

**City of Peculiar  
Request For Qualifications  
For  
Municipal Fiber Broadband Provisioning Project**

**1.0 Introduction**

**1.1 Network Background**

The City of Peculiar (City) is requesting qualifications from Vendors to build, manage and operate a next generation communications network (“Network”) that will provide next generation Internet access service to businesses, homes, and community institutions within the Service Area. A baseline of 1 Gbps symmetric service, may serve as the definition of “next generation” service for this RFQ. The City will provide a variety of forms of support, including (but not necessarily limited to): (i) assistance in demand aggregation; (ii) long-term contracts and support for development of high bandwidth applications to drive adoption; (iii) marketing assistance (including working directly with Vendors, local business leaders and community leaders to increase the revenue opportunities and lower the costs associated with constructing and operating the Network); (iv) provide access to municipal funding through a private public partnership and (v) collaboration with local Research, health care and education networks.

The City will accept responses addressing both closed and open access systems. By “open access”, the City means that the Network facilitates competition through reasonable and non-discriminatory access arrangements that (i) ensure equivalence of price and non-price terms and conditions for all retail services providers and (ii) permit such providers to differentiate their product offerings. In addition, the Vendor must not limit the ability of retail service providers or their customers to run applications, use services and connect devices of their choice to the Network. The selected Vendor will operate the Network on a wholesale basis, and it may, but need not, provide vertically integrated retail services. However, if it chooses to do so, it will have to implement the open access requirement to ensure that retail services competitors will be given treatment equal to that it provides to itself.

The Vendor will bear all of the costs for the Network, including but not limited to design, engineering, construction, equipment and insurance for the Network, up to the end user drop point or network interface device. In addition, the Vendor will bear all the operating and maintenance costs of the Network. In addition, Vendor should demonstrate a clear upgrade path for the Network to meet future consumer demand and service developments to at least 2023 and preferably beyond. The City will

consider alternatives for the issuance of Chapter 100 bonds or a municipal lease structure where the Vendor is solely responsible for making the amortized payments.

## **1.2 Nature of Entity Issuing RFQ**

This RFQ is issued by the City of Peculiar, Missouri.

## **1.3 Overview**

This RFQ seeks to identify a qualified Vendor to partner with the City in a public private partnership for the deployment and operation by Vendor of a high-speed fiber network for use of the citizens and businesses in the Service Area. The objectives are to establish a Network that:

1. Initially is able to offer a 50 Mbps retail broadband services that is upgradable to 1 Gbps; is also able to support high quality voice and video services at a possible future date;
2. Uses fiber-to-the-premises network architecture; or a hybrid design combining fiber to the premises and wireless applications;
3. Covers 100% of homes and small businesses in the Service Area;
4. Is rolled out and made operational progressively, on a demand driven basis, over no more than two years from the date of execution of a contract between the City and the Vendor;
5. Promotes the long term economic and community interests of the City and end users;
6. Facilitates competition through open access arrangements;
7. Enables low wholesale access prices that reflect underlying costs while allowing Vendor and City to earn a rate of return on their investment commensurate with the risks involved; and
8. Facilitates opportunities for small, medium and large enterprises and local enterprises to provide services to the Network and to the community.

## **1.4 Assets, Facilities, Services to be contributed by City**

City will provide Vendor with access to the assets, services and infrastructure of City identified herein, to the extent they are available and are needed for deployment of the Network. Infrastructure may include, but not necessarily limited to, rights of way,

towers, buildings, facilities, available land, and other assets and services identified below.

City will use its best efforts to make such assets, services and facilities available to Vendor upon request, on commercially reasonable terms. The existing charges for access to or use of any City facilities to be provided for this Network, and any permit and inspection fees be imposed by City, are as set forth in Schedule 1.4.

#### **1.4.1 Rights of Way**

Construction and the installation of equipment in City rights of way will be subject to permits issued by City. Subject to existing rights- of way and easements, City will allow Vendor to have access to necessary rights-of-way on property owned by City and property on which it has an easement. Such access will be provided during regular business hours for non-emergency work and 24x7 for emergency work. This access includes permission to perform construction work on City property, including construction in the streets as needed for the Network.

