



City of Bountiful
Fiber Network Development Solicitation

RFP
Proposals Due By: December 1, 2022

Submit to:

Bountiful City
Attn: City Recorder
795 South Main Street
Bountiful, UT 84010
801-298-6140
Info@Bountiful.Gov

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I. Notice Inviting Fiber Network Development Proposal

Proposals must be received in person, by mail, or by email 5:00 PM on December 1, 2022.

Bountiful City
Attn: City Recorder
795 South Main Street
Bountiful, UT 84010-6326

801-298-6140

Email: Info@Bountiful.Gov

1. Solicitation documents for this proposal may be downloaded from the City's website at www.bountifulutah.gov/FiberRFP. Please refer to the solicitation documents for complete details and proposal requirements.
2. Proposer shall honor proposal terms for One Hundred Eighty (180) days or for the stated contract period, whichever is longer.
3. Proposals must include this Request for Proposals form and be signed by the contractor's authorized representative. This signature acknowledges the proposer has read and understands the requirements contained in the RFP.
4. The last day for questions will be November 23, 2022 at 5:00 pm local time. Questions must be submitted in person, by mail, or by email to the contact above. Questions and Answers will be posted on the City's website as indicated above.
5. The vendor is responsible for the accuracy and completeness of any solicitation form not obtained directly from the City.
6. The specifications in this notice shall be considered a part of any contract made pursuant thereto.

I have, read, understood, and agree to the terms and conditions on all pages of this proposal. The undersigned agrees to furnish the commodity or service stipulated on this proposal as stated above.

Company: _____ Address: _____

Name (Print): _____ Company Phone No.: _____

Signature: _____

Title of Person Signing Proposal: _____

II. Proposal Instructions

- 1) All RFP documents will be available on the City's website at www.bountifulutah.gov/FiberRFP.
 - a. These documents are to include :
 - i. Request for Proposal
 - ii. Feasibility Study provided by Magellan Advisors
 - iii. Submitted Questions with corresponding Answers
 - iv. Any additional instructions or postings as deemed necessary
- 2) All documentation will also be available by contacting the City Recorder's office.

III. Introduction

Bountiful City is seeking a qualified firm to design, build, operate, and maintain a City-owned, open-access fiber-to-the-premises network. The City seeks a provider that can enable industry-leading broadband services with symmetrical standard speeds of 1 and 10 gigabit broadband services and beyond, to homes, businesses, and community anchor institutions across the City's planned network. The ideal Respondent must have the experience, knowledge, and share the City's belief that high-speed Internet is an essential service critical to success in the 21st century.

Respondents to this RFP must understand the City's goals and objectives, as presented in this solicitation, and respond in the specified manner and format. The City is releasing this RFP with the intention of entering into an agreement or partnership with one operator to design, build, operate and maintain the broadband network. The provider must meet the essential qualifications to provide high-speed broadband services to customers on the City's network. Selection will be determined based on the criteria provided below. The City reserves the right to select no respondents to this RFP.

IV. RFP Schedule

- November 1, 2022 RFP Released
- November 23, 2022 5:00pm Deadline to submit Questions
- November 29, 2022 Answers to Questions posted to respondents
- December 1, 2022 5:00pm local time RFP Proposal Submissions Due
- December 8, 2022 Proposers interviews to begin (or thereabouts)

4.1 Submissions and Contact Information

Questions: Questions regarding this request must be submitted to the City Recorder before 5:00pm MST November 23, 2022. Questions received after this time will not be addressed.

Submissions: Proposals can be submitted in person, by mail or by email. Submissions, regardless of delivery method, must be received prior to the RFP Proposal Submission Deadline. Proposals received after this time will not be considered. Proposals will be submitted to the following:

Bountiful City
Attn: City Recorder
795 South Main Street
Bountiful, UT 84010
801-298-6140
Info@Bountiful.Gov

V. Background

5.1 About the City

Just minutes north of downtown Salt Lake City and the Salt Lake International Airport, Bountiful City has fittingly been referred to as the city of “Beautiful Homes and Gardens.” Built on a heritage of hard work and integrity, Bountiful City offers excellent transportation, an extremely well-educated workforce, and cost-effective services for residents and commercial businesses.

