BUSINESS
March 2, 1999 - March 15, 1999 | Serving Miami-Dade, Broward, Palm Beach | Vol. 1 No. 24 $3

PR
F. 19

NXT 877

PSC 2715

Final Exhibit
No. 159

03/03/99 18:14

FOCUS ON
AVIATION

Miami airport's communications network to be upgraded

By ROBERT ADAMS
Staff Writer

While Miami International Airport undergoes a multi billion-dollar renovation to improve its terminal, concourses and runways, the airport's fiber optic communications network is also getting an upgrade to handle increasing demands for integrated voice, data and video communications, as well as cellular telephone use.

Williams Communications Solutions is the main company behind MIA's $120 million communications network, which is backed by fiber optic cable stretching throughout the airport.

The system, which went on line in 1984, supports about 7,000 telephones, 1,400 computers, hundreds of security cameras and multiple software applications at MIA's 28-square-mile complex.

Williams' staff of 40 technicians and engineers keeps the $100 million system working under increasing demands. "Traffic on the network doubles every six months," said Byron Moore, Williams senior manager for the MIA system.

MIA is one of only three airports in the world equipped with a network handling multiple functions, according to Moore. The others are Copenhagen and Hong Kong, he said. Several other airports, including Fort Lauderdale, San Francisco and New York, are looking to set up similar multimedia networks, Moore said.

At MIA, Williams' latest project is to eliminate "dead zones" for cellular telephone users. To elimu[illegible] fade out, Williams

Byron Moore, senior manager for Williams Communications System, oversees MIA's $100 million telecommunications system from his airport office.

doing the work.

"Cell phone usage is growing dramatically, especially among international travelers," said Kirk Carter, senior radio frequency manager for AT&T Wireless. "South Florida has one of the highest cell phone penetration rates in the country."

"Most major cellular service providers currently have antennas stationed in garages and other locations outside the MIA terminal," Moore said. This leads to dead zones at ticket counters, baggage claim areas, restaurants and shops, he said.

The $800,000 contract with AT&T, which is almost

U.S. Department of Agriculture. Both are $500 contracts, Moore said.

Besides the airport itself, Williams has abou clients at MIA, including airlines, businesses and ernment agencies. Among its larger clients ar Federal Aviation Administration, American Air TWA, Continental Airlines, British Airways, Host ilott and Sugany Enterprises, which operates free shops.

Williams Communications Services, base Houston, is a division of Williams Communicat telecommunications and energy company, bas

Sun-Sentinel
SOUTH FLORIDA
PAGE 1 NEWS SPORTS BUSINESS FEATURES Classifieds
INTERNET EDITION
Web-posted:
11 39 p m. Mar. 5, 1999

Police investigate faulty elevators, switchboards at Miami airport

By JAY WEAVER Miami Bureau

Already stained by a series of scandals, Miami International Airport faces a widening criminal investigation into its $10.4 million contract with a major telecommunications company, Miami-Dade County officials confirmed on Friday.

The contract has raised so many troubling questions about possible wasteful spending and purchasing violations that a Miami-Dade police officer recently was placed inside the county's aviation department to help get to the bottom of it all.

(Susan G Stocker/Staff)

Miami International Airport paid $330,974 for a system of high-tech talking elevators -- half of which fail to tell travelers where they parked. Aviation officials found that the network is not meant for outdoor exposure.

Police are investigating:

- High-tech talking elevators that often fail to tell travelers where they parked their cars in the airport's two garages.
- Telephone switchboard consoles that are gathering dust in a training room because they are incompatible with the airport's current network.
- A telecommunications system for airlines that the county abandoned because the expense grew out of control.

Altogether, they have cost the county-owned

airport at least $2.26 million during the past two years. And the tab is still running on these equipment leases with Houston-based Williams Communications Solutions Inc., formerly known as WILTEL.

"We're looking to see if there's criminal activity involved," said Lt. Carlos Gonzalez, head of the Miami-Dade Police Department's public corruption unit.

The investigation is the latest scandal to beset the nation's ninth busiest airport. As MIA pushes ahead with a $5 billion expansion — including a new runway, cargo facilities and terminal developments — the airport has seen two top managers resign and three employees charged with public corruption since November.

A third senior manager, James Nabors, chief of the telecommunications division, has notified the aviation department of his plans to retire next year. Nabors, who is paid $79,220 a year, declined to comment about his role in WILTEL's contract.

"I don't think it's in my interest to comment right now," Nabors said.

County Manager Merrett Stierheim has put the aviation department on notice to clean up or face drastic personnel changes.

"I think we're getting a handle on all this (at the airport)," Stierheim said. "But I don't think we've heard the last shoe drop."

WILTEL officials defended their track record.

"As far as I'm concerned, we have done everything within our contract," said Byron Moore, senior manager of national accounts for WILTEL. "We have no concerns."

WILTEL's contract originally was approved in 1982 by the County Commission, giving the telecommunications giant lucrative opportunities to sell and lease equipment to the airport, its hotel and the airlines.

The contract was renewed a decade later, and extends through 2002.

The county's auditors launched an investigation into WILTEL's contract partly because it skyrocketed to $10.4 million in 1998 from $1.62 million in 1992.

"What caught our attention was the size of the contract and how much it has escalated over a short period of time," said Cathy Jackson, director of the audit and management

department.

The most striking development in the investigation was the appointment of Miami-Dade police Deputy Director G.T. "Tom" Arnold to the aviation department in January.

Arnold said he already has discovered a slipshod system of bidding — and not bidding — for equipment and services.

"Procurement at the airport is done in many, many places," Arnold said. "That's contrary to normal checks and balances."

Police have been questioning several aviation department employees about WILTEL's contract, including the talking elevator system in the parking garages.

In summer 1996, Nabors sought three bids under the county's procurement law to purchase the new system.

But then he threw out the purchase bids — $63,500, $100,000 and $265,000, according to airport public records. Nabors then gave the business to one of WILTEL's subcontractors, Baker Audio of Georgia.

The cost of installing and renting the system — designed to tell travelers the garage name and level and remind them to stamp their parking ticket — came to $330,974 during the past two years, according to airport records. The monthly rental payment of $6,291 to WILTEL is still running.

In January, aviation department employees uncovered that half of the 105 talking elevator systems failed to work because the network is not meant to be exposed to the outdoors, according to records. The airport's seven-story Dolphin and Flamingo garages are open to the elements at each level.

Aviation Director Gary Dellapa on Friday said his department has been investigating and ordered Baker Audio to repair broken message systems.

Nabors also was at the center of the airport's decision to lease two switchboard consoles from WILTEL.

The radio-telephone systems are useless because they are incompatible with the existing phone network — and they have already cost the county $431,290 in leasing fees.

The monthly charge of $16,588 for both consoles is also still running. According to airport

records, the two consoles could have been purchased outright for $20,000 each.

When telecommunications employees brought these problems to the attention of Aviation Deputy Director Amaury Zuriarrain, he was dumbfounded and demanded action.

"They told me, 'It doesn't look right, it doesn't smell right,'" Zuriarrain said.

The cost of these faulty systems pales next to what the aviation department spent on the so-called CUTE telecommunications network. It is an acronym for Common Use Terminal Equipment.

The system is designed to help airlines that have few daily flights process computer information at terminal gates.

In the past two years, the aviation department invested $1.5 million in this system through WILTEL and its subcontractor, Sita, a software company based in Belgium.

Airport officials said they retreated from the agreement because of the projected cost — $26.1 million.

Now WILTEL plans to rent the CUTE system directly to a consortium of airlines, including British Airways.

Moore, of WILTEL, said the company will repay the aviation department for most of the balance of its rental fees.

"(WILTEL) believes that equipment a customer is paying for and not using is bad business," Moore said.

But that could be the least of the problems for WILTEL and the airport, as the county's criminal and internal investigations continue to put them both in the public spotlight.

Jay Weaver can be reached at jweaver@sun-sentinel.com or 305-810-5006.

RETURN TO TOP

MEDIA STATEMENT

Date: March 9, 1999

To: Jay Weaver, Florida Sun-Sentinel

Subject: Response to News Stories concerning Miami International Airport

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The following company statement is being made available as a response to a media inquiry regarding Williams Communications Solutions products and services provided to Miami International Airport.

Williams Communications Solutions, LLC, is a supplier of communications technology and equipment at Miami International Airport.

The company has just been made aware of published newspaper articles indicating that an investigation may be under way concerning the airport's technology contracts.

While Williams Communications Solutions has not been notified about any investigation other than routine audits, the company will provide its full cooperation to any official entity empowered to investigate its contracts with Miami International Airport.

The company does take issue with certain published statements about the service reliability and cost associated with certain products provided by Williams or one of its subcontractors to the Miami airport

Williams Communications Solutions has a multi-year track record of serving the needs of Miami International Airport and believes it has faithfully abided by the contractual processes set forth by the airport's governing officials The company will continue to work closely with airport officials to provide technologically advanced, reliable and economical systems that serve the needs of airport users

Williams Communications Solutions is the largest independent provider of a wide range of telecommunications products and services across North America, with thousands of satisfied business customers. The company specializes in providing economical solutions for some of the most sophisticated clients in North America

- Specific media inquiries may be directed to:

Michelle Herring 713-307-4878
director of marketing communications
Williams Communications Solutions

Gil Broyles 918-573-4740
director of external communications
Williams Communications

Communications Solutions
PO Box 661627
Miami Springs, Florida 33266
305/876-8400
305/876-8405 office fax

June 3, 1999

Mr. Paul Aiello
Vice-President Nat'l Account Sales
William Communications Solutions, LLC
2800 Post Oaks Blvd
Houston, TX 77056

Subject: Response to New Time Article

Dear Mr. Aiello.

As you are aware Wragg & Casas has advised Williams to challenge the recent articles in the Miami press. Their recommendation is based on the concept that unless challenged the false information contained in the articles becomes fact and is repeated in other publications. This concept is proven when the *New Times* references the *Sun Sentinel* articles.

For your review, attached is a response Wragg & Casas has prepared to the recent *New Times* article. I recommended Williams issue this or a simular letter to correct the errors in the *New Times* publication.

If you have any questions, please contact me at 305/876-8410.

Sincerely,

Byron Moore

Byron Moore
Senior Manager National Accounts

BM:mf

Enclosure

Final Exhibit No. 162

NXT 7749

PSC 2721

WRAGG & CASAS Public Relations
Toni Splichal/Otis Wragg
(305) 372-1234

Revsd DRAFT FOR APPROVAL:6/2/99

RE: Response To Miami New Times Article

Dear Editor:

I would like to clarify some points made in the May 27, 1999 New Times article by Jim DeFede about Miami International Airport (MIA)'s procurement policies. In that article, Mr. DeFede discusses the airport's telecommunications contract with our company, Williams Communications Solutions LLC, which owns and operates MIA's state-of-the-art fiber optics-based communications network.

Miami-Dade County's decision to award Williams Communications Solutions a long-term telecommunications contract has allowed MIA to become one of the top three airports in the world with a technologically advanced enterprise network that simultaneously serves the multimedia requirements of the aviation department and the tenants. The New Times article incorrectly states that the county has been "blindly renewing an outdated contract." On the contrary, the contract is a flexible document that has permitted the Miami Dade Aviation Department (MDAD) to continually update all of the telecommunications equipment at MIA.

Mr. DeFede also incorrectly reported that the county "is stuck with the WILTEL contract until February 2002." During the life of the contract, the county has always had the option of purchasing the telecommunications equipment from us at any time. Periodically, the county has revisited this issue and each time has elected not to buy our fiber optic network. Because we are an international company with an extensive telecom network, we can take advantage of volume discounts when purchasing telecommunications equipment to be used at MIA. In fact, our contract with the county stipulates that MIA will receive discounts on every telecom purchase.

Late last year, Williams Communications Solutions requested that the county hire a consultant to review our contract and recommend whether to continue the contract, issue an RFP, or buy our telecommunications equipment. The consultant has not yet finalized his report.

At Williams Communications Solutions, our local staff of approximately 40 highly skilled technicians and engineers is proud of our record of achievement in bringing cutting-edge technology to MIA. Working hand-in-hand with the Miami-Dade County Aviation Department, Williams has engineered innovative communications solutions which have helped MIA emerge as an "airport of the future."

Sincerely,

Michelle Herring

WRAGG & CASAS F.12

Williams
Communications Solutions

FACSIMILE COVER SHEET

To: Jackie Hair
Branch Williams
Phone:- 918/588-2370
Fax: 918/588-3005

From: Byron Moore
Branch: Miami International Airport
Phone: 305/876-8410
Fax: 305/876-0699

Date: Wednesday, June 09, 1999
Time: 01:47 PM
Pages including this cover page: 4

Comments Thanks for your help

************** -COMM. JOURNAL- ******************* DATE JUN-10-1999 ***** TIME 04:14 *** P.01

MODE = MEMORY TRANSMISSION START=JUN-10 04:13 END=JUN-10 04:14

FILE NO.= 023

STN NO.	COM	ABBR NO.	STATION NAME/TEL NO.	PAGES	DURATION
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NXT 7752

PSC 2724

MIAMI TODAY

WEEK OF THURSDAY, AUGUST 12, 1999 $1.00 SERVING FRIDAY'S MOST IMPORTANT AUDIENCE

Airport to replace mismanaged telecommunications contracts

By Frank Alvarado

Miami-Dade aviation administrators say they will seek bids to replace two mismanaged 17-year-old contracts for telecommunications equipment and services at Miami International Airport.

The aviation department's management watchdog, Tom Arnold, said the contracts were administered by the wrong personnel, made it easy for staff to bypass competitive bid procedures and may have cost the county more than necessary in the procurement of communications gear.

Mr. Arnold, aviation assistant director of standards and compliance — who said he reviewed contracts between the aviation department and Houston-based Williams Communications Solutions — said neither agreement will be renewed. Instead, he said, the county will seek new proposals before the Williams contracts expire in 2002.

"The original contracts were signed and appropriate in 1982," Mr. Arnold said. "But things have changed in this industry."

He said new documents to seek bids would be ready by mid-2000.

Gil Broyles, a Williams spokesperson, said the company respects the aviation department's decision.

"We think the county and taxpayers have been well served by our relationship," Ms. Broyles said. "But the aviation department has the option to re-bid the services. We are comfortable with that."

He said a new competitive bid will give Williams the opportunity to demonstrate its proficiency in serving the aviation department.

Mr. Arnold said the existing contracts provide for two services: installation and maintenance of the airport's telecommunication systems and related equipment, and their use by airport tenants.

Williams pays the county a monthly fee and a percentage of gross revenues for services provided to tenants. The county pays Williams for the telecommunications equipment installed at the airport.

Ezekiel Orji, aviation finance manager, said the county has paid Williams a total of $52.7 million since 1983.

Of that amount, Mr. Orji said, roughly $45 million has been spent since the early '90s to add and upgrade telecommunications equipment at expanded airport facilities.

Mr. Arnold said under the contract, Williams leased to the county communications equipment installed at the airport, including all wiring, hardware and software for the airport's telephone system, terminal audio system, flight information consoles, airport-vision displays and communications switching.

"Looking at its utilization," he said, "problems originated from the wording of the contracts and the administrators overseeing the contracts, who had minimal expertise in telecommunications."

Mr. Arnold said the contracts allowed aviation staff to easily lease equipment from Williams without going through the county's competitive bidding procedure. Equipment upgrades were also leased under the contract without review or bid.

"If the contracts are not extended," Mr. Arnold said, "the county would have to pay a substantial amount of money to purchase the leased equipment."

He said if the county chooses to buy the equipment, it will pay prorated costs and two years in rental fees.

If an agreement can't be reached, the county risks Williams removing all of its equipment from the airport, which would disrupt operations.

"While the one-time cost could be substantial," Mr. Arnold said, "a properly prepared RFP could lessen the financial impact by including much of the buy-out cost to the new vendor's contract."

Maurice Jenkins, aviation information systems manager, said the department has retained a consulting engineer to review what Williams equipment the county should buy.

Mr. Broyles said it is routine for communications equipment distributors such as Williams to lease technology to businesses and governments as a way to keep them technologically current.

"That is a decision officials at the airport have made in many cases," Mr. Broyles said. "There has always been a decision process to buy new equipment or lease it. We don't have any concerns on whether the airport should have purchased items from us as opposed to leasing it."

Mr. Arnold added that contract language also called for monthly aggregate bills for services performed but did not specify the work to be done.

"Our billing practices with the airport were determined in a cooperative fashion," Mr. Broyles said. "But if there is a desire by airport administrators to change the billing, we would welcome an acceptable solution."

Another problem, Mr. Arnold said, was that staff relied entirely on Williams's expertise without any outside opinion. Mr. Broyles said it is up to the airport staff to determine the value of a vendor's expertise.

"It is difficult to see our expertise as a negative," he said, "because over the years, the airport authority has relied on us."

Mr. Broyles said Williams also cooperated with county staff on an audit report due in a few weeks and that the company conducted an internal review of the airport's contracts.

"Our participation in audit process has been straightforward," Mr. Broyles said. "We believe our activities were supportive of the airport, consistent with the best business practices."

MIAMI TODAY

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Contracts without competing bids an anomaly, Dellapa says

By Frank Alvarado

Two telecommunications contracts at Miami International Airport signed in 1982 and since renewed without competitive bidding are an anomaly, says Miami-Dade Aviation Director Gary Dellapa.

Terminating the contracts, reports show, will cost the county millions of dollars due to stipulations requiring Miami-Dade buy all telecommunications equipment now being leased from vendor Williams Communications Solutions.

"This is a unique situation at the airport," Mr. Dellapa told the Mayor's Efficiency & Competition Commission last week. "These are issues that deal more with accountability. We don't have any other contract that is similar."