City will also cooperate with Vendor in efforts to allow Vendor to gain access to rights- of-way owned or controlled by third parties within the Service Area.

#### **1.4.2 Pole Attachment Rights**

City will cooperate with and assist Vendor in its efforts to gain access to poles owned or controlled by third parties within the Service Area. This is particularly true for wireless applications that might want to access existing light poles. Most such poles are currently owned by Kansas City Power and Light Company.

#### **1.4.3 Space and Power**

City will make space available to Vendor in City owned facilities for the installation of central office ("CO") equipment and for additional network facilities, in locations to be determined as part of the network design. In addition, City will provide electrical power necessary for Vendor's equipment at City locations. City will charge Vendor market rates for such space, power or related services.

#### **1.4.4 City Contracts for Services and Assistance in Identifying and Generating Institutional and Enterprise Demand**

The City is willing to negotiate long-term individual commitments to purchase network services needed for City operations (e.g., transmission capacity, Internet access, voice, video, security monitoring, remote water meter reading, cloud computing and storage) through the Network.

City will provide Vendor with assistance in identifying and contacting other entities in the Service Area that are candidates to enter into long term contracts (two (2) years or more) for fiber or network services. Such potential anchor tenants include other educational institutions, large employers and other enterprises.

#### **1.4.5 Retail Marketing Assistance**

The City will assist Vendor's pre-construction efforts to market to and obtain commitments for Network services (primarily Internet access) from households and businesses in the Service Area.

#### **1.4.6 Other Assets, Facilities, Services**

The City will provide Vendor with access to other assets and services that are owned or controlled by the City, and that will assist Vendor in lowering the overall risk by reducing the cost structure and shortening the design and construction schedule. These include:

- Access to GIS data, street maps, maps of terrain, GPS coordinates and locating services.
- Access to other communications networks through existing peering and traffic exchange agreements

### **1.5 Regulatory and Other Forms of Assistance to be provided by RE**

City will provide Vendor with access to:

- Assistance from City employees and consultant for planning, network mgmt., etc.
- A single point of contact ("SPOC") for Vendor, which SPOC will be Responsible for addressing all issues related to the Network, providing coordination across City departments, ensuring the full cooperation of all City departments with Respect to relevant issues on the Network and serving as a communications and troubleshooting Resource for Vendor.

#### **1.5.1 Expedited Permitting**

City will provide Vendor with quick, diligent review of all applications for permits, including permits necessary for construction work on the Network within City rights-of- way and in connection with City assets or infrastructure. This includes a commitment to review and Respond to any

subsequent modifications or similar documents that may require approval by City within seven (7) working days of submission by Vendor.

#### **1.5.2 Expedited Inspection**

City will provide Vendor with a dedicated inspection team for inspection of all work performed on the Network.

#### **1.5.3 Other**

City will provide Vendor with information about existing funds, grants and contracts that can be redirected to this program. City will also apply for or provide assistance in applying for available grants or loans to defray Network expenses, such as those for local economic development. The United States Department of Agriculture has programs that could be applicable to this endeavor most notably their Infrastructure Telecommunications loan Program and the Farm Bill Loan Program. These programs can be examined at <http://www.rd.usda.gov/programs-services/farm-bill-broadband-loans-loan-guarantees> and at <http://www.rd.usda.gov/files/fact-sheet/RD-FactSheet-RUSTelecommunicationsLoan.pdf>

The City is prepared to assist in the preparation of federal assistance applications if desired by the vendor. In addition, it is understood that some vendors may be concerned about administering USDA funded projects. The City is willing as well to assist in administering the project in compliance with the USDA if the vendor needs such assistance.

### **1.6 Relationship between Vendor and City**

The Vendor will be an independent contractor that provides all design, construction and operation services for the Network.