Overview of the Community

- Bountiful City is 13.5 square miles and covers 8,640 square acres
- Just 11 miles north of downtown Salt Lake City
- Only 13 miles north of the Salt Lake International Airport, which hosts over 700 daily flights
- Benefits of “big city” accessibility with a “small town feel”
- Known for Historic Main Street, small town charm
- Beautifully situated at the foot of the Wasatch Mountains with expansive westward views
- Utah is recognized by Forbes as “Best State for Business” and “#1 Pro-Business State”
- Utah is one of the lowest tax states in the U.S.
- Utah is one of the lowest operating-cost states in the U.S.
- Utah boasts 2nd-lowest commercial electric and 3rd-lowest natural gas rates in the U.S.
- Highly educated, young, and motivated workforce
- Over 130 different languages are spoken in commerce daily in Utah

Demographics

- Bountiful Population Total 43,785
- Households 14,018
- Average Household Size 3.04
- Median Age 34.4
- Median Household Income \$64,630
- Per Capita Income \$28,789
- High School Graduates 96%
- Bachelor’s Degree or Higher 40%
- Public High Schools 2
- Public Junior High Schools 4
- Public Elementary Schools 10
- Private Schools (K-8) 2

5.2 Project Background

Over the past few years, the City has heard from residents and the local business community that the availability, speed, price, and reliability of Internet services in the City are not at the level desired in today's technologically-driven age. As a result, the City has undertaken a plan to make new investments in broadband to expand access, choice, and service levels to the community.

In 2021, the City conducted a feasibility study to build a fiber-to-the-premise broadband network to provide high-speed Internet services to its community. This study provided detailed information, designs, costs, and business analysis of the City building the network. The study, along with other RFP documents will be available at www.bountifulutah.gov/FiberRFP.

The key findings from the report were:

- The City possesses certain advantages to deploying broadband, including ownership of electric poles, property, fiber, and underground conduit, all of which may reduce the total costs of building and managing a broadband network.
- Household and business surveys conducted in the Study indicated high relevance, importance, and adoption of broadband services among residents and businesses. Through the implementation of a choice-based conjoint survey tool, the market research indicated that the City could expect that an average of 35% - 45% of homes and businesses would sign up for Internet services if offered at comparable or slightly lower rates and faster speeds than are being provided today.
- The most feasible way for the City to facilitate improvement in the broadband services available in the City is for the City to act as a wholesale provider of broadband rather than a retail Internet service provider. In this model, the City will finance the fiber network while inviting Internet service providers (“ISPs”) to deliver retail services to residents and businesses.

The network will connect residential and business locations across the City utilizing a traditional fiber-to-the-home network, capable of either GPON or Active Ethernet distribution. Providing Active Ethernet distribution is the City's preference. However, the choice of which technology may depend on the City's final preference and/or feedback from respondents as to their technical requirements of providing services. The City plans to own the entire network, including backbone, distribution, and fiber drops. This includes all underground duct, underground fiber, aerial fiber, and facilities needed to establish the network. The network provider is responsible for operations and maintenance of network electronics. The selected development partner, or possibly retail ISPs, will be responsible for installation of any ancillary customer premise equipment if required for establishment of their service. Final network architecture and requirements are subject to change based on the City's preference.

VI. Project Goals and Objectives

6.1 Primary Goals

The City's primary goal is to select a network development partner to establish a wholesale agreement with the City to design, build, operate and maintain the City-owned network and facilitate the provision of affordable, high-speed Internet and related services to residents, businesses, and anchor institutions using a wholesale broadband model.

Respondents to this RFP are expected to perform all responsibilities of a wholesale broadband service provider, including sales and marketing, retention, 24/7 technical support, customer service, network operations, service provisioning, billing, service upgrades, and standard and emergency maintenance.

The City also expects to enter into a wholesale lease or revenue share arrangement with the provider, to support its ongoing debt obligations from the bonds originated to finance the network.