Tom Arnold, aviation assistant director of standards and compliance, said he agreed.

This is a unique situation at the airport. These are issues that deal more with accountability. We don't have any other contract that is similar'

Gary Dellapa

"Since this contract was signed in 1982," Mr. Arnold said, "internal practices then contributed to the problems now. Lower-level personnel making the procurement decisions with no review from the hierarchy compounded the issue."

Mr. Arnold said a key problem was that the contract allowed for the purchase of equipment through the vendor without specific oversight or controls.

"It was easy for people to just use the contract than going through the competitive bid process," he said.

County Commissioner Jimmy Morales, who chairs the efficiency panel, said he was outraged by Mr. Arnold's findings.

"I read some of the conclusions and I am shocked," Mr. Morales said. "How did we get into this situation? Are there any other contracts like this out there?"

'I read some of the conclusions and I am shocked. How did we get into this situation? Are there any other contracts like this out there!'

Jimmy Morales

Mr. Morales said the lack of controls — especially at the airport — creates a serious problem.

Mr. Dellapa said the airport's telecommunications systems have remained contemporary despite the restricted contract.

He conceded that the level of management and supervision on the telecommunications contracts have been inconsistent.

The Department of Audit & Management Services is expected to file a report that could show specific instances that were in violation of county procedures, Mr. Dellapa said.

Mr. Arnold said the airport was a different world in the early '80s but that the aviation department today is more cognizant of maintaining county procedures.

Still, he said, he had never seen contracts where denying a contract extension came attached with penalties.

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FAX COVER SHEET

Client # 186

Please deliver to: Byron Haste
Title: Manager National Accts.
Company: William Communications
Fax: 305 876-0699
Phone: 305 876-3410
Number of pages including cover sheet: 26

From: Otis Wragg
Sender's email address:
Date: 8/11/99
Message: Transcript of Effective Mtg.

Faxed by:

NXT 8740

Final Exhibit
No. 165

Efficiency and Competition Meeting

July 23, 1999

Thereupon, the following proceedings were had:

COMMISSIONER MORALES: The next, and I guess the last item our the agenda is the airport telecommunications systems.

MR. DELLAPA: Gary Dellapa, I have a very brief presentation on the telecommunications contract, or contract actually at the airport.

This goes all the way back to the early 80's, and back then in 1982 the airport made a decision to out source it's telecommunications services, and that was unlike normal county agencies we need to put this in perspective of airport. That is why I said there are two contracts.

There is one that deals with the airport as a county department, and that provides the telephone systems, the fiberoptic systems, and the fiberoptic network, switching equipment, switching systems, things like that. The flight informations display system that you see when you walk in the terminal where you see where your flights are arriving and departing from, and so forth. A thing called common use terminal enviornment. This is something that we provide to airlines, that essentially aren't large enough to have their own computer systems, and also another agreement called Sats, shared airport tenant services. It's services made available on contract basis

to the airlines. Whether it's for telephone, fiberoptics, or any other kind of telecommunication needs.

At the airport the leasees have a choice of using the county contract, or accessing through another telecommunications provider, depending on what their own desires are.

As I said, because this goes back to 1982, there have been a succession of names for the company, and it is currently called Will-Tell. It started out in 1982 when it was originally contracted as Sen-Tell. That became Williams Communication in the mid 80's, and the successor to that became Will-Tell. It's always been the same company, it's never changed. So today they are called Will-Tell, and as I mentioned, in '82 the contract was drafted, or the contracts were drafted. They were approved by the County Commission. They became fully operational in 1984. There was a faze-in period converting from the old system. In 1988 the contracts were rewritten in their currently form, and their currently revision, and then those contracts were brought to the County Commissioner to approve. Within that 1988 contract there were provisions for two five-year extensions. The first one was exercise, if you will, in 1992. The second one in 1997. They both provided for what I would call the finance world a poison fill

provision. If we were not to exercise them, there would be a very substantial cost to the county to purchase the installed lines and equipment back from the vendor to the point where it became almost economically unfeesable to consider anything else.

The current extension that was approved by the board in 1997 runs through the year 2002, February 2002. The department is currently developing a new solicitation document, an R.T.P, or R.F.Q.. We haven't decided yet which that will be bid out for services.

Since 1982 what's been going on, and what have we been doing, remember that and it's one of the things that not that we discovered, but it goes along with those contracts. The contract that was drafted in 1982, two contracts started technologies, and metnodologies that were current in the early settings, and that's one of the problems with the money of the things that have gone on since this is in this file. Certainly there has been a large change in demand both in the scope of the type of services necessary. Not only for us but for the airlines, but in the kind of services that are provided, which is no longer a very simple phone system where you just put in a switch. There have been changes in technology and the equipment that is available that are different from the 80's, and very clearly there have been major changes in

the regulatory enviornment regarding telecommunications.

While we have generally been able to keep the airports contemporary in terms of telecommunications, we have been restricted from doing so within the stem of the existing contract. Largely because of that poison fill provision.

The contract was very broadly written n the early 80's and in '88 is an amendment it has been broadly interpreted. What is legally possible under it, or what it's legally capable of doing under that contract has not always been what you consider to be best management practices. The contract and administration oversight has been sometimes -- not some times, it has been inconsistent due to numerous staff changes at the aviation department.

Now, what we have done about all of this, well, the first thing we have done is a few months ago we moved contract administrations and management responsibilities from the traditional home, which is the maintenance department into the telecommunicaitons division of the airport, which has the people with the technical expertise, and the educational background to deal with high-tech telecommunications matters. So that organizational shift has already taken place.

We have elevated the level of the management supervisions of the contract several notches in the

organization. We have also instituted new policies and procedures on contract administration.

Also, we have asked audit management services to review the contract and it's use in the last few years, and within the department we have directed the departmental management review by Tom Arnold. We have begun, in fact that has been completed, and that has already discovered some procurement. I'm sorry, that's not right. Some procedural problems, and there were some mistakes made. There is not questions about it. I also think that when the audit management review comes out I don't think there will be any secret it very well may reveal some specific administrative practices over the years that were inappropriate, or went beyond typical county procedures. It's not to say they were illegal, but they probably violated some of the county rules that we live with.

With that, I have asked Tom Arnold to join me in serving at the department now on loan from the police, he's the assistant director of standards and compliance at the aviation department. He can discuss his review, his findings, and the details of any corrective actions we have taken so far.

MR. ARNOLD: Good afternoon. Tom Arnold, currently serving as the assistant director at the aviation

department.

My original assignment there back in January from the managers office was to look at overall management practices and procedures at the aviation department, and to perform a more or less a consulting role.

Being someone from the outside not having performed several notions as to how things have been done, bust because they have always been done that way to look at management procedure, practices, and make some recommendations for enhancements and improvements.

Upon my arrival, one of the first things that I received from the director was some specific duties in the areas that he wanted me to concentrate on. Now, a copy of that memorandum should be in a package that was given to you for today's meeting.

I have nine specific areas the director asked me to concentrate on. Five of them very closely inter-relate to the issue of the Williams Communication, telecommunications contracts. Those are the main divisions, the telecommunications section of the maintenance division, department procurement structures and procedures, contract administration, and specifically, Will-Tell Communications contracts itself.

One of the first things I notice that looking at the organizational structure of the department was the

placement of the telecommunications unit, and the management of the telecommunications contract was not in the best organizational structure to provide the kinds of oversight and accountability necessary.

The contract was managed by the telecommunications section within the maintenance division under new facilities development. The bid in upper management people in this area very competent in the area of the organizing, managing, supervising, construction, development, those kinds of things had a minimal background in the technical and electronic areas to really understand and to deal with the intricacies of the telecommunications contract.

At the same time, the way the contract was originally structured, and the initial procedures developed in 1982, 1983, and 1984 on how to implement it has the actual management of the contract under the contract manager who was a section supervision in telecommunicaitons. In affect, anything to be done under that contract, whether it was a moving of a telephone instrument or the acquisition of a new system to be rendered under the contract could be done simply by the signature of a section level supervisor on what was called an Ipon, an initial purchase order number request given to Will-Tell and they will move forward and do whatever they were asked

to do.

In many, many cases, actions were taken that were never reviewed, not only at the division level, not at the assistant director level, but certainly not at the director's level itself. In other words, activities were occurring on a day-to-day basis in varying levels, whether it was a simple work order for moving the phone to a major acquisition in which there was not full departmental review.

One of the first recommendations I made in my initial report to the director, this was, I believe in February, among several things was that the telecommunications function should be moved, as he said, from where it was to first of all, place it under technical people. The informations systems specialist, and to increase the level of review and responsibilities for managing the Will-Tell contract that was done in early March, and we have already been receiving some of the positive benefits from this higher level scrutiny by people more technically orientated to deal with those kinds of issues.

And looking specifically in the management and operations of Will-Tell contract itself, I have coordinated my own inquiries with other agencies that were involved in looking at this audit management services to the director had already made arrangements with to do a

detailed audit of the Will-Tell contract, and some law enforcement agencies that were looking at different aspects of it as well. Particularly, I wanted to make sure that anything I was doing as an administrative inquiry would not create any garity issues related to any kinds of investigation being done by another agency.

Looking at the utilization and how the contract was managed, there were some specific clauses in the original contract that appears to be the basis for a lot of the issues that have come up since then. In the original contract under Article Two, Section D, there was a phrase which indicated that this contract applies, and it laid out a bunch of things related to switches, and telephones, and so forth, and it added the phrase in other D.C.A.D, which became M.C.A.D. or airport approved systems installed by the vendor. Which basically said the contract would cover anything that the airport asked the vendor to do.

Under Article Six, Section I of this original contract where it says the County still has the option of purchasing from the vendor additional components, but he didn't specify what they would be.

Under Article Seven, Section F, the County may rent additional items of equipment which are not included in Exhibit C, which in the original contract was a list of

all the things at that time that the contract applied to.

And the final issue, the one that the director was eluding to, with the financial bitter pill with Article 12, which said that the title of the equipment any equipment installed by the vendor pursuant to the contract that was not specifically purchased by the department when it was installed became the property of the vendor, remained the property of the vendor, and would then be leased to the department. As a result of used of those different phases over the year, and the ease with which people could obtain a new link in the fiber cable, a new switching component or a new system that could be installed at the airport that was electronic in nature. We found that in 1999 we had a cable running through the airport that we have been paying lease rates on for 12 years. Wire running through the wall which we have been leasing for 12 years. All kinds of equipment which were really installed that the county never purchased, that were placed upon a renal schedule and continued to be rented, and this matter will not be reviewed because the level of scrutiny was too low in the organizational structure.

I also provided in the original contract terms was another issue which made it very difficult to even purchase equipment once we had it installed. Basically

what that phrase said, and it was a part of Article 12, under title to the equipment. If the vendor installed a piece of equipment, and started leasing it to the department then we decided we wanted to buy it, we could buy it for a prorated cost of it, but we still have to pay two years worth of rental on it. So everything had to be leased for a minimum of two years, and then we could buy it. If we bought for that time we would still buy the rental on it. Even though we already owned it, which made it -- it was actually a discouragement for buying equipment that we initially rented. All of those things went together along with some bad internal decisions, at least, divisions from my limited prospective, and lack of information appeared to me as being not sound managerial judgment, placed us in a position where we over the years with some legal opinion said it was legal to do, used the Will-Tell contract to acquire equipment and systems which in the best sense of good county practices and purchasing, should have been competitively bid out and purchased through the county.

We don't know, and we can not tell that what we paid for this under Will-Tell is a better or a less better price than if we had bid it out, because it was never bid out. This goes back 15 years. This is a practice, or the set of circumstances that we found when ever we started

looking into the actual utilization of the Will-Tell contract, this resulted in a report that I provided the manager and the director in May, which has the specific recommendations about things that we could or should do immediately to start remedying the situation.

The first among these were to not review the contract. This contract was written in 1982. When it was written the board that existed then it was probably very well crafted for needs at the time, but being reviewed over again, in a changing world, in today's modern, more sophisticated, and technological complex work with a difference in economic enviornment, the organizational contract terms are no longer beneficial to the County.

So we recommended that the contract not be renewed but instead, we put together a new better crated R.F.Q. to go out to the community to get us the telecommunicaitons provider under modern industry standards. We have already initiated that process. We have people right now doing best practices cited amounts not only use other airports but other businesses that out score telecommunications to obtain copies of, and their history of out source in telecommunications activities to use that in crafting the contract that we are putting out on the street.

The next recommendation is that we should change the

current practice of vending mechanical and analog hardware for the airport. That's something that we have already initiated. A couple of more recent requests under the Will-Tell contract to make changes to the existing systems. We made it a particular part of the agreement, yes, we will need to have this piece of additional fiber cable put in but we will not rent it from you. Install it, give us a price, we'll buy it so that it becomes our property, and the end result will be that as we move to the process of phasing out the old contract and into the new contract, the mechanical analog infrastructure wire, cable, frames switches, relays will become county property. We won't be buying those from them.

Another recommendation was that no additional equipment be leased under the existing contract unless it specifically related to the telephone systems, the computer network for the terminal audio systems, which will be things that basic contract was originally designed to cover.

In support of this, the director put out a departmental memorandum over a month ago which directed that no one in the department would utilize the Will-Tell contract for the purchase of additional items unless it went through our own centralized procurement office for review to make sure it met those kinds of guidelines.

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We have already been doing that, and just as a side, or as an example, just a few weeks ago a request came in from one of the divisions who was in the process of moving a communications duct, which is a tunnel in the ground, through which cable runs. It had to be moved from one location to a different locations because of some road instruction, and previously they were just accessed the Will-Tell contract to obtain an A and E, an architect and engineer to design the work activities, a Construction company to dig the stuff off a and to dig the necessary place that it would go, and to subcontract with Southern Bell to move the cable and the wiring, and they wanted to do it again because they had done it that way before, and the response was no, we don't want to do it that way anymore because that is not something that should be done under a telecommunications contract. We have existing departmentally bid out construction activities and A and E contracts, and things of that nature to use and that wold be used in the future. It's changing the mind set of how things have been done there for many, many years to a new approach to how we deal with it.

Another recommendation, which is that the department can acquire the services of an expert in the telecommunications field to help provide us some technica guidance in this area. Our personnel department is

currently in the process of examining how to best go about that, do an internal hire, contract consultants, something of this nature, and we are moving forward in this directions.

The department should re-evaluate the operational need for additional equipment that we have currently obtained under the Will-Tell contract, and where it's not absolutely essential to get written out of the contract, to remove this from our monthly rental fees that we are paying to the company to keep this in progress.

The next manager, which is actually the region manager for forming systems is doing this right now with staff and the department. They are going through and looking at each component that show up on our lease and our rental agreement to determine are those things needed. If they are essential, can we obtain them through our processes, through other county bidding processes. If so initiate that progress and as soon as we have accessibility to the equipment, write it off on the contract.

One of the things that does come into play here is that if I remember, that if you rent it you have to pay two years worth of rent on it no matter when you buy it, and if you don't buy it at the end of two years you have to keep paying rent on it, or you don't have access to it

anymore. So we have to make a financial decision on some items that's going to be cheaper to just go ahead and continue renting, and leasing it for the rest of the two-year period, and then replace it with a device, or equipment, or systems obtained through the county purchasing systems. As another case is the financial decisions will be to go ahead and obtain a new system right now, and just cancel it out. This will be made on a case-by-case basis on what is moved economically change for the department.

The current contract provided a system of billing which I termed it's not listed in the contract as such, which I termed as aggregate billing. They would lump together kinds of work being done each month and send a bill for so many hours worth of cable work. They did no identify how much of this cable work went for which individual substysem in the county. You could not determine exactly what it would cost to run in the net information display system, which is running the servi running the systems services running the audio systems You couldn't make that kind of analysis because the billing for the work being done was aggregated togeth cable work, installation work, repair work.

We are now working with a company under the exi contract to change that billing practice so we will

more detailed billing, to be able to do cost-centered analysis, to be able to identiy which systems are affective cost wise, and which are not affective cause wise.

And the department and the vendor would work together to produce an accurate list of all the equipment in infrastructure resources currently in place. This will be essential to our phase in the next contract to identify what's there, what belongs to us, or what is lease by the department from the vendor, and either we need to acquire access to it, ownership of it, or replace it in the process of going to our new contract.

I have already on board an individual who is being assigned the primary tasks of harrolding or putting together the task of the development of the new Will-Tell, or the telecommunications contract. As I have indicated, they have also started their best practices analysis, and they have already started working with our technical people to identify some of the technical specifications that will be knew to our particular operations to go into that.

Included in the packet is a time line. It's almost like next to the last page, which would indicate our plan for actually implementing the change from the existing telecommunications contract to a new one, which will be in

place, and ready to become affective when the current extension expires in February of the year 2000.

COMMISSIONER MORALES: Mr. Arnold, I want to thank you for your very thorough report.

When I read this I was impressed Ewith your candor, and I will say outraged by the things you found, and not outraged at you, obviously, but outraged at some of the things you found, and some of those questions are going to be to Gary and some are going to be to George, and maybe both. We spend a lot of time in this room talking about accountability, about performance based procurement, about trying to figure out how we spend our money, and I read some of the conclusions in here, and I'm shocked. I mean, for example, the fact we didn't know what kind of equipment existed, which was leased, which were sold. Therefore, we didn't know what we should be paying those charges on. I guess my first questions is how do we get to the situation -- is this unique to the contact?

I mean, is the airport are there other contracts like this where we don't know about where we are paying on?