#### **1.6.1 Ownership of Network**

The ownership of the Network will depend on the financing vehicle proposed by the Vendor. In most cases where tax exempt financing is utilized the eventual ownership of the network will be the City.

## 2.0 Services Sought

### 2.1 Description of Services Sought

The City seeks a Vendor to design, build, install, own, operate and manage a complete turnkey high-speed communications Network within the Service Area. The system shall be a fully operational high speed communications network using Internet protocol technology and allowing users access to and from the Internet and access to other services as required. The RFP does not require a specific technology.

This system must include all active and passive infrastructure, including fiber cabling, active repeater equipment, uninterruptible power supplies, network cross-connections, software, ancillary equipment, and ongoing main tenancy.

Services rendered must include complete system design, engineering, operation, monitoring, maintenance, and enhancement, as well as negotiation and execution of access agreements with retail services providers. The Network rollout will be based upon demonstrated demand by community Residents and businesses, and the availability of necessary infrastructure. The Network design and operation must provide an open access framework that maximizes wholesale and retail service delivery and competition.

### 2.2 Scope of work

Vendor shall design, build, install, operate and manage the Network. The Network shall have the following features and functionality.

#### **Network Requirements**

Vendor's response shall identify the specific network characteristics it plans for

- Minimum capacity (in terms of number of fibers and/or bandwidth capacity) for
  - a) the backbone or metropolitan area ring
  - b) residential users
  - c) enterprises/institutional users
  - d) government institutions/public safety users
  - e) program to convert to automated reading water meters

The City currently has the following Badger water meters in use:

<u>Size</u>	<u>Count</u>
• 3/4"	1675
• 1-3"	27
• 4"	1

The City desires to convert all of their meters to Badger Series E meters

<https://www.badgermeter.com/industries/water-distribution/e-series-ultrasonic-meters/?technologies=a18ac00128de4d98a89abbcd6901594b&technologies=f8e88ae5090d409fa22255c186fbbcd9&technologies=6535f405e23848e5abe59817e7211671&sizeunitid=d86d4cfa2b9b4d83af417427f1443512&sizeminvalue=&sizemaxvalue=&temperatureunitid=c344f37a39594cc7b4ef058c270dab9f&temperatureminvalue=&temperaturemaxvalue=&pressureunitid=6f9100fd3479400fac45d4ddc080545e&pressureminvalue=&pressuremaxvalue>

and incorporate them into an automated meter reading system integrated with the proposed high speed network. Proposers should include a discussion of implementing either a cellular or fixed based automatic meter reading system using the Badger Beacon technology into their response.

<https://www.badgermeter.com/industries/water-distribution/e-series-ultrasonic-meters/?technologies=a18ac00128de4d98a89abbcd6901594b&technologies=f8e88ae5090d409fa22255c186fbbcd9&technologies=6535f405e23848e5abe59817e7211671&sizeunitid=d86d4cfa2b9b4d83af417427f1443512&sizeminvalue=&sizemaxvalue=&temperatureunitid=c344f37a39594cc7b4ef058c270dab9f&temperatureminvalue=&temperaturemaxvalue=&pressureunitid=6f9100fd3479400fac45d4ddc080545e&pressureminvalue=&pressuremaxvalue>

**Services on Wholesale Open Network (if proposed)**

- Development and implementation of open access structure for wholesale and retail service delivery and competition

- Bandwidth and technology gateway with caching for access to cloud based triple play and over-the-top (OTT) services (online delivery of video and audio content)
- Wholesale billing and settlement services
- Wholesale Internet access service
- Physical and logical layer network service access
- Dedicated wave/VLAN services
- Secure IP intranet services

### **Public Safety Services**

- Dedicated public safety service network
- Secure public safety access
- Public infrastructure monitoring (e.g., traffic lights, speed cameras, **remote water meter reading**, cameras on other public structures)

## **2.3 Responses to Scope of Work**

Each potential vendor shall submit a business and technical plan describing its approach to the project described in this RFQ. The business plan shall describe the Vendor's approach to design, 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 qualifications of the Vendor. The Vendor shall also include a description of the day- to-day operations and the management of all responsibilities related to the project and explain how the Vendor will fulfill the scope of work in Section 2.2.