6.2 Key Objectives

- 1) Establish an agreement with a single qualified firm for the development and use of a City-owned network for expanded delivery of broadband services to residents and businesses.
- 2) Select a Respondent that can complete design, construction, operation, monitoring, maintenance, and enhancement, as well as end-user customer service and maintenance.
- 3) Establish competitive rates for various tiers of symmetrical, high-speed Internet service, such as 100 Mbps, 500 Mbps, 1 Gbps, and up to 10 Gbps, based on demand.
- 4) Select a Respondent that has experience working in an open-access environment with multiple ISPs.
- 5) Select a Respondent that demonstrates a financially viable business relationship with the City supported by sound experience in understanding market conditions, by realistic expectations and calculations of take rate, and by current and future competitive tiered service offerings.
- 6) Establish the City's position at the forefront of the most connected cities in America.
- 7) Establish an innovative, long-term relationship that allows the City's network to provide best-in-class products and services now and in the future.
- 8) Proceed as expeditiously, reasonably, and professionally as possible without compromising the integrity of the project.
- 9) Ensure that the network meets the future needs of the City, including communications to support grid modernization, smart city and related technologies.

VII. Responses

7.1 Requirements to be Responsive to this RFP

Respondents must meet the following minimum requirements to be considered:

- 1) Demonstrate a clear understanding of this RFP and its Primary Goal(s) and Key Objectives.
- 2) Provide a proper and complete proposal submission in the format prescribed in this RFP.
- 3) Show financial solvency and the absence of any active litigation that may jeopardize the respondent's ability to provide the requested services under this RFP.
- 4) Demonstrate at least 5 years of experience designing, building and operating wholesale broadband networks in at least two cities similar in size and demographics to the City.
- 5) Network Requirements: The Vendor's response shall identify the specific network characteristics it plans for minimum capacity (in terms of number of fibers and/or bandwidth capacity, latency, jitter, etc.) for:
 - a) The backbone or municipal area ring,
 - b) Residential users,
 - c) Business users,
 - d) Institutional users,
 - e) Government institutions/public safety users, and
 - f) Any other network-wide characteristics as identified.
- 6) Respondents must provide a detailed description of their anticipated business/operational model(s) for the use of the City's network and other assets.
- 7) Respondents must demonstrate how they will expand the availability of broadband Internet services to residents and businesses in the City.
- 8) Respondents must demonstrate their ability to provide wholesale service enabling tiered retail Internet service offerings, such as 100 Mbps, 500 Mbps, 1 Gbps, and 10 Gbps or more and have sufficient backhaul capacity and the proper network dimensioning strategies to ensure customers on the City's network receive the best-in-class service available.
 - a) Identify Internet backbone connections,
 - b) providers
 - c) points of demarcation
 - d) service level agreements
 - e) throughput limitations.
- 9) Respondents must provide a list of all needs, requirements, and expectations that they believe are necessary to achieve the primary goal and key objectives.
- 10) Respondents must demonstrate that they will be able to begin providing services within 18 months of signature of a wholesale agreement.
- 11) Respondents must provide documentation of all licensing and approvals to provide Internet and other services that the respondent proposes to offer.
- 12) Respondents must provide proposed costs for building and operating the system including:
 - a. Design & Engineering costs
 - b. Construction costs
 - c. Operation and Maintenance costs

- 13) Respondents must provide information on their construction methods to be used in the project, including aerial and underground placement experience. The City will consider proposals that include microtrenching in specific use cases, but the City does not intend to allow significant microtrenching for construction.
- 14) Respondents must provide projections for:
 - a. Take rates
 - b. Per customer charges
 - c. Long-term equipment maintenance and replacement
- 15) Identify your strategies for addressing supply chain issues, including the top 3-5 risks that could impact operations, finance, and/or schedule and the mitigation plans to reduce those risks.
- 16) Given the supply chain issues that have resulted in higher costs and longer timeframes for broadband construction projects, provide a detailed plan on how you would mitigate these risks to reduce cost overruns and keep the project timeline on track, including your status with key suppliers for fiber, conduit, vaults, handholes, enclosures and related materials.
- 17) Provide a plan for operations and maintenance on the network, including:
 - a. Outside plant standard and emergency maintenance
 - b. Standard and emergency maintenance
 - c. Network core, edge and access maintenance
 - d. Renewal and replacement for each component on the network