The fact that bills, you mentioned aggregate billing, that we were not able to really sore of aggregate a lot of costs. Is that unique to other contracts? Are there other issues in the airport, are there other issues in the county -- I mean, is this aggregate billing package

something we need to stary taking a hard look at?

Because the question -- and this -- one of the funny things you wrote is the departal personnel just basically limited to the vendors to the vendor eapert and took their advise. The vendor would tell us we needed to do, or what equipment we should have that actually increased costs and added additional equipment. What a surprise. And then we will have to buy more equipment form them, you know, and those kinds of findings just, you know, especially at the airport where we spend a lot of money, and I know we need to upgrade it, but this kind of lack of control in systems really concerns me, Gary. So I'm glad that we are fixing this one problem, but my broader concern is -- and I don't want to get into how we got there, because this is an old contract, but I want to make sure this isn't an epidemic esle where, both at the airport or elsewhere, and I don't know how we cold do that.

MR. DELLAPA: We have taken a review of other contracts at the airport. This is a unique situation at the airport. I can't speak or the rest of the county. Again, we won't go into history. There have been some issues regarding accountability. We have made some changes, I guess you mentioned we have elevated by several notches the managemen of this contract that our new people supervising it, there are other people in other ways that

will be like accountable, and I don't know if I'm free to discuss it here, but that's being looked at. There are some problems with the aggregate billing, and it was built in. We really didn't have a choice. But this really was a new situation. I can tell you that. We do not have another contract like this where we have found even something similar along the road, or some of our miscellaneous contracts in the past we have stopped those, changed them, or so forth. This one has a huge penalty clause for buying it out because I asked in 1997. By the time I got there in 1992 I got there in 1992 but in 1993 it had already been reflected. 1997 the staff comes and they say, you know, it's time to exercise the next renewal, and at that point even we understood some of the problems there, but I believe the number that we identified was close to 30 million dollars that it costed the airport to buy it out. Well that becomes more prohibitive that tightening the rains down than to let it go, but we have looked at our other contracts. We don't really have anything this similar where it provides this kind of service, airport wise, and we definitely don't have anything this liberally written, nor will we in the further.

MR. ARNOLD: I can attest to that. I shared some of your initial concerns when I got involved in this I was a

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little displeased by some of the issues that come out to and checking around at other area it is a very unique situation, and there are a couple of internal sort of norms that existed back in the early 80's to go to contribute to it. One of them was the low decentralization that the authorities came in the contract. It was set up in 1982 to managed by a section level persons who can get instructions from different people, but didn't get reviewed at a higher level. That put an unfair burden on the lower level person to began with, and with changes in personnel that occurred at that level. Those kinds of things occurred. And there was also the terms of the contract itself made it very attractive as an easy way to do things. It was easy to write, and Ipon and sign, and say get us one of those as opposed to the developing a contract, send it to G.S.A., and go through the whole process of a standard county procurement, and without someone watching, because they didn't even know it was going on at a higher level, some of the people took the easy way out. It was unfortunate but it does occur,a and it became a way of going business in the early 1980's, and when I came in I was not accustom to this that this is the way you all did it, and it stood out for somebody who lives in the forest they don't see the trees because they see it every day. But for somebody

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from the ocean and goes to the mountain they see the trees.

SPEAKER: Gary, and maybe both of you may be this ultimately to George. You both have made a statement as to the early 80's when this contract was signed. Would that -- about sources kind of telecommunications work are there other contracts that Seaport, or other major departments -- I mean, is this the same practice that we have saw in other departments? Should we look at whither similar arrangements when this pholosophy was in place, because I assume that the airport wasn't the only department that maybe did this kind of thing.

SPEAKER: Well, I can't say that I know of whether are those there ore other examples of other contracts like this else where in he county, but from my read of this, this has got to be quite unique. I can't think of an example, for example, an aggregate billing arrangement like this anywhere else.

COMMISSIONER MORALES: Well, maybe an early task of the C.I.O can take a look at whether telecommunications contracts like this in 1982 at the airport, which there similar arrangements, or at other community departments when we have renewed them because we have -- I mean, we found this because obviously Gary took a look at it, and we brought Tom in, and they took a look at it, and we

haven't actually done that in other departments.

SPEAKER: I'm glad you said that because one of the points that I wanted to bring up, if you haven't, and this is a good example of why C.I.O. is important, quite important. I think that time frame that maybe things that were -- decentralization isn't necessarily bad. It was just pros and cons to it,but there are times where you have to have informational oversights. We have an information technologies in the department with telecommunications expertise. Maybe there has to be more telecommunications. It's not like big brother oversight, but it's they are making sure that we are at an organization looking at the best practice standard approaches to doing things, and I think we are heading that way for sure.

MR. ARNOLD: In one of my previous assignments I had some experience with the airport in the early 80's and it was operating much more apart from the county government than today. The director laughs but we have done an awful lot to bring the government into the county fold to make it apart of our in total county family. It was a very different world in the early 80's. I'm not a procurement expert by any means, but I have looked at a lot of contracts over the years for investigative reasons. I have never seen a contract before that has written into

the contract requirements to renewal. This one did. It said there would be a four-year term, and there are two automotive five-year renewals, and if you don't do them here are the penalties, that the county has to pay for not renewing. I have never seen a contract like it before.

We are dealing with something that found it's roots in the early 80's and it became something that one watched because they were living in the forest and it was just one of the trees.

COMMISSIONER MORALES: I think it's certainly the C.I.O. organization would probably make sure there are no similar kinds of issues in other departments that we should take a look at.

SPEAKER: We'll have this one on the C.I.O.'s plate.

COMMISSIONER MOSS: I will certainly hope in reference to the last statement that you made, I'm sure there is a story in this that we manage this properly, and I hole that we will. We were in this meeting with the manager, with the P.I.O.'s.

COMMISSIONER MORALES: Gary and Tom thank you very much, and I'm glad to see we have corrected that.

Thank you.

(Thereupon, other proceedings were had not related to this matter).

Florville, Michele

From: Moore, Byron
Sent: Friday, November 12, 1999 9:54 AM
To: Johnson, Sherri; Klaity, Holly
Cc: Florville, Michele
Subject: FW: updated PowerPoint Presentation

Michele, please print copies of this presentation out for Holly, Sherri, and I to review.

Thanks,
Byron Moore
Senior Manager National Accounts
Williams Communications Solutions, LLC
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e-mail byron moore@wilcom com

-----Original Message-----
From tsplichal [mailto:tsplichal@wraggcasas.com]
Sent: Thursday, November 11, 1999 3:11 PM
To byron moore
Subject updated PowerPoint Presentation

11/11/99

Byron,

As you requested, we are e-mailing you the text of the slides and the accompanying narrative for your review. Since 1999, is almost over, we are trying to get more current stats from MIA.

Also, Marie needs your input on several things for the Ed Fund program Because invitations must be mailed out soon, she would like to hear from you today, if possible

toni

Subject Williams PowerPoint Presentation
From: Audrey Rohlehr, arohlehr@wraggcasas com
Toni Splichal, tsplichal@wraggcasas.com

SLIDE 1
Helping To Create Miami's Airport Of The Future

1)
I am Byron Moore of Williams Communications Solutions We are the principal supplier of advanced communications technology at Miami International Airport. Over the past 10 years, Miami International Airport has experienced explosive growth and has emerged as one of the world's leading airports in terms of passenger and cargo volume and the sophistication of its telecommunications infrastructure or enterprise network. An enterprise network represents the convergence of voice, data, and video into a unified network that maximizes communications

infrastructure and minimizes cost.

SLIDE 2
Among U.S Airports
€ Second in international passengers
€ Seventh in total passengers

2)
MIA ranks second in the United States in the volume of international passenger traffic handled

---

SLIDE 3
Among U.S Airports
€ First in international air cargo
€ Second in total air cargo

3)
It ranks first among U.S airports in international air cargo volume

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SLIDE 4
Since 1982
€ Passenger traffic has nearly doubled to 34 million
€ Cargo tonnage has more than tripled to 1 9 million tons

(Byron, we are in the processing of obtaining more current numbers so we can update this slide)

4)
During the past 15 years that Williams Communications continuously has served the airport, passenger traffic has nearly doubled from 19 4 million passengers in 1982 to 34 million in 1998

During that same period, cargo tonnage has more than tripled from 567.367 tons to 1.9 million tons.

SLIDE 5
Capital Improvement Program
€ $5 4 Billion over 8 to 10 years

5)
To maintain its world-class status as a gateway to destinations around the globe, MIA is embarking on a $5 4 billion Capital Improvement Project, which is described as the 'most ambitious expansion project' in the airport's history.

SLIDE 6
Major Airport Projects
€ Fourth runway & additional taxiways
€ Terminal from 4 7 million to 7 4 million sq ft
€ 1 million sq ft new cargo facilities

6)

The expansion program includes the addition of a fourth runway, an additional 2.7 million sq ft of terminal space, and 1 million sq ft of new cargo facilities.

SLIDE 7
Williams Communications
€ Integrates cutting-edge voice, data and video technologies
€ The nation's largest independent provider of these services
€ Communications labs in Houston, New Jersey and Miami

7)
As the airport grows, so does its telecommunications capacity. Williams Communications is heavily involved in that growth, not only at MIA but also at other airports, airlines and major corporations throughout the world.

Headquartered in Houston, Texas, Williams Communications Solutions is the nation's largest independent provider of voice, data and video network integration services, with equipment-testing laboratories in Houston, New Jersey and Miami. Our clients include some of the world's largest companies, including AT&T, Intel, US West, Bankers Trust Corporation and BP Amoco PLC. We are a $1.5-billion business unit of a subdivision of Williams Companies, Inc., a Fortune 300 company based in Tulsa, Oklahoma, which provides telecommunications and energy services.

SLIDE 8
Williams' Role at MIA
€ Provides mission-critical communications technology at MIA
€ Owns and operates MIA's fiber optics-based communications network

8)
Providing mission-critical communications technology at MIA has been the job of Williams Communications since 1984. Our company owns and operates MIA's state-of-the-art fiber optics-based communications network that integrates cutting-edge voice, data and video technologies over eight million feet of fiber optic cable. We built the information superhighway which ensures the smooth functioning of MIA.

SLIDE 9
Williams Team

9)
At MIA, the Williams team includes a highly trained and dedicated staff of approximately 40 professionals, who operate, manage, engineer, program, install, maintain, and market MIA's communications system. Over the years, this team has worked hard to make MIA the "airport of the future" in terms of its telecommunications infrastructure.

Our MIA team receives the support of our laboratories in Houston, New Jersey and at MIA, where we test software and hardware before we install them at the airport to ensure the smooth operation of MIA's enterprise.

network An individual airport does not usually have the financial resources to maintain these types of testing facilities

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SLIDE 10
MIA Enterprise Network
€ Voice
€ Data
€ Video
€ Competitive rates through national purchasing capabilities
€ $100 million estimated replacement value

10)
Miami International Airport has one of the world's most sophisticated enterprise networks combining voice, data and video into an integrated system. It serves as a model for airports like San Francisco, Hong Kong, Barcelona and JFK, which have installed or are installing similar shared ATM systems. MIA's enterprise network serves Miami-Dade Aviation Department (MDAD) and airport tenants over the same fiber optic network.

Williams Communications purchases equipment and cable on a national basis and obtains volume discounts from suppliers. Because we base our prices on those discounts, we pass along that price advantage to the county.

In addition, Williams each year invests millions of dollars in cable and system expansion to maintain the MIA enterprise network The network, which has an unparalleled reliability of more than 99%, has an estimated replacement value of more than $100 million.

SLIDE 11
Network Control Center
The enterprise network handles approximately.
€ 1 8 million calls per month
€ 50 to 60 billion data packets per day

11)
The Network Control Center is the heart of this enterprise network, which supports approximately 7,000 telephones, 1,600 computers, hundreds of security cameras, and multiple software applications at MIA. These systems handle roughly 1 8 million calls per month and 50 to 60 billion data packets per day In addition to serving Miami-Dade Aviation Department, Williams Communications fills the multimedia needs of more than 70 airport tenants.

SLIDE 12
Communications Revolution
Voice ports grow 110% per year
€ 1984 400 phone ports
€ 1999 7,000 phone ports

12)
Williams has expanded voice capabilities at MIA from approximately 400 phone ports in 1984 to 7,000 phone ports in 1999 That represents an annual growth rate of 110%. Over the past 15 years, Williams has upgraded the system numerous times, testing and validating the software in our Houston lab to avoid service disruptions at MIA

SLIDE 13
Voice Applications

€ Police and Fire
€ Security
€ USDA
€ Airlines, retail shops, Aviation Department

13)
Fiber-based telephone services support police and fire department activities at MIA, critical security functions, and the US Department of Agriculture's program to protect Florida from foreign pests. The Miami-Dade Aviation Department, passenger and cargo carriers, and the retail shops all depend on the voice capabilities of the enterprise network at MIA. Williams also provides an internal wireless phone system which has important security functions at the airport.

SLIDE 14
Communications Revolution
Data - LAN grows 43% per year
€ 1996 700 data ports
€ 1999 1,600 data ports

14)
The ability to transmit data over the enterprise network continues to grow in importance. The number of data ports installed by Williams at MIA has risen from approximately 700 in 1996 to 1,600 in 1999 -- or roughly 43% a year

These data ports are part of the local area network that connects personal computers to the enterprise network, which supports 1,600 workstations serving the airport community Williams typically does not provide the workstations, but rather the access to MIA's information superhighway. MIA's enterprise network lowers the communications costs of individual MIA tenants because they are sharing the same fiber-optic network

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SLIDE 15
Data Applications Supported by the Network
€ E-mail
€ Security
€ CAD
€ Building monitoring system
€ Passenger check-in, passport and ticket validation , baggage check

15)
The enterprise network supports the critical day-to-day operations of the airport. In MIA's Y2K planning, both voice and data networks appear on the list of critical elements which must be operational for the airport to maintain its FAA certification and thereby remain open for business.

Data applications run the gamut from e-mail services to the transfer of files for security purposes and computer-assisted design (CAD) functions. The enterprise network even controls the airport's building monitoring system, which includes fire alarms, air-conditioning and energy systems. Other data applications of the enterprise network include passenger check-in, passport and ticket validation, and baggage checks Airlines enter and retrieve this information by tapping into their host computers.

SLIDE 16
Communications Revolution
Airport video protects and informs
€ Hundreds of security cameras
€ Airport Vision
- Dynamic signage
- Airline logos and advertising

€ Integrates with CUTE

16)
Video cameras designed to protect as well as inform airport visitors also operate over the enterprise network. MIA is a high-security Category X airport. Hundreds of security cameras hidden throughout the airport record and transmit sensitive information over the enterprise network

The ³Airport Vision² program at MIA is an informational service It enables airlines and retail shops to flash dynamic signage on TV screens, including shots of exotic destinations, company logos and advertising. A central computer controls these electronic messages. Airport Vision also integrates well with Common Use Terminal Equipment (CUTE), which Williams has purchased and installed at MIA

SLIDE 17
Other Airport Applications
Common Use Terminal Equipment (CUTE)
€ Airlines share computerized equipment at gates and terminals
€ CUTE maximizes use of airport infrastructure

17)
CUTE is a technologically advanced airport system. This system maximizes the use of the airport's infrastructure by allowing airlines to share gates and check-in counters while retaining access to their host computer within a secure environment With more than 120 airlines operating from its facility, MIA faces unique challenges in meeting the varying needs of each airline. At an airport as crowded as MIA, the CUTE concept holds great promise of cost savings and efficiencies.

Williams uses SITA software for the CUTE system. SITA's lab in New York certifies all the software for operational reliability prior to its installation at MIA.

SLIDE 18
CUTE Airlines
ACES
Aeropostal
Air France
British Airways
LanChile
Martinair Holland
Swissair
TransBrasil
Turkish Airlines
Varig
Virgin Airlines

18)
The county initially ordered CUTE for Concourse A to maximize the gate design Airlines are also contracting for CUTE services to support their operations at other concourses

As a direct result of Williams' CUTE initiatives, eleven airlines have signed up for CUTE at MIA These airlines include: ACES, Aeropostal, Air France, British Airways, LanChile, MartinAir, Swiss Air, TransBrasil S/A Linhas Aereas, Turkish Airlines, Varig and Virgin Atlantic

CUTE is widely used in Europe and Latin America, and is becoming increasingly popular in the United States. Airports in Ft. Lauderdale, Orlando, New York, Houston, Atlanta, San Francisco and Seattle are using or installing CUTE systems, and usage is growing.

SLIDE 19
CUTE Benefits
€ CUTE airlines to process 2 million passengers by year-end 2000
€ Maximizes efficient use of airport infrastructure

19)
CUTE provides tremendous benefits at MIA through efficient use of airport infrastructure and cost savings to MDAD and the airlines. By year-end 2000, the CUTE airlines at MIA are projected to process as many as 2 million passengers on an annual basis.