### **This should include, at a minimum, the following:**

- **Technology:** A description of the network technologies underlying the proposed network solution(s) included in the response. Each description should include the following information:
  - Technologies proposed and the limitations of each technology, and if a variety of technologies are contemplated, a discussion of the factors likely to influence the choice of technologies;
  - Conceptual description regarding the network design including, but not limited to: network design criteria, network elements, architecture,

protocols, system reliability, availability, and operations and maintenance; and

- Network performance characteristics, including the range of offerings, the capacity and other factors relevant for each proposed solution.
- **Service offerings:** A description of proposed wholesale or retail service offerings that the Vendor anticipates offering to institutional, business and residential customers.
  - Broadband service offerings (type of broadband service, speed tiers, differences between business and residential offerings)
  - Ancillary service offerings (including those identified in Section 2.2) that may be provided by the Vendor
  - Pricing strategy
  - Explanation of Vendor's willingness to work with the City to develop unique pricing or packages for key community stakeholders and populations
- **Rollout strategy:** A discussion of the anticipated deployment strategy, scope and timing of the proposed rollout. The discussion should identify the levels of committed demand necessary to trigger rollout obligations and any factors likely to influence the scope or timing of the rollout, and explain how those factors impact the strategy.
- **Roles and responsibilities:** A description of the roles and responsibilities envisioned for Vendor, Vendor team members (if any), City, and third parties (if applicable) for each of the following:
  - Network design
  - Network construction
  - Network operations and management
  - Community outreach and customer acquisition
  - Automatic Water Meter System
- **Financing**

Any prospective developer must provide evidence of the ability to secure private financing for the initial project costs.

Available options would include, but not be limited to:

1. A traditional loan with a commercial bank
2. Lease purchase or lease to own
3. Certificates of participation
4. Cash purchase
5. Tax advantage bonds (i.e. Industrial revenue bonds, Chapter 100 bonds or Chapter 353 bonds)

The City may consider the use of certain conduit financing tools, like industrial revenue bonds (per Chapter 100 RSMo) for purposes consistent with RSMo 100.010, which include but are not limited to: improvement of warehouses, industrial plants, buildings, machinery, etc. In this case, the City acts as a “conduit” issuer, as defined under federal law and state statute, on behalf of a private or non-profit party. Chapter 100 bonds are not included in the City’s debt burden because they are secured solely by revenues of the private or non-profit party. Principal and interest on Chapter 100 bonds is paid solely from the net revenues of the project. Issuance of these bonds does not constitute a general obligation of the City.

All project financing must be reviewed, at the borrower’s expense, by the City’s financial advisor, attorneys, and administration. Please provide the proposed lending institution’s name, contact individuals and terms of the loan.

## **2.4 Vendor Qualifications**

- Experience in high speed network design and operation – Vendor should provide a statement of experience highlighting similar network systems that it has designed, constructed and operated, including project name, location, size, technology used, and name and phone number for reference contacts. Also indicate whether each system is owned by the Vendor or another entity.
  - Financial Stability – Vendor shall submit its two (2) most recent annual financial statements in order to permit analysis of its financial resources. If financial statements are unavailable due to confidentiality reasons, submit recent D&B reports. If Vendor is part of a team, the two most recent annual financial statements for each team member should be submitted. If the Vendor’s response includes vendor financing or committed bank or other financing, the two most recent annual financial statements of such equipment vendors and financial institutions should be submitted. In addition, each Vendor or team shall provide a bond in the amount of \$1,000,000 or as otherwise agreed to guarantee satisfactory completion of the project.

Appropriate insurance shall also be provided by vendor and any subcontractors with 1st dollar limits of not less than \$2,000,000 and naming the City as an additional insured.