7.2 Response Requirements – How to Format Your Response

Respondents must submit their responses in the format outlined below:

- 1) **Cover Letter / Letter of Interest (LOI)** – on company letterhead including:
 - a) Short company introduction highlighting experience, track record, qualifications, introductory comments, plus any intention to use any third parties or subcontractors.
 - b) Why the respondent is interested in an agreement with the City to achieve the RFP’s goal(s).
 - c) Clearly enumerate the RFP goal(s) your proposal seeks to address.
 - d) Clearly indicate if respondent is willing and capable of building and providing services to customers utilizing the wholesale broadband model.
- 2) **Table of Contents:** Clearly identify each section in the order listed below and contain the content of each section as described below.
- 3) **Background of the Proposed Respondent(s):** Provide an overview of the Respondent’s organization, services, and capabilities:
 - a) Provide a corporate overview of your company, years in business, and whether you a publicly or privately held.
 - b) Provide the markets in which you operate, total number of subscribers, history of growth and future for growth. Provide in detail any current operations in Utah including the market, services provided, and estimated subscriber counts.

- c) Provide an overview of what differentiates you from others as a leading provider and what capabilities of your business would create a world class broadband network in Bountiful City.
 - 1. Provide evidence of your customer service quality metrics, NPS scores, or similar qualifications.
 - 2. Provide biographies of your management team, key personnel, and any direct personnel that would be assigned to Bountiful City for the implementation and ongoing operations. If determined, provide a bio of Bountiful City's point of contact within your firm to manage the relationship.
 - 3. List any State of Utah or federal license, registrations, or certifications as required by law to perform the scope of services in this RFP.
 - 4. Provide an overview of your experience in supporting residential and business products and services, including Internet services and any optional services such as residential and business phone, television, managed WIFI, business transport or others.
 - d) Describe your existing network, routes, and locations of any points of presence you would utilize in provisioning service in Bountiful City.
 - e) List any similar arrangements you have entered with municipalities, electric utilities, or other wholesale agreements or public-private partnerships. If these networks are active and operating today, please provide details of the location, progress, subscribers connected, and years in operation.
 - f) Please include any installation subcontractors, partners, or service contractors that your firm would plan to use in the project and describe what role(s) they will play in your proposed services.
 - g) Indicate how your company provides onsite customer support, whether service techs are company employees or subcontractors, and your procedures for servicing customers' premises (homes and businesses).
 - h) Indicate how your company deploys sales and marketing resources as you enter new markets, including establishment of local sales offices, holding community events, and performing direct sales to residential and business customers.
 - i) Provide a project organizational chart that describes the proposed relationship and key roles between the respondent and the City. Identify any proposed local personnel.
 - j) Where applicable, include a copy of your company's typical response times and service level agreements for upgrades, outages, deployment of end user equipment and services, emergency response, after hours work, scheduling, periodic maintenance, and other services necessary to deploy, operate and maintain the network.
 - k) State your organization's ability to operate, maintain, and provide local 24x7 support to customers in Bountiful City.
- 4) **Financial Health:** Please include a statement of your firm's financial health and financial statements from the last three (3) years of operation. Please include your Dun & Bradstreet (D&B) D-U-N-S number. Please state if you have any dispute, litigation, judgment, or other legal action that might impact your ability to perform services under this contract. Provide details on any lending facilities that you may need to fulfill this agreement and existing banking and lenders that provide you capital.
- 5) **Business and Technical Plan:** Please provide a business plan that describes the firm's approach to construction, operation, and management of the network and the services to be

provided over the network in sufficient detail to allow the City to effectively consider the proposal.