CUTE also will facilitate the airport's $5.4 billion expansion effort by minimizing the cost of moving airlines and sharing limited facilities during the reconstruction effort

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SLIDE 20
Shared Tenant Services (over 70 tenants)
€ USDA LAN & Voice
€ AA Miles of fiber optic cable
€ Atlas Air LAN & Voice
€ United Airlines Voice, miles of fiber optic cable
€ Host Marriott LAN & Voice

20)
CUTE is just one example of shared tenant services which Williams provides to more than 70 tenants at MIA, including fast-growing Atlas Air, which is the busiest cargo carrier at MIA The airport's sophisticated enterprise network has helped lower the cost of new businesses moving to MIA

SLIDE 21
Miami-Dade Job Creation
€ Minority sub-contractors
€ Technical training
€ Engineers and architects
€ Local suppliers

21)
Williams' presence at MIA has generated a substantial number of jobs In addition to our own staff of 40 professionals, Williams has generated work for subcontractors, which have been hired to install the fiber-optic cable and other electrical systems We hire qualified minority subcontractors, such as Dato Electric. Williams also invests in technical training programs for its staff at MIA. Because of the sophisticated nature of the enterprise network, maintaining and expanding the network

also require the assistance of highly knowledgeable engineers and architects. Additionally, Williams purchases materials from both local and national suppliers to meet the airport's needs

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SLIDE 22
Accomplishments
1 State-of-the-art fiber backbone network
2 High-speed switched data network
3 High-capacity Nortel voice and LAN switches
4 Network Control Center
5 Network services for more than 70 MIA tenants

22)
Since Williams began providing telecommunications services to Miami International in 1984, MIA's enterprise network has emerged as one of the most technologically sophisticated systems in the world. MIA has the only airport-wide shared ATM backbone in the United States. Other airports are copying the MIA model in growing numbers because of the cost and service benefits provided by this advanced high-speed technology

The high-speed switched data network establishes secure virtual private networks for MDAD and airport tenants over the same fiber optic network Nortel Networks, one of the world's largest distributors of switches, supplies the high-capacity voice and LAN switches at MIA. The heart and brains of the enterprise network is the Network Control Center, which monitors services to more than 70 tenants at MIA, in addition to MDAD

SLIDE 23
Accomplishments
6 Mission critical services
- Disaster recovery plan
- Emergency response van
- Wireless phone system in terminal
- Environmental monitoring facilities
- Security communications

23)
The enterprise network handles many mission-critical functions, such as security, for MDAD and federal agencies, including the Federal Aviation Administration and the U S. Department of Agriculture. Our accomplishments include the development of a comprehensive disaster recovery plan for MDAD Williams also has equipped an emergency response van with satellite links to handle emergencies at the airport and at remote locations when ground-based communications systems are damaged or congested.

On Monday, September 13. 1999. the Miami area faced a hurricane watch due to Hurricane Floyd. Telephone calls from the public increased MIA's daily call volume to 96,652, or approximately 28%, over a normal business day Williams' fiber-based Nortel switching systems -- scientifically engineered in accordance with MIA's Telecommunications Disaster Recovery Plan -- handled this load without incident and supported Miami-Dade Aviation Department's response to a concerned public

MIA's telecommunications infrastructure features an internal wireless phone system with the privacy and bandwidth necessary to support emergency services when public cell phone lines become jammed as they did during Hurricane Andrew. The wireless phone system is designed for everyday use -- not just for emergencies

Williams built the network to survive a major central office cable cut by rerouting traffic on alternate paths with little or no service

interruptions. If a telecommunications failure occurs at MIA, a 24-hour monitoring system provides remote support by alerting Williams' backup systems in Houston.

SLIDE 24
Challenges
1. Technological change
2. Exponential growth in network requirements
3 System management

24)
Over the years, Williams Communications consistently has met the challenges of maintaining high-quality telecommunications services to both MDAD and its tenants while MIA has undergone explosive growth

Demand for network bandwidth at MIA typically doubles every six to nine months, and the pace of technological change has accelerated, resulting in shorter product life cycles for equipment. The blossoming of the Internet and standardization on the Internet-protocol are stimulating another round of changes and further integration of voice, data and video services.

SLIDE 25
A Time of Growth
€ Continuing construction creates constant change to network facilities
€ Common network reduces relocation costs

25)
MIA's $5.4 billion expansion also presents enormous challenges in handling 34 million passengers and 1.9 million tons of cargo while construction progresses. Ongoing construction necessitates constant changes to MIA's network facilities. Williams is meeting those challenges by providing a highly reliable network. MIA and its tenants benefit from a common network through reduced relocation costs

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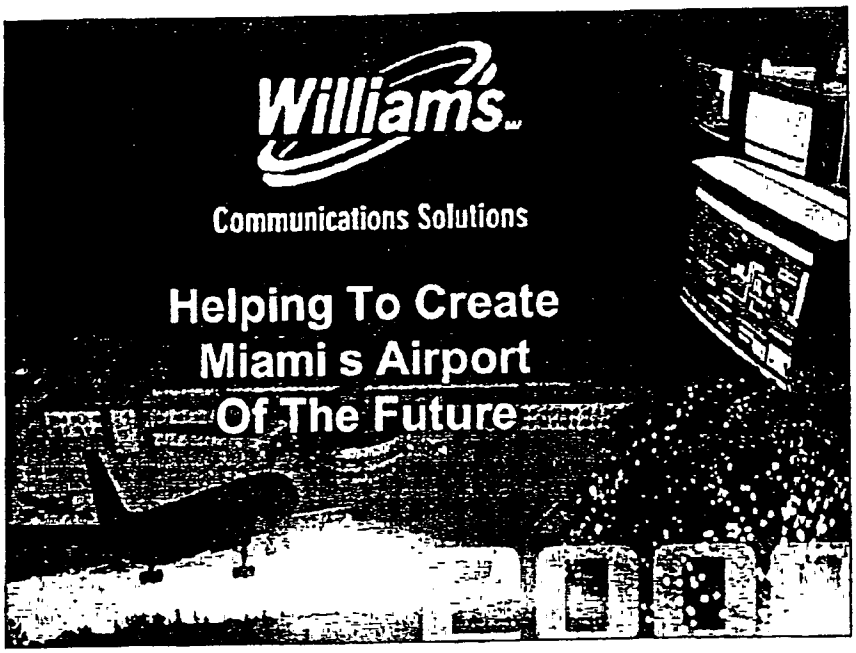
SLIDE 26
MDAD & Williams
Partners in shaping the airport of the future

26)
At Williams, we are proud of our track record of providing innovative, reliable and economical communications solutions at MIA and proud of our role in shaping the 'airport of the future.'

Audrey Rohlehr, Art Director
Toni Splichal/Group Account Manager
Wragg & Casas
Ofc: 305-372-1234
Fax: 305-372-8565



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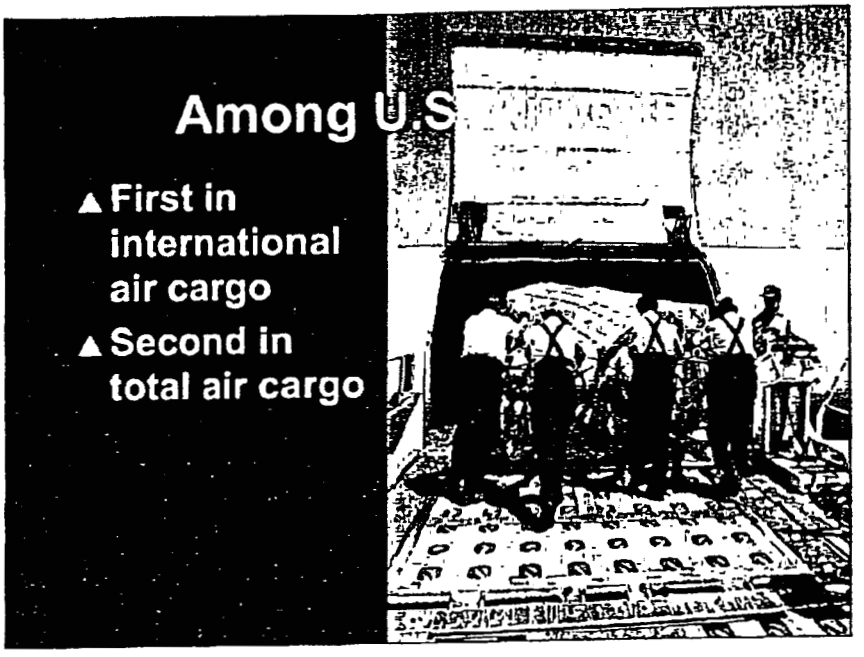
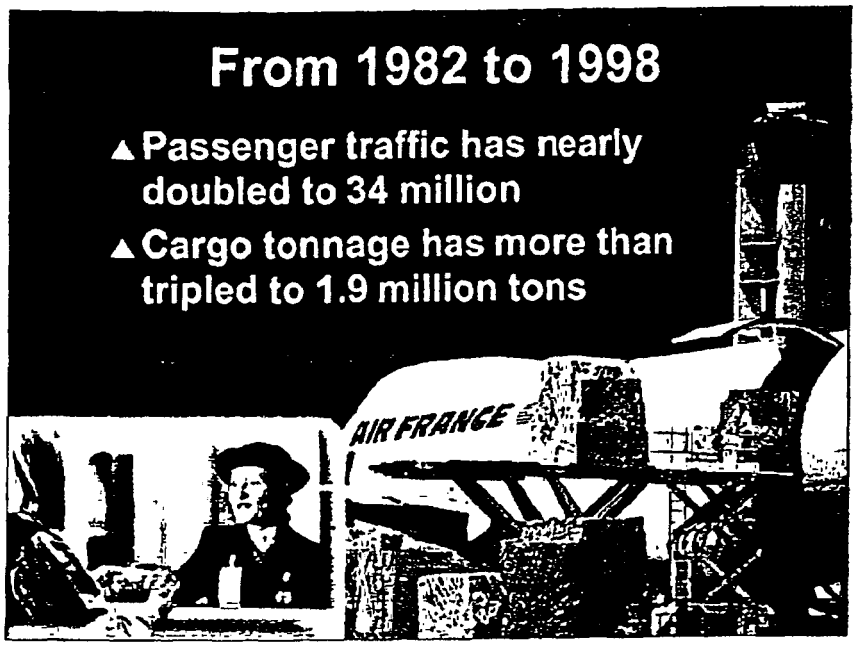
MIA ranks second only to New York s JFK A irport in the volume of international passenger traffic handled.



3)

It ranks first among U.S. airports in international air cargo volume.



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In the past 17 years that Williams Communications Solutions has served the airport, passenger traffic has nearly doubled from 19.4 million passengers in 1982 to 34 million in 1998.

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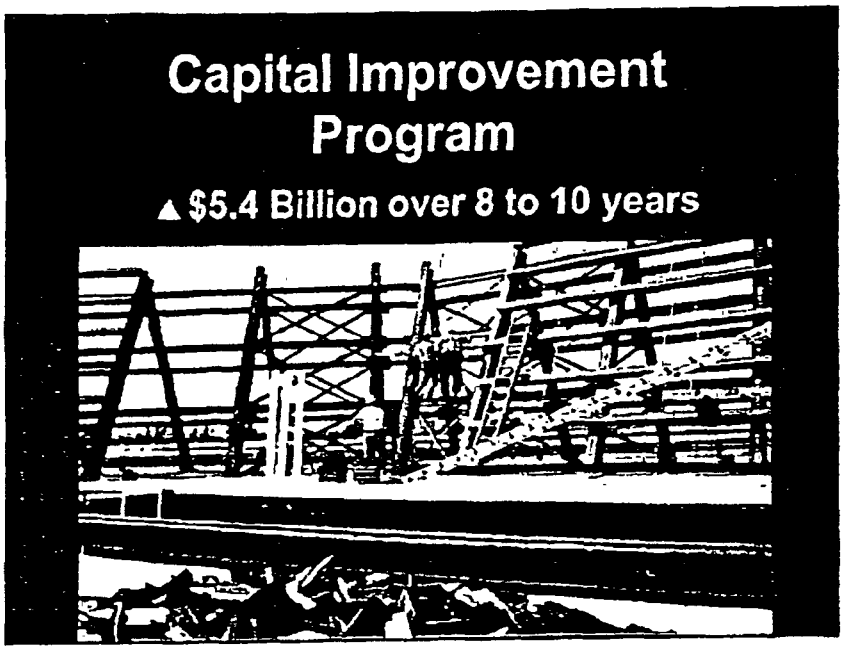

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To maintain its world-class status as a gateway to destinations around the globe, MIA has embarked on a $5.4 billion Capital Improvement Project, which has been described as the most ambitious expansion project in the airport's history.

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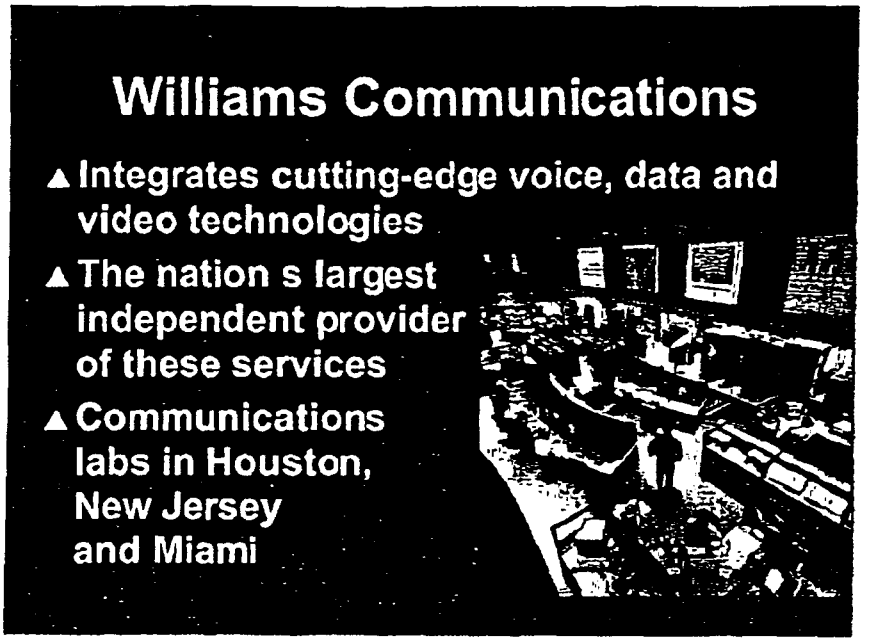
The expansion program includes the addition of a fourth runway, an additional 2.7 million sq. ft. of terminal space, and 1 million sq. ft of new cargo facilities.



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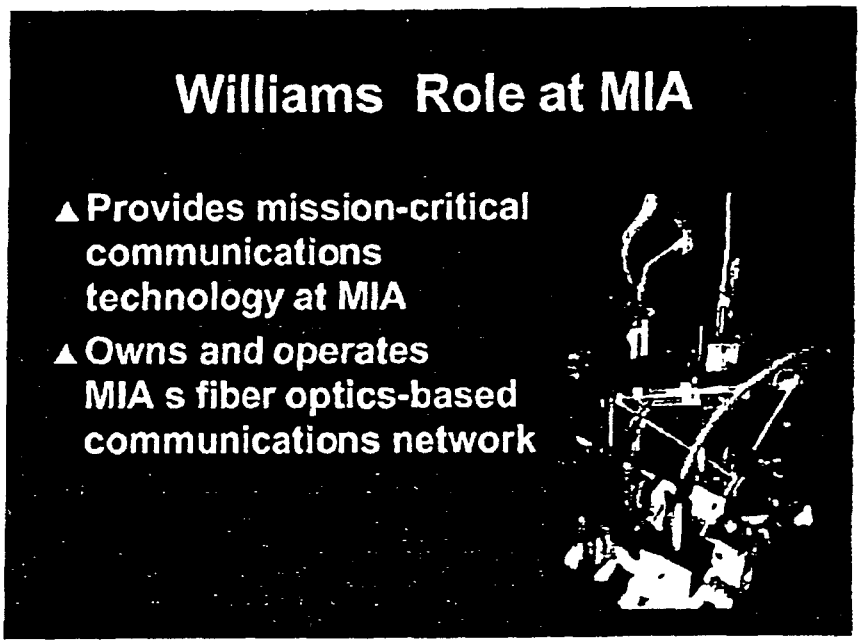

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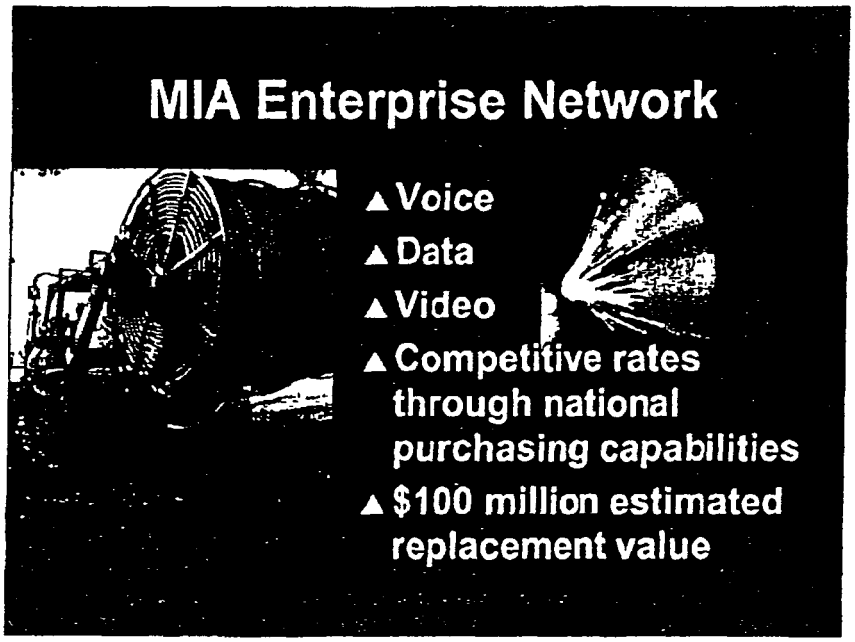
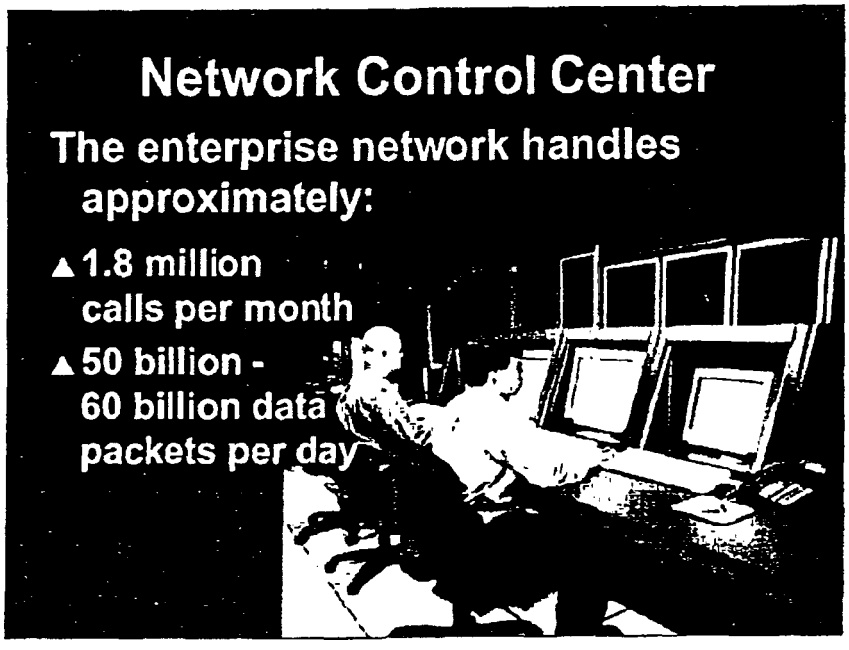


10)

Miami International Airport has one of the most sophisticated enterprise networks in the world, which has served as a model for other airports. Airports like San Francisco, Hong Kong, Barcelona and JFK have installed or are installing shared ATM systems like MIA s, which establishes secure virtual private networks for airport operations and airport tenants over the same fiber optic network.