- Staff Technical and Managerial Experience – include a statement of experience and resumes of the project team, including the project manager and other key personnel who will be assigned to this project. Also include a list of any known or anticipated subcontractors along with their roles and responsibilities.
- Evidence of Legal Capacity – include copies of Vendor’s most recent federal and Missouri annual reports and current licenses to provide telecom/communications services, together with a certification that all Missouri business and regulatory registrations/filings/taxes are current, and all internal corporate documents are kept and up to date (e.g. meeting minutes, bylaws, etc.)

## **3.0 Administrative Issues**

### **3.1 Questions about the RFP**

The primary RFQ contact for the City project team is: Gary M. Lee PE, Lee & Company.

All general correspondence and any questions about this RFQ must be submitted in writing to [glee@uam-llc.com](mailto:glee@uam-llc.com). All questions will be considered to be public and released with an answer at <https://www.cityofpeculiar.com> as expeditiously as possible. The identity of the person posing the question will not be disclosed.

Vendors should not contact any City directly. Any attempts to contact City staff regarding this RFQ other than via this email process may be grounds for the City to reject your submission.

### **3.2 Additional Material**

Vendors are encouraged to review any additional materials and updates that may be provided prior to submitting their Responses at the project website noted above.

### **3.3 Informational Session**

There will be an informational session for potential Vendors on November 10th, 2016 from 10:00am to 11:00am at the Peculiar City Hall.

### **3.4 Qualification Statement Response Format and Certification**

Qualification Statements should be organized in the same sequence as Part 2 of this RFQ with responses referencing the appropriate corresponding RFQ item(s). Vendors should respond to each item at the level of detail at which each is presented or list a variance with a particular item and propose alternate terms and, as applicable, and supply any supportive detail. Qualification Statements not conforming to the proper format or failure to respond to any required items may result in a Vendor's disqualification and/or rejection of the proposal. Where the Vendor is requested to supply information, include that information in the body of their response or reference the attachment where it is included.

A duly authorized officer or agent of the Vendor must sign their response. Responses that are not signed will not be considered. In the case where multiple vendors team to present a proposal, a signature by a duly authorized officer or agent of each entity is required on the proposal, though one entity should be designated the lead entity in the proposal. The lead entity will be the contracting Vendor and will be responsible for subcontracting with its partners.

### **3.5 Project Calendar**

#### **Anticipated Event Dates**

- RFQ Advertised and issued: October 27th, 2016
- Responses Due: January 20th, 2017
- Proposal Evaluation Completed by: February, 20th, 2017
- Interviews with finalist firms no later than: March 1st, 2017
- Award and Letter of Intent for Contract no later than: April 3 rd, 2017
- Selected firm begins work no later than: June 1 at, 2017

### **3.6 Statement of Qualifications Responses Due Date and Submission**

Responses are due by 5 p.m. local time on January 20th, 2017. Responses received after the deadline will not be considered. Responses must be submitted electronically or via priority or certified mail. Two (2) hard copies and one (1) complete electronic version are required for any proposal submitted in hard copy format. Faxed and Emailed Responses will not be accepted. Vendors assume the risk of the methods of dispatch or delivery chosen. Office hours for receipt of mailed or expressed Responses are: Monday through Friday, 8:00 am - 5:00 pm (EDT).

### **3.7 Process and Criteria for Evaluation of Responses**

Responses will be opened and reviewed internally at the convenience of the City. All Responses will be evaluated and, at City's sole discretion, an award, if any, made to the Vendor who demonstrates the best ability to meet the overall goals of the project, with particular emphasis on the ability to fulfill the scope of work in the most timely and efficient manner.