- 6) **Network Operations Center:** Provide the location of your network operations center and how it would support your operations in Bountiful City to ensure the highest service levels to customers. Provide geographical location of your customer service agents and whether they are work from home or housed centrally.
- 7) **Construction:** Provide a description of the construction methodologies the firm will utilize to build the network, including clear information on construction vendors and subcontractors that will be utilized, construction quality assurance and control practices, local construction management and inspection resources, interfaces and coordination with City departments, protection of the community during construction, certification of the network, warranties provided to the City, as-built and final documentation and construction accounting and turnover of asset records to the City.

Provide evidence of prior construction projects of similar size and scope to the City's project, noting locations, miles of fiber installed, aerial and underground placement, total value of the project and timeframe for the project. Identify how much of the construction project you propose to complete with in-house crews versus subcontractors. Identify any subcontractors to be used in the project. Identify materials suppliers to be used in the project.

- 8) **Project Schedule:** Provide the City with an overall project schedule that states how long Respondent will need for each phase of the project, including construction and roll out of services to every home and business in Bountiful City. Respondent should provide method and selection criteria for choosing a construction contractor. The plan must account for timeframes and contingencies to deal with existing supply chain shortages, including labor, materials and equipment.
- 9) **Third-Party / Subcontractors:**
If the Respondent intends to subcontract, please provide a detailed list of any subcontractors, partners, or third-party vendors who will be involved in the implementation of the proposed services, including but not limited to;
 - a) Description of the Respondent's experience with each of the proposed subcontractors,
 - b) Three (3) customer references for each subcontractor to include references names and contact info for products and services similar to those described in this RFP,
 - c) Describe the specific role of each.
- 10) **References:** Provide a minimum of three (3) references of existing municipalities or entities that Proposer has served in a similar fashion as described in this RFP. Provide three (3) industry references that demonstrate your ability to successfully plan, implement, and deploy broadband networks, products, and services using innovative public and/or private environments. All references must be for work performed in the past five (5) years.

11) Cost Proposals (to be provided as a separate, sealed document): the Respondent should provide;

- a) A cost proposal to design the network, and
 - a. Either the fee the Respondent would charge to the end customer to manage and operate the system (this fee would be separate from the portion of the customer bill dedicated to repayment of construction and maintenance, fees for internet service providers) OR
 - b. If your approach is not to charge end customers directly for your operating and maintenance costs, provide a proposed methodology for recovering your costs.

For the purposes of this section, please use the following assumptions:

- Cost of construction \$56,000,000
- 40% take rate for residences and businesses
- 16,000 residences
- 2,000 businesses

VIII. No Bidding Commitments

This RFP is being issued purely for information gathering purposes and does not constitute a contract for procurement under applicable laws. Nothing in the RFP shall preclude the City from obtaining relevant information from other sources or through other processes, nor shall the RFP in any way create an association, partnership, or joint venture among respondents and the City. The issuance of the RFP and any subsequent response by a respondent does not create a binding obligation on the part of the City to enter any form of agreement with the respondent, for lease of City owned assets, the development of a broadband/fiber network, delivery of products and services or otherwise. The City reserves the right to reject all proposals.

IX. Clarification of Proposals

Notwithstanding any other provision of this RFP, the City reserves the right to:

- Conduct discussions with any or all potential respondents for the purpose of clarification.
- Cancel or amend this RFP or issue other requests for qualifications or requests for proposals.
- Use any and all concepts presented in any response to obtain the most beneficial and effective path to achieving its desired goals for the project.
- Reject any or all proposals.

X. Miscellaneous Provisions

Respondents are responsible for all expenses they incur in preparing and submitting a response to this RFP or any follow-up discussions with the City.

XI. Ownership and Confidentiality of Responses

The City will not pay for any information requested, and all responses submitted become the property of the City. Responses will not be returned and may be subject to disclosure pursuant to the federal Freedom of Information Act and/or state law or code. The City may receive information that may be confidential as part of a response. If a Respondent believes that any portion of its response includes proprietary or other confidential information, it must clearly label the confidential information as such, and the respondent must state the basis for the claim to confidential treatment. Unless otherwise required by law, the City will treat such information as confidential and will not disclose it to a third party without prior notification and authorization.