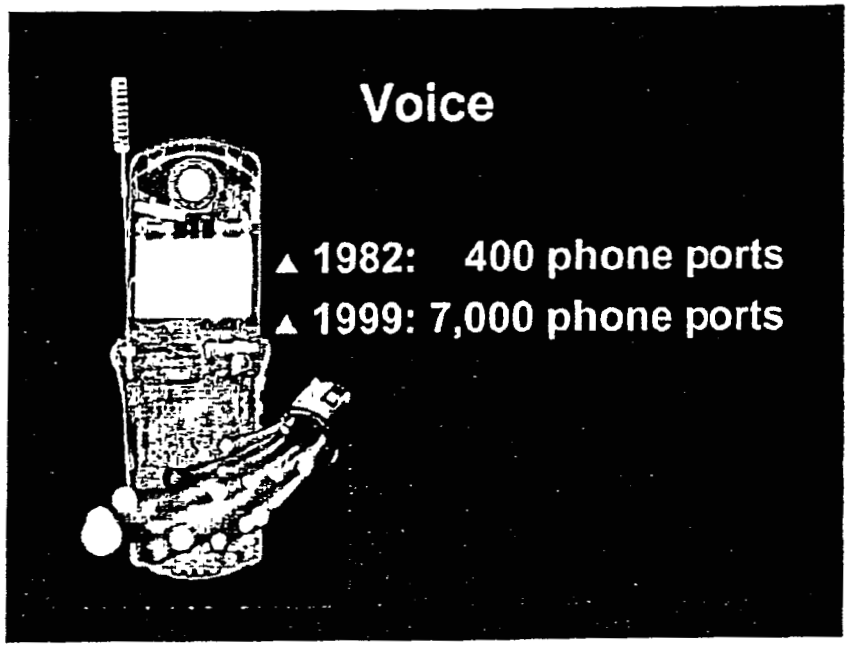
Because Williams Communications Solutions is owned by a Fortune 300 company, our national purchasing capabilities enable us to pass along cost savings to Miami-Dade Aviation Department in the form of volume discounts which we negotiate with leading equipment and software suppliers, such as Nortel. Our contract with MDAD provides for 6% discounts. However, our initial discount is always at least 15% off our list price.

In addition, Williams each year invests millions of dollars in cable and system expansion to maintain the MIA enterprise network. The network, which has an unparalleled reliability of more than 99%, has an estimated replacement value of more than $100 million.



11)

The network control center is the heart of this enterprise network, which supports 7,000 telephones, 1,600 computers, hundreds of security cameras, and multiple software applications at MIA. These systems handle approximately 1.8 million calls per month and 50 billion to 60 billion data packets per day. In addition to serving Miami-Dade Aviation Department, Williams Communications Solutions fills the multimedia needs of more than 70 airport tenants



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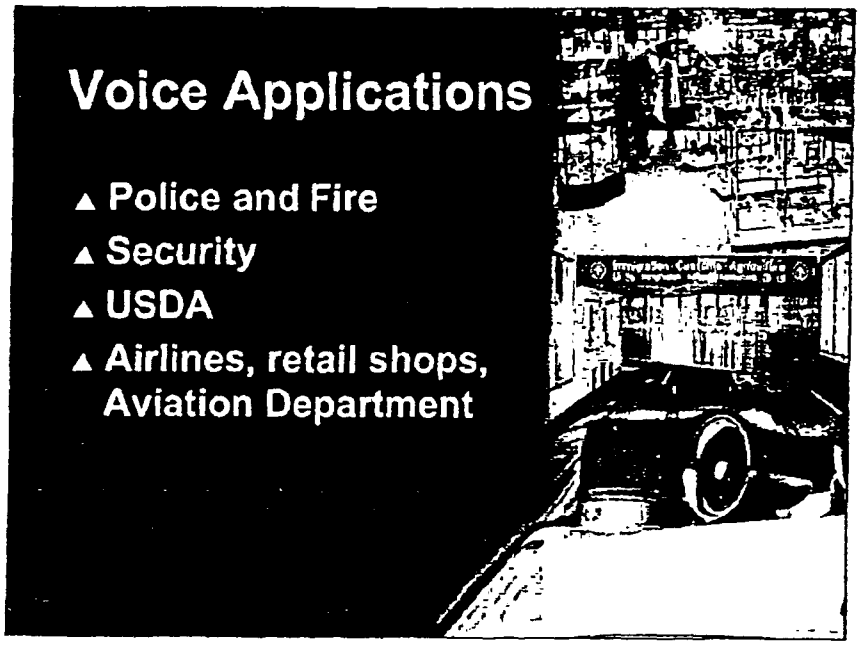

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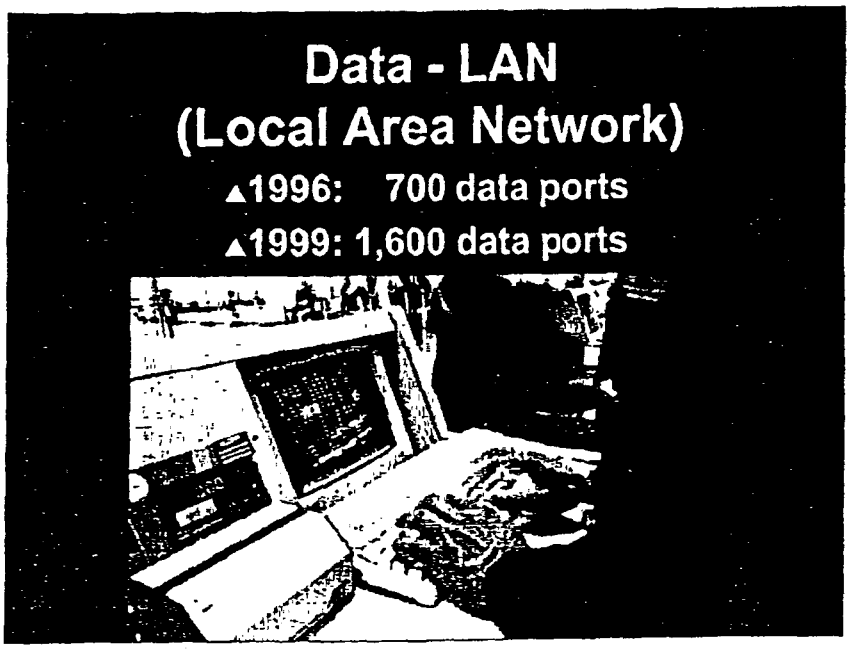
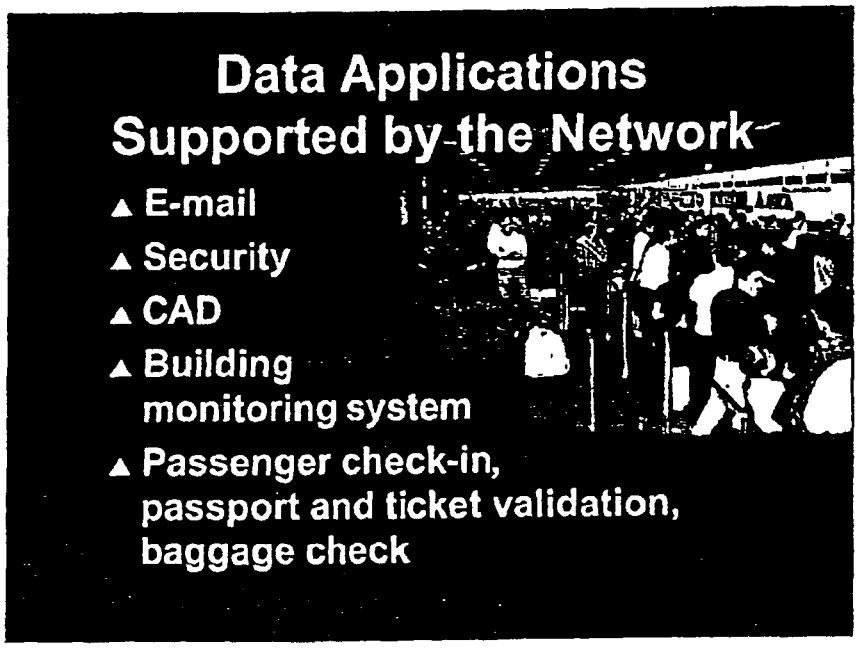
Fiber-based telephone services support police and fire department activities at MIA, critical security functions, and US Department of Agriculture activities. The Miami-Dade Aviation Department, passenger and cargo carriers, and the retail shops all depend on voice capabilities of the enterprise network at MIA. Williams also provides an internal wireless phone system which has important security functions at the airport.



14)

Of growing importance is the ability to transmit data over the enterprise network. The number of data ports installed by Williams at MIA has grown from 700 in 1996 to 1,600 in 1999.

These data ports are part of the local area network that connects personal computers to the enterprise network, which supports 1,600 workstations.



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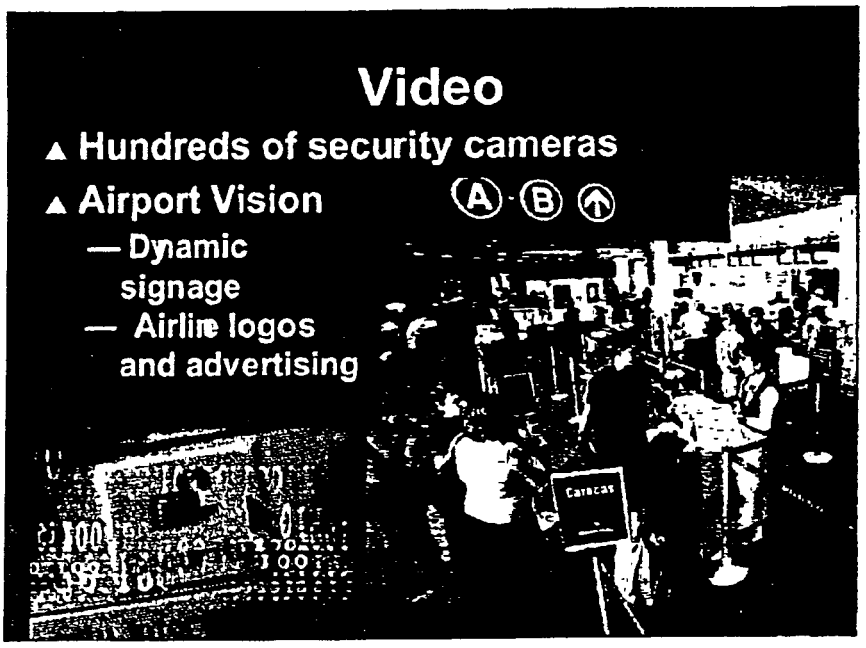


16)

Video cameras, including hundreds of security cameras, also operate over the enterprise network. The Airport Vision program at MIA enables airlines and retail shops to flash dynamic signage on TV screens, including shots of exotic destinations, company logos and advertising.

17)

One of the technologically advanced airport systems purchased and installed at MIA by Williams is the Common Use Terminal Equipment (CUTE), which maximizes the use of the airport's infrastructure. With more than 120 airlines operating from its facility, MIA faces unique challenges in meeting the varying needs of each airline. At an airport as crowded as MIA, the CUTE concept hold great promise of cost savings and efficiencies.

The CUTE equipment allows multiple airlines to use the same counters and computer terminals that provide access to a user's host computer within a secure environment. Airlines thus can share passenger handling facilities, such as gates and terminal check-in counters for departure control, reservations, ticketing, boarding passes and baggage tag issuance.

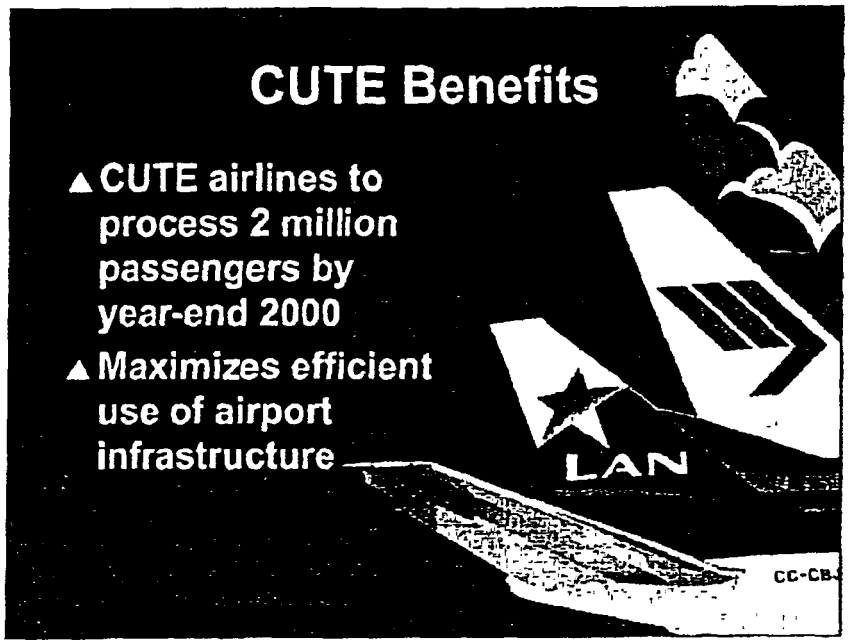
Williams uses SITA software for the CUTE system. SITA's lab in New York certifies all the software for operational reliability prior to its installation at MIA.

18)

The county initially ordered CUTE for Concourse A to maximize the gate design. Airlines are also contracting for CUTE services to support their operations at other concourses.

As a direct result of Williams CUTE initiatives, eight airlines have signed up for CUTE at MIA. These airlines include: ACES, Aeropostal, Air France, British Airways, LanChile, MartinAir, Swiss Air, and Virgin Atlantic.

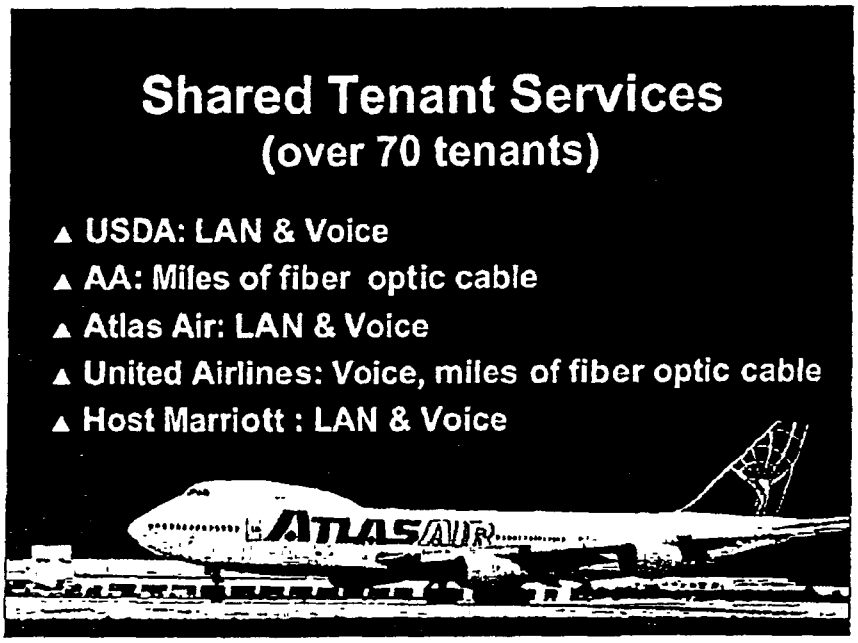
CUTE is widely used in Europe and Latin America, and is becoming increasingly popular in the United States. Airports in Ft. Lauderdale, Orlando, New York, Houston, Atlanta, San Francisco and Seattle are using or installing CUTE systems, and usage is growing.