**Some of the Qualifications Evaluation Criteria Include but are not limited to:**

- Quality of response
- Upfront investment by vendor/including their proposed financing plan
- Experience of project team
- References
- Vendor experience
- Financial strength of Vendor

### **3.8 Clarification of Responses**

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

1. Initiate discussions with any or all potential vendors for the purpose of clarification of Responses;
2. Waive, or decline to waive, any defect in any proposal
3. Accept, reject, or negotiate any or all Responses or the terms of any proposal, or any parts thereof, for the purpose of obtaining the best and final offer;
4. Cancel or amend this RFQ or issue other requests for Responses;
5. Select a Vendor or Vendors based solely upon its analysis and evaluation of Responses submitted and request presentations on Responses if it believes further information is appropriate to the decision-making process;
6. Select no Responses at all; or
7. Use any and all concepts presented in any proposal to obtain the most beneficial and effective path to achieving its desired goals for the project.

### **3.9 Negotiation and Execution of Contracts**

The selected Vendor agrees to execute a contract consistent with the terms of this RFQ as modified for the proposal specifics within 30 days of the award. If the parties are not able to reach agreement and execute a contract within thirty (30) days of the award, the City may declare the award void and may select another Vendor or issue a new RFQ or proceed otherwise as it sees fit.

The negotiated contract will include a requirement for the Vendor to provide a bond (or other form of financial assurance) in order to ensure that the City does not have to assume unanticipated costs of finishing the project. The purpose is to prevent the Vendor from “walking off the job.”

### **3.10 Commencement of Work**

The submission of a proposal in response to the RFQ, and the subsequent evaluation of that response by the City, does not constitute a contract or any type of agreement between the City and any Vendor for the commencement of work or the performance of any obligation. Only a written contract with the City will authorize the commencement of work or obligate the City on this project.

### **3.11 Use of Subcontractors**

Vendors may use City approved subcontractors to fulfill any obligations in connection with the project. Use of subcontractors shall be subject to all applicable state and federal laws. A Vendor shall remain liable for fulfilling all its obligations on the project, and for any claims or damages arising from the subcontractor’s work.

### **3.12 Miscellaneous Provisions**

#### **3.12.1 Proposal Costs**

Responding vendors are responsible for all expenses they incur in preparing and submitting a response or in contract negotiations with the City. Even if it elects to reject all Responses, the City will not be liable for any costs or damages incurred by any vendor in preparing and submitting a proposal.

#### **3.12.2 Applicable Statutes**

The City is a public entity. As a Result, this RFQ is subject to a variety of public procurement requirements, including but not limited to federal and state records disclosure statutes. Vendor is responsible for knowing all applicable federal, state and local laws and regulations and complying therewith.

#### **3.12.3 Errors and Omission in a Proposal**

The responding vendor is responsible for all errors and omissions in its proposal. If it discovers an error and wishes to withdraw its proposal, the responding vendor should notify the City immediately. Depending on the

stage of the process, the vendor may be liable for costs incurred by the City in analyzing the proposal or negotiating a contract.

**3.12.4 Errors and Omission in the RFQ**

If the City becomes aware of an error or omission in the RFQ, it will post a notice on the website. If it discovers an error or omission after the Responses are submitted, it may in its discretion proceed or reissue the RFQ. Even if it elects to re-advertise the RFQ, the City will not be liable for any costs or damages incurred by any vendor in preparing and submitting the original proposal.

**3.12.5 Objections to RFQ Terms**

Any objections to RFQ terms must be conveyed in writing to [glee@uam-llc.com](mailto:glee@uam-llc.com).

**3.12.6 Acceptance of RFQ/Statement of Qualifications Response Content**

By submitting a proposal, a Vendor certifies that it has read, understood, and agreed to all requirements, terms, and conditions in this RFQ, including any and all attachments, exhibits, and appendices. A Vendor may withdraw its proposal prior to the RFQ response deadline.

**3.12.7 No Waiver of RFQ Provisions**

The City may, but is under no obligation to, waive any provision in this RFQ at the request of a potential Vendor. Any such waiver shall apply to all potential bidders, and no waiver shall constitute a waiver of any provision not specifically referenced therein.

**3.12.8 Ownership and Confidentiality of Responses**

The City will not pay for any information requested herein, and all Responses submitted become the property of the City. Responses will not be returned and may be subject to disclosure pursuant to law including the federal or state Freedom of Information Act.