19)

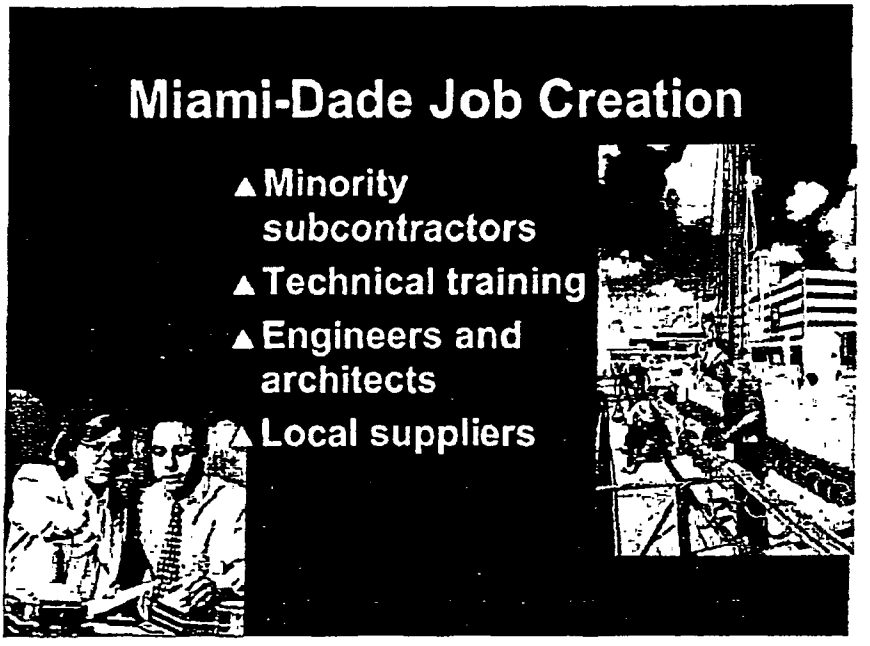
CUTE is providing tremendous benefits at MIA through efficient use of airport infrastructure and cost savings to MDAD and the airlines. By year-end 2000, the CUTE airlines at MIA are projected to process as many as 2 million passengers on an annual basis.

CUTE also has been beneficial during the airport s $5.4 billion expansion effort, when airlines must move to a new location within the airport terminal several times to accommodate the reconstruction effort.



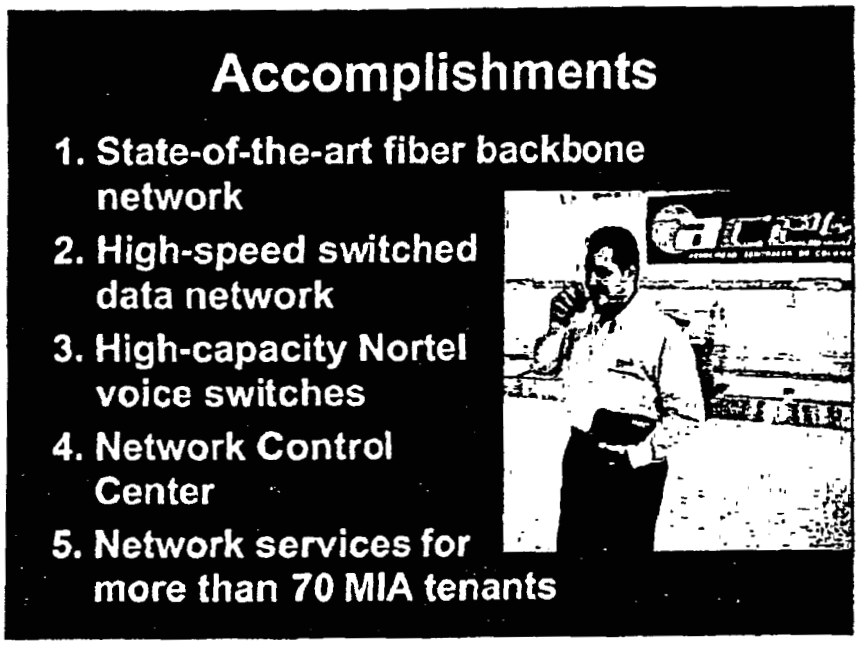
20)

CUTE is just one example of shared tenant services which Williams provides to more than 70 tenants at MIA, including fast-growing Atlas Air, which is the busiest cargo carrier at MIA. The airport s sophis ticated enterprise network has helped attract more businesses to Miami because of MIA s state-of-the-art telecommunications infrastructure.



21)

Williams presence at MIA has generated a substantial number of jobs. In addition to our own staff of 40 professionals, Williams has generated work for subcontractors, which have been hired to install the fiber-optic cable and other electrical systems. We hire qualified minority subcontractors, such as Dato Electric, which have been certified by the county. Williams also invests substantial sums on technical training programs for its staff at MIA. Because of the sophisticated nature of the enterprise network, maintaining and expanding the network also require the assistance of highly knowledgeable engineers and architects. Additionally, Williams buys its materials from local suppliers.



22)

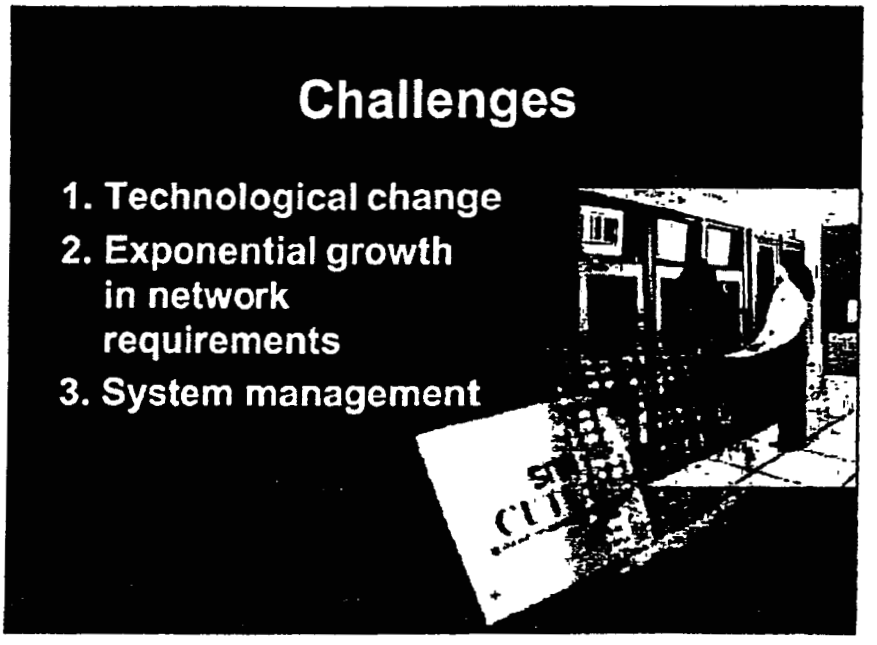
Since Williams began providing telecommunications services to Miami International in 1982, MIA s enterprise network has emerged as one of the most technologically sophisticated systems in the world. MIA has the only airport-wide shared ATM backbone in the United States. Other airports are copying the MIA model in growing numbers because of the cost and service benefits provided by this advanced high-speed technology. The high-speed switched data network establishes secure virtual private networks for MDAD and airport tenants over the same fiber optic network. Nortel, one of the world s largest distributors of switches, supplies the high-capacity voice switches at MIA. The heart and brains of the enterprise network is the Network Control Center, which provides services to more than 70 tenants at MIA, in addition to MDAD.

23)

The enterprise network handles many mission-critical functions, such as security, for MDAD and federal agencies, including the Federal Aviation Administration and the U S. Department of Agriculture. Our accomplishments include the development of a comprehensive disaster recovery plan for MDAD. Williams also has equipped an emergency response van with satellite links to handle emergencies at the airport and at remote locations when ground-based communications systems are damaged or congested.

On Monday September 13, 1999, the Miami area was under a hurricane watch due to Hurricane Floyd. Telephone calls from the public increased MIA s daily call volume to 96,652, or approximately 28% over a normal business day. Williams fiber-based Nortel switching systems scientifically engineered in accordance with MIA s Telecommunications Disaster Recovery Plan handled this load without incident and supported Miami-Dade Aviation Department s response to a concerned public.

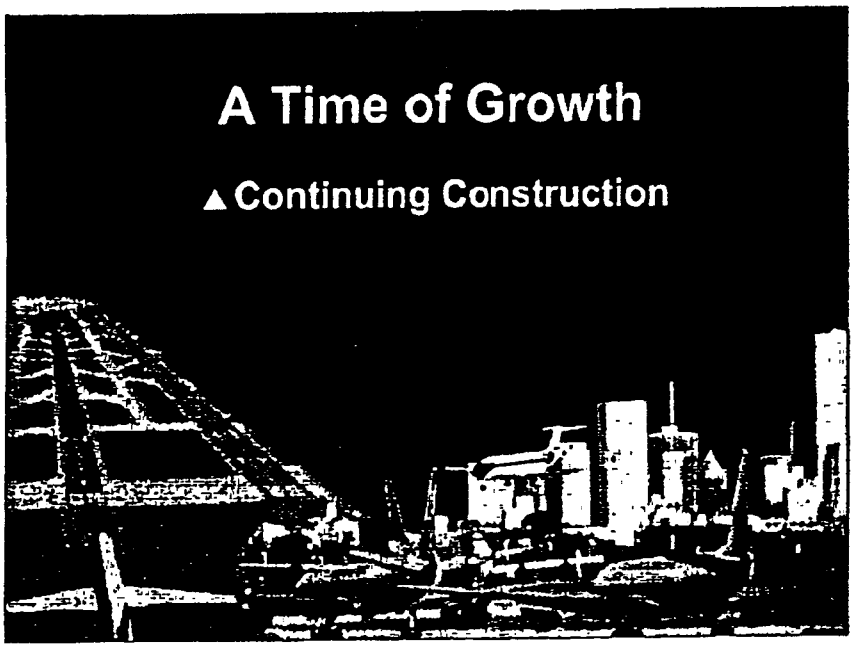
One important feature of MIA s telecommunications infrastructure is an internal wireless phone system with the privacy and bandwidth necessary to support emergency services when public cell phone lines become jammed. The wireless phone system was designed for everyday use -- not just for emergencies. The network was built to survive a major central office cable cut by rerouting traffic on alternate paths with little or no service interruptions. If a telecommunications failure occurs at MIA, a 24-hour monitoring system provides remote support by alerting Williams backup systems in Houston.



24)

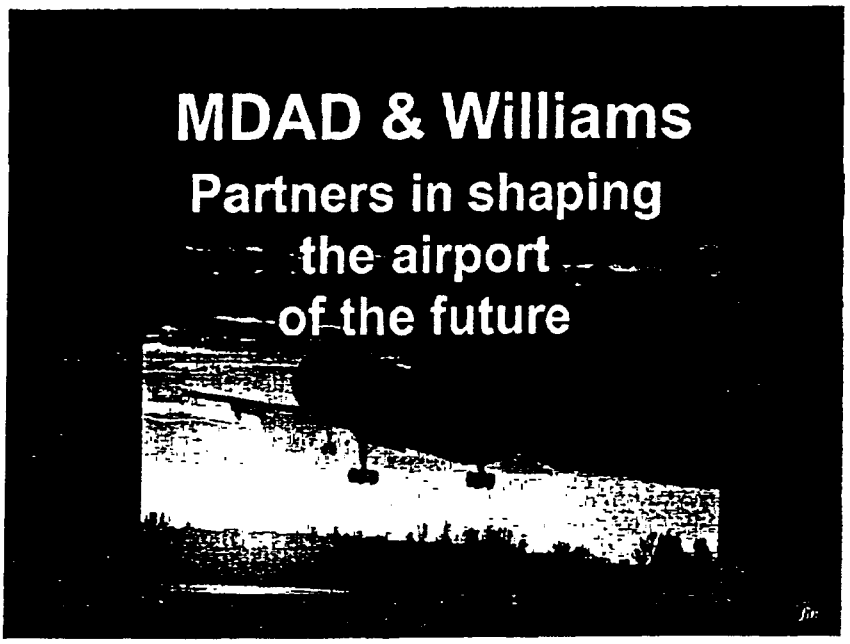
Over the years, Williams Communications Services has consistently met the challenges of maintaining high-quality telecommunications services to both MDAD and its tenants while MIA has undergone explosive growth.

Demand for network services at MIA typically doubles every six to nine months, and the pace of technological change has accelerated, resulting in shorter product life cycles that require continual innovation. The blossoming of the Internet as a powerful communications vehicle is stimulating another round of changes, with Williams bringing Internet phone services to MIA as a result.



25)

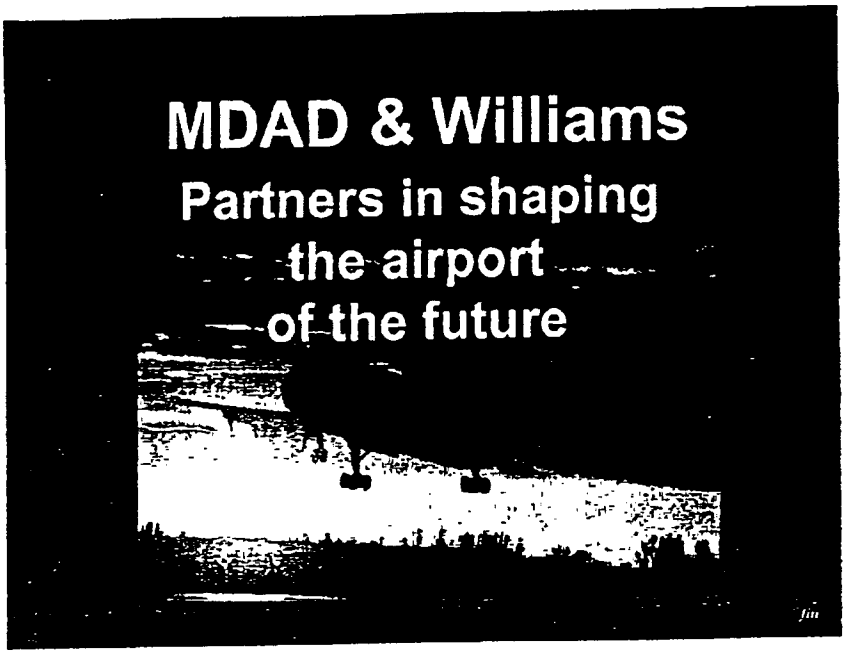
MIA s $5.4 billion expansion also has presented enormous challenges in handling 34 million passengers and 1.9 million tons of cargo while construction progresses.



26)

At Williams, we are proud of our track record of providing innovative, reliable and economical communications solutions at MIA and proud of our role in shaping the airport of the future.

NXT 8822



27)

NXT 8823

PSC 2788

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PUBLIC RELATIONS, INC
1000 Brickell Ave, Suite 400 • Miami, FL 33131
Phone: 305-372-1234 • Fax: 305-372-8565
www.wraggcasas.com

BR File

FAX COVER SHEET

Client # 186

Please deliver to: Byron Moore

Title:

Company: Williams Communications

Fax: (305) 876-0699

Phone: (305) 876-8410

Number of pages including cover sheet: 8

From: Toni Splichal

Sender's email address:

Date: 12/2/99

Message: Byron, I'm checking the airline court again! Please clarify your edits on page 5

Faxed by:

NXT 8586

Final Exhibit No. 167

PSC 2789

WRAGG & CASAS Public Relations **revised DRAFT/APPROVAL:12/3/99**
Toni Splichal/Otis Wragg
(305) 372-1234

FOR: WHITE PAPER

December __, 1999

MIAMI INTERNATIONAL BECOMES WORLD LEADER THROUGH APPLICATION OF CUTTING-EDGE TECHNOLOGY

State-of-the-Art Systems

In the 17 years that Williams Communications Solutions, L.L.V. ("WCS") (f/k/a Wiltel) has provided telecommunications services to Miami International Airport (MIA), the world has experienced a technological revolution. That trend toward faster, more powerful communications networks continues today. MIA's network demands are rapidly expanding as Williams brings new applications on line to serve the requirements of the airport and its tenants. Williams' contracts with the airport were designed to be flexible enough to allow upgrading of the enterprise network consistent with the rapid changes in technology. As a result, the telecommunications system currently in place at MIA is amongst the best and most highly regarded in the world.

Williams has integrated cutting-edge voice, data and video technologies into a world-class multimedia network at MIA that runs on more than eight million (8,000,000) feet of fiber optic cable. That state-of-the-art fiber optic-based communications system did not exist in 1982. The high-speed digital backbone supports approximately 7,000 telephones, 1,600 computers, hundreds of security cameras and multiple software applications. The enterprise network daily handles many mission-critical functions, including security for fire and police, the U.S. Department of Agriculture and other agencies. With an unparalleled reliability of over 99%, the telecommunications network is so reliable that, if a central office cable is cut, Williams can route, and has redirected, phone calls across the network to a parallel system so that little or no service disruptions will occur. In addition, Williams' rental contract provides the County with the flexibility to delete and add communications equipment as technology changes.

Locally, Williams employs a staff of approximately 40 people, including highly skilled technicians and engineers who receive ongoing training in the latest technology. In addition, Williams each year invests millions of dollars in cable and system expansion to maintain the enterprise network, which it owns and operates for MIA. The estimated replacement value of the enterprise network is more than
$100 million.

Government Oversight

Williams has engineered, designed, and deployed the enterprise network in close coordination with the MDAD's consultants and staff. Williams Communications contracts consistently have received high-level oversight by Miami Dade Aviation Department (MDAD). As part of its oversight function, Miami-Dade County has retained consultants to review Williams' outsourcing agreement with the County. Those consultants included Price Waterhouse, Hancock and Hannon, HNTB, Deloitte & Touche LLP, and Sabre Decision Technologies. The County also routinely makes independent equipment evaluations, including its decision to provide the

talking elevator system in the airport's garages and its independent selection of a vendor to provide that system. In 1986, the County had the accounting firm of Deloitte & Touche review both contracts, which were set to expire in 1988. Deloitte recommended the County purchase the hotel telecommunications system from Williams and renew the lease on the airport telecommunications network. The County accepted the recommendation. The Miami-Dade County Commission renewed Williams' airport contracts on July 24, 1990 after the contracts were updated. The updated contracts contained an initial term that expired Feb. 7, 1992 and included five additional two-year renewal options. During the renewal periods, the County has always had the option of canceling the contracts or purchasing the equipment.

Ernest Pagies, a subconsultant to Deloitte & Touche, monitored and supervised major expansions to the enterprise network, such as the local area network and common use terminal equipment (CUTE).

Williams on a monthly basis submits to the County an itemized list of leased items, detailed price changes, and a list of internal purchase order numbers authorizing work and changes. Williams spends millions of dollars each year in fresh capital for new cable and new systems to stay state-of-the-art and cutting edge.

In addition, the Airport Director has approved capital funding for the network each year. To ensure that airport officials are apprised of the status of the enterprise network, Williams regularly communicates with Airport supervisors and Williams executives meet with the Airport Director whenever requested.

Buy v. Lease & Other Pricing Issues

When Miami-Dade County was reviewing its telecommunications options in 1982, it gave serious thought to the question of whether to own the network itself or lease it from an outside vendor with expertise in the telecommunications field. MDAD ultimately decided to outsource MIA's communications network through a competitive bidding process. Outsourcing was uncommon at that time. However, with the rapid acceleration of changes in technology, the practice has grown in popularity throughout the country -- both in the public and private sectors.

One obvious benefit of outsourcing the telecommunications function is that communications technology changes so rapidly that it is advantageous for governments and major corporations such as AT&T to deal with nationally recognized companies like Williams, which specialize in high-tech services.

A long-term contract has enabled Williams to achieve a seamless expansion of the enterprise network at MIA, which has been mission-critical reliable for 15 years. The exponential growth of innovations in the telecommunications field over the years would have required MDAD to dramatically increase the size of its technical staff to cope with the mind-boggling changes. In the telecommunications industry, fierce competition drives technology staff salaries, benefit packages, and training. The compensation packages are far in excess of what government is typically able to pay. Williams has the resources and programs to recruit and retain experienced network professionals in today's market. Williams maintains a staff of highly-skilled communications professionals who operate, manage, engineer, program, install, maintain and market the enterprise network at MIA

A misconception exists in some areas that, if the airport decides to buy a particular piece of equipment, the County must first pay off the two-year equipment lease in full. That is incorrect. Like a car lease, there is a minimum lease period (two years). However, anytime during the two-year period, the County can purchase the equipment on a pro-rated basis. There is no double payment.

The prices which Williams charges the County to rent telecommunications equipment are extremely advantageous for the airport because Williams has negotiated volume discounts with vendors. As a result, it often is able to pass along significant cost savings to the County.

In addition, under the airport's Shared Tenant Services Agreement with Williams, the County receives a percentage of the income Williams generates from selling telecommunications services to airport tenants.

The County also benefits from the vast equipment testing capabilities of Williams Communications' laboratories in Houston, New Jersey and MIA. An individual airport does not usually have the financial or technical resources to maintain these types of facilities.

Williams' billing practices follow airport procedures agreed to by MDAD and Williams. Each item Williams provides is documented with an MIA purchase order, and each repair is documented with a repair order. This paper trail enables the County to determine the cost of each purchase order, whether it is cable installation at a particular airport site or repair work at another.

Williams provides the County with a monthly bill that provides line item pricing for both the items the County is renting and all installation fees for the previous month. Significantly, the rental rate for an item of equipment includes the maintenance for the item.

The current requisition and billing procedures specified by the County are as follows:

oThe airport department requiring communications service prepares a communications service request.

oThe requesting department's Assistant Aviation Director approves the communications service and forwards it to Telecommunications.

oMDAD's telecommunications staff reviews the request, then issues Williams an IPON (International Purchase Order Number) to perform any required work. The IPON identifies the work Williams is to complete for the County.

oWilliams performs the work in accordance with the IPON issued by the County.

oThe County accepts the work and signs a work order acknowledging the work is completed.

oWilliams invoices the County the installation charges by IPON for the work completed and signed for by the County. At the end of each month, Williams provides the County with three schedules listing all of the installation invoices for the month.

(Schedule B is for voice installations, Schedule N is for data installations, and Schedule C is for subcontract installations.)

oThe County pays the monthly rental in arrears and the monthly rental begins after the item the County is renting has been in service for a month. Each item the County is renting is listed on Schedule A (William's schedule for monthly equipment rental).

An aggregate billing issue which was raised appears to relate to the cost allocation of common infrastructure or bundled IPONs the County places with Williams. Common infrastructure orders are related to items (hubs, switches, cables, servers, etc.) that serve multiple applications. An example is a 192-strand fiber optic cable that connects building 3030 to the terminal. The fibers within the cable support multiple voice, data, and video applications for MDAD, and it is difficult for MDAD to allocate the cable cost to the various applications. Complicating the cost allocation of common infrastructure is the fact that common infrastructure is always installed with spare capacity for future growth. Bundled IPONs are related to work supporting multiple applications or departments. Examples of bundled IPONs are dual cable runs that support voice and data services or orders to install both phones and data for an MDAD location supporting multiple applications and departments, etc.

In summary, Williams invoices MDAD based on the IPONs issued by MDAD and with itemized monthly billing for all equipment and work performed by Williams.

CUTE Terminals

One of the technologically advanced airport systems is the Common Use Terminal Equipment (CUTE). After a period of consideration with its consultants, MDAD decided to obtain CUTE. It elected to lease the system. On receipt of an order from MDAD, WCS purchased and installed CUTE at MIA for MDAD.

The CUTE equipment allows multiple airlines to use the same counters and computer terminals that provide access to a user's host computer within a secure environment. Airlines can thus share passenger terminal handling facilities, such as gates and terminal check-in counters for departure control, reservations, ticketing, boarding passes, and baggage tag issuance.

With more than 120 airlines operating from its facility, MIA faces unique challenges in meeting the varying needs of each airline. Large airlines like American and United have a heavy schedule of takeoffs and landings, while numerous foreign airlines schedule only a handful of flights each day from MIA. At an airport like MIA, the CUTE concept holds great promise of cost-savings and efficiencies if properly implemented and marketed to the airlines.

The Value of CUTE Terminals: CUTE terminals are widely used throughout the world. Nearly every European airport uses the shared system, it is common in South and Central America, and CUTE is becoming increasingly popular in the United States. Airports in Ft. Lauderdale, Orlando, New York, Houston, Atlanta, San Francisco and Seattle, to name a few, are using or installing CUTE systems, and usage is growing.

At an airport as crowded as MIA, CUTE provides tremendous benefits through efficient use of airport infrastructure and cost savings to MDAD and the airlines. CUTE will facilitate the airport's $5.4 billion expansion effort by minimizing the cost of moving airlines and sharing limited facilities during the reconstruction effort. At Concourse A, CUTE is especially important

because multiple airlines are sharing mixed-use gates and many of the airlines require access to their host computer to safely and efficiently board their passengers. There are three software vendors which provide CUTE software (Williams is not one of these.) They are: a) SITA, b) ARINC and c) RESA (primarily in France). SITA and ARINC are owned by various airlines.

The History of CUTE Terminals at MIA: The County approached Williams in 1996 and requested the company install a CUTE system. Williams agreed to tackle the project if the County attorney determined that the project fell within the scope of the company's master contract, and subsequently (ek-ward) _____ legal ruling. A technical CUTE committee was formed – at the specific request of the County – to review automation requirements. The committee included County technical people (Jim Nabors), the County's independent consultant (Ernest Pagies), consultants (David Roberts) from Sabre Tech and (Keith Majuerorison) from ARINC, and airline representatives (Lydia Sterns, American Airlines), as well as Williams representatives. After holding numerous meetings, the committee agreed upon the CUTE system.

DCAD advised that the top airport executives, including the airport executive committee consisting of the airport director and its top financial officer and their top aides, authorized at every step the budgeting and purchasing of CUTE. The CUTE budget called for a system with a projected 10-year cost of more than $30 million.

MDAD first approved CUTE on May 12, 1997. At that time, the airport finance director made the recommendation that the airlines be surveyed about the system. The Airport finance director felt it was important to gauge air carrier interest in utilizing the CUTE system because revenue projections hinged on lining up enough users to make the program cost-effective. It later became apparent that MDAD did not pursue that recommendation until after it had ordered the system and Williams had substantially installed it.

The airport executive committee approved the first $1 million expenditure for the system in its 1997-98 budget. The signatures authorizing this expenditure included the airport director, finance director and other officials.

On May 12, 1997, airport finance manager Zeke Orji selected a financing option. It required Williams to buy the equipment and lease it to the airport authority, which would in turn lease the service directly to the carriers. The County originally chose that option because it believed it offered low-risk exposure. If CUTE proved to be unprofitable due to lack of demand by the carriers, MDAD could cancel the project after two years since it would not own the equipment but would be renting it from Williams. The capital cost risk would thus be borne by Williams for both the hardware and necessary software.

The airport initially committed to a two-year lease of $2.6 million using a financing package that required Williams to buy, then lease the equipment to the airport, with the airport in turn leasing the system to airlines.

From May to August 1997, the airport issued orders to Williams to install Phase I, which included approximately 100 CUTE terminals, requiring an investment of millions of dollars by Williams. The lease price was projected at $109,000 per month. The ultimate plan called for 400 terminals to be installed.

In the Fall of 1998, because MDAD had been unable to market the CUTE system, airport officials changed policy and the County advised the airlines to contract with Williams Communications Solutions for CUTE. Subsequently, at the direction of MDAD, Williams began marketing the system directly to the airlines as a way to assist MDAD and obtain some CUTE benefits for the airport and airlines. More than a year after Williams installed the CUTE system, MDAD Deputy Aviation Director Amaury Zuriarrain on December 11, 1998 criticized the manner in which the MDAD handled its role in connection with the analysis and the implementation of the CUTE system. During his review, Zuriarrain did not schedule any meetings with Williams to implement the system, which MDAD projected would produce revenue for the airport. Airport officials have yet to publish or provide Williams with a written CUTE policy.

Following the change of County policy in late 1998, as a direct result of Williams' CUTE initiatives, eleven airlines have signed up for CUTE. These airlines include: ACES, Aeropostal, Air France, British Airways, LanChile, MartinAir, Swiss Air, TransBrasil S/A, Turkish Airlines, Varig, and Virgin Atlantic. To date, Williams has succeeded in reducing the County's project cost by nearly 20% (nearly $20,000 per month). As Williams further implements CUTE service, the County's monthly cost will go even lower. Williams anticipates signing up additional carriers in the near future, further reducing MDAD's monthly cost. By year-end 2000, the CUTE airlines at MIA are projected to process as many as two million passengers on an annual basis. The system is operating in an excellent manner.

Talking Elevators

Other questions were raised in the media concerning maintenance problems with the airport's "talking elevator" system. Stories said that message systems installed in elevators in airport parking garages by Williams and its subcontractor Baker Audio often fail to work. According to one media report, aviation department employees in January 1999 found half of the 105 message boxes inoperative. Questions also have arisen about the cost of the system and whether cheaper bids were disregarded.

The facts are: The County had made an independent determination of which vendor to select and issued a purchase order to Williams to buy the equipment. The County had obtained other bids before contacting Williams. WCS never saw the bids, but was informed that one was from Baker. Based on the County's purchase order, WCS then purchased the garage message system under Williams' master contract through subcontractor Baker Audio, a long-time and highly respected national airport vendor which often provided specialized communications equipment for MIA.

Williams is responsible for maintenance of the system. However, airport personnel are responsible for inspecting the elevator landings and reporting to Williams any speakers that are inoperable. Between Jan. 1, 1999 and early March 1999, when questions were raised about the system, Williams had not received a single maintenance request from airport personnel to repair a talking elevators' landing speakers

On Friday, March 5, 1999, after learning of a media inquiry which quoted allegations by airport officials of maintenance problems, Williams sent its personnel to inspect and found 43 of the message boxes inoperative. By Saturday, March 6, Williams had repaired most of them and had ordered parts to fix the rest. Today, the system is working fine, and, whenever the airport submits a repair request, Williams is providing timely, routine maintenance.

Another concern for the Airport message boxes installed in parking garages is that they face an inhospitable environment, although they are not directly exposed to the elements. The elevator's system in the parking garages was designed for this environment, with special protective boxes to shield the wiring and with power protection for the system's computers and controllers. No one has expressed to Williams any concerns that the system was inappropriate for the environment in which it is located.

Other Equipment Issues

Contrary to published reports, Williams has never provided the airport 's terminal-wide paging system. In addition, Williams did not supply MDAD with its initial Token Ring LAN, nor has Williams ever provided the airport's Flight Information Display System (FIDS).

Miami-Dade Legislative Item
File Number: 020156

File Number: 020156 **File Type:** Resolution **Status:** Adopted
Version: 0 **Reference:** R-31-02 **Control:** County Commission
File Name: TELECOMMUNICATIONS, DATA NETWORK AND SHARED AIRPORT SERVICES **Introduced:** 1/18/2002
Requester: Aviation Department **Cost:** **Final Action:** 1/29/2002
Agenda Date: 1/29/2002 **Agenda Item Number:** 6A1D
Notes: **Title:** RESOLUTION RELATING TO TELECOMMUNICATIONS, DATA NETWORK, AND SHARED AIRPORT TENANT SERVICES AT MIAMI-DADE COUNTY AIRPORT SYSTEM FACILITIES; AUTHORIZING PURCHASE OF LEASED EQUIPMENT; AUTHORIZING APPROVAL AND EXECUTION OF NON-EXCLUSIVE MANAGEMENT AGREEMENT WITH NEXTIRAONE, LLC FOR INTERIM TWO-YEAR PERIOD; AND WAIVING COMPETITIVE BID PROCEDURES AND PROVISIONS
Indexes: AIRPORT
AVIATION
TELECOMMUNICATIONS SERVICES
TELECOMMUNICATION SERVICES
Sponsors: NONE
Sunset Provision: No **Effective Date:** **Expiration Date:**
Registered Lobbyist: None Listed

Legislative History

Acting Body	Date	Agenda	Action	Sent To	Due	Returned	Pass/Fail
Board of County	1/29/2002	6A1D	Adopted				P

Legislative Text

TITLE
RESOLUTION RELATING TO TELECOMMUNICATIONS, DATA NETWORK, AND SHARED AIRPORT TENANT SERVICES AT MIAMI-DADE COUNTY AIRPORT SYSTEM FACILITIES; AUTHORIZING PURCHASE OF LEASED EQUIPMENT; AUTHORIZING APPROVAL AND EXECUTION OF NON-EXCLUSIVE MANAGEMENT AGREEMENT WITH NEXTIRAONE, LLC FOR INTERIM TWO-YEAR PERIOD; AND WAIVING COMPETITIVE BID PROCEDURES AND PROVISIONS

BODY
WHEREAS, Miami-Dade County, Florida (the "County") and Centel Communications Company ("Centel") entered

into an Equipment Lease and Maintenance Agreement, as of July 24, 1990, and retroactive to February 7, 1988 (the "ELM Agreement") which ELM Agreement terminates on February 6, 2002;
WHEREAS, the County and Centel also entered into a Shared Airport Tenant Service Agreement (the "SATS Agreement") which SATS Agreement terminates on February 6, 2002;
WHEREAS, NextiraOne, LLC ("Nextira") is the successor or assignee of Centel's rights and obligations (via Williams Communications Solutions, LLC)1 under both the ELM Agreement and the SATS Agreement;
WHEREAS, it is in the best interest of the County to acquire title to all telecommunications, data network, and common use terminal equipment ("CUTE") infrastructure, software, licenses, permits, and other assets as detailed on Schedule A of the ELM Agreement and Schedule E of the SATS Agreement, as of February 6, 2002 (the "Assets");
WHEREAS, an interim manager is necessary to operate, maintain, and manage the Assets, until a telecommunications and data network request for proposal ("RFP") is circulated and a new manager is selected; and
WHEREAS, Nextira, as the owner and operator of the Assets, has the personnel, technical and product knowledge, expertise, and market recognition to manage the Assets,
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that the Board.
Section 1. Authorizes the payment of $6,450,000 to Nextira, for the purchase of the Assets, to be used and operated by or for the Miami-Dade County Aviation Department.
Section 2. Authorizes the approval and execution of a non-exclusive "Telecommunications, Data Network, and Shared Airport Tenant Services" management agreement (the "Agreement") with Nextira for an interim two (2) year period, and delegates to the County Manager the authority to negotiate all terms and conditions necessary to consummate the Agreement. The Agreement shall contain a random audit provision to be conducted by the Office of the Inspector General, pursuant to § 2-1076(c)(6), Code of Miami-Dade County Florida (the "Code"). The Agreement shall also contain a provision for the County to retain the services of an independent private sector Inspector General ("IPSIG"), pursuant to Administrative Order No. 3-20.
Section 3. Waives competitive bid provisions of Administrative Order Nos. 3-4 and 3-16 related to the procurement of professional services.
Section 4 Waives competitive bid provisions of Section 4.03(D) of the Home Rule Charter and the requirements of Administrative Order No. 3-2 in connection with the purchase by the County for (i) wiring, (ii) cabling, (iii) fiber optic cables and equipment, (iv) telecommunications equipment, (v) telephone and data network equipment, (vi) software, and (vii) material and supplies, necessary to maintain, support, operate, and expand the telecommunications, data network, and shared airport tenant services at the County airport system facilities. Such waiver is by a two-thirds (?) vote of the Board members present.

HEADER
Honorable Chairperson and Member DATE: January 29, 2002 Board of County Commissioners

FROM: Steve Shiver SUBJECT: Telecommunications
County Manager Services at the Aviation
Department

STAFF RECOMMENDATION

It is recommended that the Board of County Commissioners (the "Board) approve the attached resolution waiving the competitive bid requirements of Administrative Order No. 3-2 related to the procurement of commodities and services and approve in principle the non-exclusive "Telecommunications, Data Network, and Shared Airport Tenant Services" management agreement ("Agreement") between Miami-Dade County, (the "County") and NextiraOne, LLC1 ("Nextira"), substantially in the form attached hereto, which provides for: 1) the acquisition of, in accordance with the principles delineated in the Agreement, title to all telecommunications network, data network, and common use terminal equipment ("CUTE") infrastructure, software, licenses, permits, and other assets as described in Schedule A to the Equipment Lease and Maintenance agreement ("ELM Agreement") and Schedule E to the Shared Airport Tenant Services agreement ("SATS Agreement"), as of February 6, 2002 for the acquisition price of $6,450,000

which will be amortized at five (5) percent over five (5) years; 2) resolution of various claims arising out of the ELM Agreement and SATS Agreement; 3) assignment to the County all existing tenant SATS and CUTE agreements entered into by Centel or its successors or assigns with tenants at Miami International Airport ("MIA") or the County's other owned or operated general aviation airports; and, 4) Nextira to become the interim telecommunications infrastructure manager, to provide for the design, installation, maintenance, repair, management, and operational support services for all voice and data network infrastructure for the Miami-Dade Aviation Department ("MDAD") and shared airport tenant services customers at MIA and the General Aviation Airports ("GAAs") until a new provider is selected, but for no longer than a period of twenty-four (24) months.

In addition, it is recommended that the Board approve the attached resolution authorizing the County to make direct purchases of the following equipment: (i) wiring, (ii) cabling, (iii) fiber optic cables and equipment, (iv) telecommunications equipment, (v) telephone and data network equipment, (vi) software, and (vii) material and supplies, necessary to maintain, support, operate, and expand the telecommunications, data network, and shared airport tenant services at the County airport systems facilities. Under this system the County will purchase directly, certain commodities as indicated by Nextira and be exempt from paying state sales taxes and mark-up costs on these purchases. It is also recommended that the Board authorize, in accordance with Ordinance No. 99-63, the inclusion of a random audit provision, including the one quarter (1/4) of one percent assessment, in the Agreement. It is further recommended that the County Manager be authorized to execute the Agreement.

MANAGER'S BACKGROUND

The County is currently under contract with Nextira. Nextira leases to the County, and manages, operates and maintains all the telecommunications infrastructure and services serving MIA and the GAAs at an approximate annual cost of $7,300,000. MDAD's agreement with Nextira expires on February 6, 2002.

NEGOTIATIONS

In July 2001, the Board approved Resolution No R-852-01, approving a professional services agreement between the County and ResAvia. ResAvia is providing specialized technical and negotiation services to resolve the various claims arising out of the ELM Agreement and SATS Agreement entered into between the County and Nextira, and to negotiate a buy-out and new agreement with Nextira to allow MDAD an opportunity to finalize its long term voice and data telecommunications strategy.

INTERIM MANAGER FOR TELECOMMUNICATIONS INFRASTRUCTURE

MDAD is simultaneously working to develop a request for proposal ("RFP") to award a contract to a service provider to serve as the manager of the telecommunications infrastructure. Due to time constraints, the County will not be able to award this contract before February 6, 2002, when the Nextira contract expires. To assure the uninterrupted operation of the County airports, ResAvia, MDAD and the County Attorney's Office negotiated a proposed management agreement type contract (the "Agreement") with Nextira, to retain it as manager of the installed telecommunications infrastructure based upon County ownership of the equipment as further described below:

PROJECT LOCATION: Miami International Airport and General Aviation Airports

PROJECT DESCRIPTION: Provides for the operations, management, maintenance, service, support and equipment and supplies of the telecommunications and data, infrastructure, hardware and software systems for the MDAD and the shared airport tenant services customers at Miami International Airport and the General Aviation Airports. The scope of services includes the management of the shared airport tenant services for the County, including CUTE, to tenants and users at the Airport. In addition, Nextira will be required to implement a transition program, one hundred and twenty (120) days prior to the expiration of the term of this Agreement, to ensure that either the new vendor selected as a result of the RFP process or MDAD's operating and maintenance personnel are trained in all aspects of the telecommunications and data infrastructure.

FIRM: NextiraOne, LLC

LOCATION OF FIRM: Houston, Texas

TERM OF AGREEMENT: The Agreement shall be for a duration of twenty-four (24) months. The County may terminate the Agreement with or without cause on thirty (30) days written notice to Nextira, provided however, the Agreement shall have a minimum term of eighteen (18) months unless terminated earlier for cause.

AMOUNT OF AGREEMENT: Compensation to the Contractor

One-Time Acquisition Price:

Acquisition of the telecommunications, data network, and CUTE infrastructure, software licenses, permits, and other assets in Schedule A to the ELM Agreement and Schedule E to the SATS Agreement of $6,450,000 which will be amortized at five (5) percent over five (5) years.

Fixed Management Fee:

This Agreement provides for a fixed management fee of $6,144,067 which includes overhead and profit, staff transition costs, vendor agreements and spare parts carrying charge.

The compensation for the second year is based on this Management Fee as adjusted by the budgeting process that incorporates the requirements of the Capital Improvement Program (CIP) and the change in the Consumer Price Index (CPI) for the salaries of the personnel.

Variable Costs:

The Agreement also provides for the variable costs, when authorized by the Department, and includes: 1) the procurement of parts, materials and software ($2,680,000), 2) On-call after hour services ($273,000), and 3) subcontractor services for wiring installation and maintenance, as necessary ($899,415).

SATS Revenue:

Per the SATS Agreement, last year MDAD received $267,000 which was based on ten (10) percent of gross revenues. Under this new Agreement, MDAD will receive all SATS gross revenues which last year was $2,670,024. This revenue is expected to increase based on new marketing initiatives presently under development.

Compensation to the County

The Contractor will pay to the County the sum of $110,000, on February 6, 2002, on account of excess space occupied without lease by the Contractor in Building 3030 at MIA for the period from November 1, 1997 to and including February 6, 2002.

RECOMMENDED CONTRACT
MEASURES: No measure

USING AGENCY: Miami-Dade Aviation Department

FUNDING SOURCE: Miami-Dade Aviation Department Operating Budget for Consulting Services and Aviation Revenue Bonds.
APPROVED FOR LEGAL
SUFFICIENCY: Yes

CONTINGENCY PLAN

As reported to the Board at its December 18, 2001 meeting, in the event that the negotiations with Nextira fail and no agreement is reached by the contract expiration date, the Department has a contingency plan to assure continuity in the provision of telecommunication services.

SUMMARY

In summary, our preferred outcome is a negotiated buyout of the telecommunications equipment and infrastructure, retaining Nextira for a limited time to act as manager of the telecommunications infrastructure, and obtaining a long-term contract for telecommunications infrastructure management through a competitive request for proposal. In addition, the above recommendation begins the implementation of MDAD's long-term, cost-effective strategy to enable better management and control of our telecommunications infrastructure. In the alternative, MDAD has a plan to continue services without Nextira while procurement processes and legal remedies are undertaken.

Attachment

1 NextiraOne, LLC is the successor or assignee of Centel's rights and obligations (via Williams Communications Solutions, LLC) under both the ELM Agreement and the SATS Agreement.

OTHER
NON-EXCLUSIVE TELECOMMUNICATIONS,
DATA NETWORK, AND SHARED AIRPORT TENANT SERVICES MANAGEMENT AGREEMENT

made as of the _____ day of _____ in the year Two Thousand and Two.

Between the County: Miami-Dade County Florida, a political subdivision of the State of Florida, acting by and through its Board of County Commissioners, hereinafter called the "County", which shall include its officials, successors, legal representatives, and assigns.

AND THE CONTRACTOR: NEXTIRAONE, LLC
2800 Post Oak Boulevard
Suite 200
Houston, Texas 77056

Which term shall include its officers, partners, employees, successors, legal representatives and assigns.

Description of the Project: Provides for the operations, management, maintenance, service, support and equipment and supplies of certain telecommunications and data network, infrastructure, hardware and software systems for Miami-Dade Aviation Department as more specifically herein.

WILTEL

AIRTELE OVERVIEW

AIRTELE is the shared tenant system installed at the Miami International Airport (MIA) by WilTel Communications. The AIRTELE system provides telephone service from a Meridian One, Option 71 with Meridian Mail. Additional services available with the AIRTELE system are fiber optic cabling, point to point on-site circuits including data and T-1, long distance service, and four digit dialing to other AIRTELE customers. At the present time the MIA police, MIA fire department, terminal shops, Dade County Aviation Department, USDA, and various airlines are customers of the AIRTELE system. The AIRTELE system is supported by a staff of ten on-site WilTel employees including six technicians, a project engineer, and a project manager.

The AIRTELE system was designed and installed over the last eight years to meet the critical needs of the MIA community. Enclosed for your reference is an outline of the Communications Assurance Plan (CAP) that is being implemented at MIA in conjunction with the AIRTELE system and a summary of the Fiber Backbone System WilTel is installing at MIA. Within 18 months the CAP and Fiber Backbone System installations will be essentially complete.

WILTEL

The rates for the AIRTELE system are 17% to 50% less than the local utility for network access. This savings, combined with the attractive rental rates for AIRTELE equipment, has resulted in substantial cost reductions for several AIRTELE clients. In addition, access to the AIRTELE cable system eliminates the need for tenants to construct costly conduit and cable systems for their specific requirements.

The combined benefits of a system scientifically engineered for the requirements of the Miami International Airport, on-site technical support and reduced costs, make AIRTELE the system of choice for MIA tenants.

WILTEL

MIAMI INTERNATIONAL AIRPORT

COMMUNICATIONS ASSURANCE PLAN

Miami International Airport's (MIA) long term communications plan is based on twenty-one communications nodes connected by fiber optical cables. The communications nodes are supported by Meridian One, Option 71 CPUs located in node 9. The Communications Assurance Plan (CAP) would provide for distributed processing with Option 71 CPUs located in nodes 9 and 21. Each set of CPUs would provide the processing for approximately half of the system, and be capable of running the entire system in the event of a disaster.

Node 9 is located in the telephone equipment room and node 21 is located in Building 100. The remaining 19 nodes are strategically located to cost effectively serve the terminal, cargo, and airfield areas at MIA. Nine of the planned twenty-one nodes are operational. The additional twelve nodes are to be brought on-line based on demand and on the construction of needed facilities.

Copper cables will connect paired outlying nodes supported from separate Option 71 CPU nodes. Selected telephones will be connected from the node that would normally serve the telephones to its paired node. This will guarantee that in

all areas of MIA, selected telephones will be operational in the event of a CPU node disaster.

Separate Southern Bell cables from two Bell Central Offices will serve the two CPU nodes. Bell cabling from any point on MIA is accessible to the two CPU nodes via the fiber backbone system. Separate cables from Bell eliminate the possibility of losing network access because of a cable cut or Central Office disaster.

The CAP using distributed processing enhances the reliability of the communications system with the elimination of a single point of system failure. The recovery from a CPU node disaster would be brief because the alternate CPU node would replace the processing from the destroyed CPU node.

SUMMARY OF FIBER BACKBONE SYSTEM WILTEL

The lead times involved in building a large-scale communications infrastructure are long; "18 months is a blink of the eye in communications" according to Peter G. W. Keen, Executive Director of the International Center for Information Technologies and the author of Competing in Time. He goes on to say that communications systems typically take five to seven years to build. Keen declares that electronic delivery has become the norm in industry after industry; he says firms have to have the "highway system" in place before they can carry the traffic. The DCAD's installation of the backbone fiber system over the last five years has begun the process of providing the "highway system" required to support the Airport's communications requirements.

The communications infrastructure that has been built over the last five years using a fiber backbone system provides an ideal base, that will support the implementation of DCAD and airport tenants' requirements. The fiber backbone system, by the very nature of the Airport computing environment and tenant systems, must provide an open architecture, that allows various systems to intelligently and effectively be accessed by the communications network users. This requires a high speed backbone system free from radio interference and from lightning damage. The installation of the backbone fiber system insures that the Airport has the "highway" that can support high speed networks that meet the Airport's present requirements, and that are compatible with the evolving IBM, Northern Telecom, CCIT and other communication standards of the 90's.

WILTEL

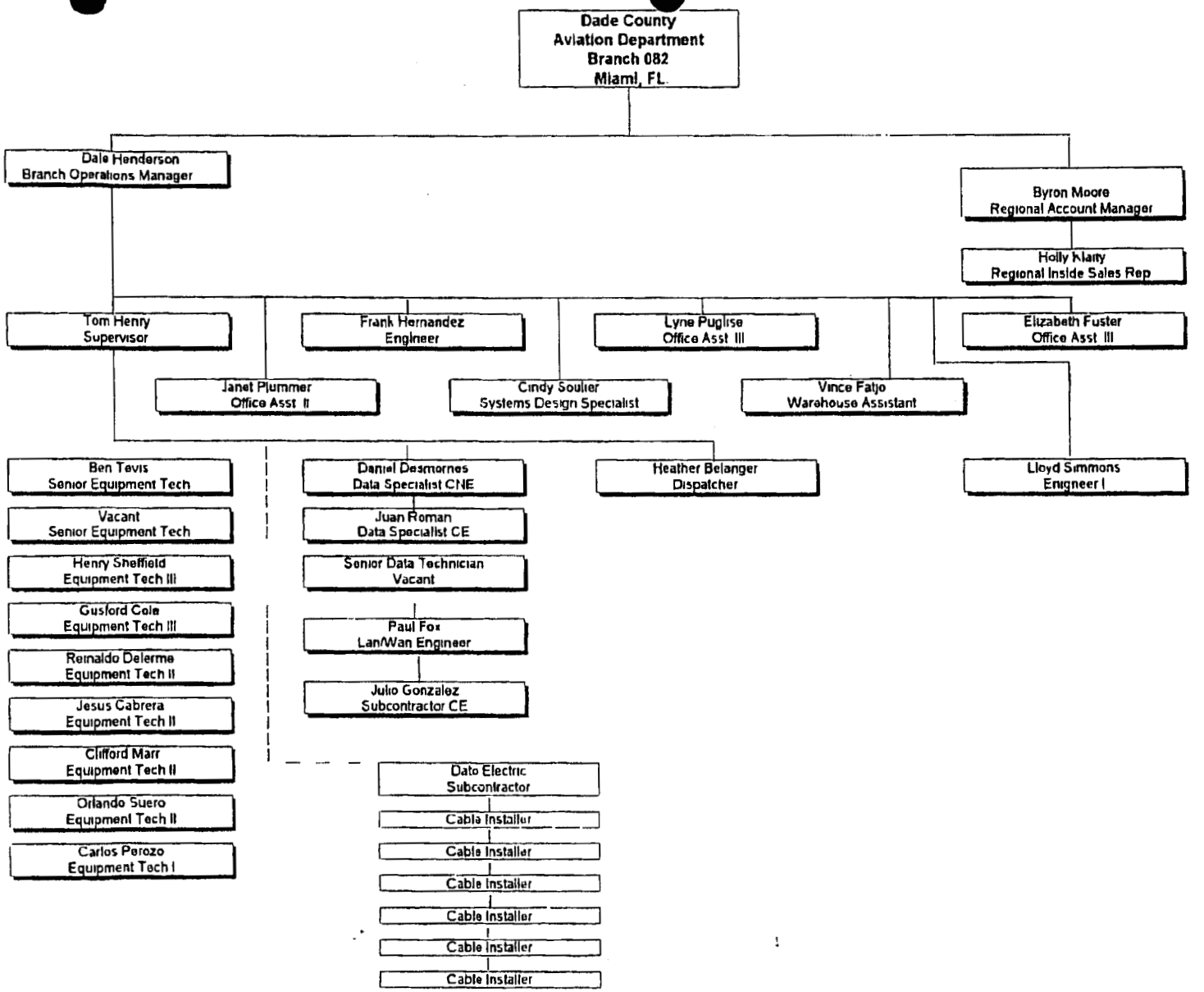
ONE OF THE WILLIAMS COMPANIES, INC.

Communications Network Overview
Miami International Airport

WilTel operates the "Airtele" Communications system at MIA. The Airtele system provides service to over 7,000 extensions and its rates are generally 25% to 40% less than the local utilities.

Airtele is the shared tenant system at MIA for the Dade County Aviation Department (DCAD) and the airport tenants. The system provides telephone service from a Meridian One Option 81 with Meridian Mail. Subscribers to the Airtele telephone service have direct four digit dialing to DCAD and the other tenants using the system, access to the Meridian One features, and the option of voice mail. At present the Airtele system subscribers include MIA police and fire department, terminal shops, DCAD, Center for Disease Control, and various airlines including United, TWA, and Continental. The Airtele system facilitates easy and rapid communications within the MIA community and to networks outside the airport.

WilTel supports the Airtele system with an on-site technical staff that includes technicians, a project manager, a customer service representative, and a project engineer. WilTel dedicates these employees solely to MIA and the support of the Airtele system. Their experience and expertise are apparent in the superior service they provide to all the Airtele subscribers.



Final Exhibit
No. 171

NXT 2471

PSC 2809