



**Request for Proposal
for a
Fiber To The Premise
Feasibility Study**

Executive Summary

The City of Red Wing has seemingly been involved with fiber connectivity at some level for the past decade. In the late 1990's, the City partnered with Goodhue County to interconnect City Hall, County Offices, the Red Wing Library, the Housing and Redevelopment Authority, the Port Authority and eventually Red Wing Public Works with fiber. In 2004 the City and the Red Wing School district began discussions on how remote Public Works facilities and neighborhood schools might benefit from a robust fiber connection. After a set of preliminary plans for those connections were unveiled in 2006, it became evident the group was proposing to establish a critical "fiber loop" that could reasonably be extended to a fiber to the home initiative. With the help of a Blandin "Get Broadband" grant, the City initiated a series of meetings and began to gauge community interest. The City heard from educators, public officials, businesses, health care providers and home owners, "we need "bigger broadband" and better connectivity in order to stay competitive in a global marketplace."

The City of Red Wing is exploring a FTTP initiative with a goal of better schools, a more efficient local unit of government, and enhanced economic development capabilities. We also know fiber will compliment our existing state of the art health care facility, help our business community to compete nationally and internationally open opportunities for our workforce to telecommute.

In this Request for Proposals, we are looking for a partner. A partner to help us answer all of those unanswered questions:

- What will it look like?
- How will it operate?
- Who will use the fiber?
- What competitive advantages will it provide?
- Who will manage the system?
- What will it cost?
- Can we afford it?

The City of Red Wing is excited about the opportunity to explore a fiber to the home network. We want your help to make sure we make the proper (and defensible) decision moving forward.

Scope of Project

RFP for services to conduct a feasibility study to establish fiber to the premise network capable of supporting businesses and residents within City of Red Wing corporate limits.

Scope of Service

The study should provide an analysis for the provision of competitive voice/video and data services over a citywide fiber network. At a minimum the study should provide:

1. Comprehensive report on the goals and benefits of a citywide fiber optic network. The initial phase and priority will be given to the interconnection of government and educational facilities. An initial fiber "loop," created in Phase One, is expected to serve as a backbone to the FTTP Network created in Phase Two.
2. Evaluation of relevant community uses of the network to include government, education, health care, business and home uses.

3. Provide an overview of the current providers (primarily Qwest providing voice and data and Charter providing video and data), their services, marketing bundles, pricing strategies and coverage. Compare and contrast those and establish a competitive marketing and pricing strategy for an independent city supported voice/video and data service(s) and bundles over the FTTP network during Phase One and Two.
4. Assemble a competitive offering, straw man offering, for the community. Conduct a random, unbiased survey of residences and businesses to establish a likely market penetration rate.
5. Assessment of network architecture(s), preparing a design(s) at sufficient depth to cost and approximate implementation timeframes, in support services to optionally include, but not limited to, RF for video, IPTV, VoD, Mobility, telephone services, in network and interconnection Internet services (ISP, email, web hosting, etc.), security and authentication requirements for business, residential, and video and bandwidth on demand.
6. Options for ownership and services provision to include:

Business Models and Pro Forma to be Analyzed

 1. Open Platform: The City of Red Wing would finance and contract to build fiber optic lines and electronics to each home and business premise. The City would then invite other service providers to contract to deliver services over the network.
 2. Single/Special Service Provider: The City would finance and build the network and seek to develop a partnership contract for services with already established provider of telephone, television and internet service or other specialized services.
 3. City Operation: The City would finance build and operate the network as a municipal enterprise.
7. Assessment of legal requirements, risks and regulations relevant to the building or operation of a network
8. Provision of projected profit and loss statements, balance sheets and income statements with a desired granularity of ten to fifteen percent of actual.
9. Options for financing to include, but not limited to general obligation bonds and revenue bonds, and public/private partnerships.
10. Probable project implementation schedule and phasing.

Materials/Services to be provided by the City of Red Wing

- City demographic profile
- Number of households
- 2007 aerial images
- Map of City of Red Wing
- Existing fiber infrastructure and open conduit
- Historical data - minutes and history of meetings to date
- General site visit
- Access to city communications and infrastructure
- Previous fiber back-bone study

Request for Qualifications

The following will be considered minimal contents of the proposal (Limit the proposal to 20 pages including cover letter):

1. A restatement of the goals and objectives and the project tasks to demonstrate the responder's view of the project and exhibition of responders knowledge and expertise regarding FTTP networks.
2. An outline of the responder's background and experience with particular emphasis on financial, marketing and network architecture for fiber based networks. State and local level of government work is highly desirable. Identify personnel to conduct the project and detail their training and work experience. No change in personnel assigned to the project will be permitted without approval of the City.
3. Demonstrated ability to create pro formas and analysis of capital operations and financing options.
4. Demonstrated ability to create and analyze sales and marketing objectives.
5. Demonstrated ability to analyze and interpret the regulatory and legal landscape and provide guidance on the regulatory hurdles of different delivery options.
6. A detailed work plan identifying the work tasks to be accomplished and the budget hours to be expended on each task and subtask. This work plan will be used as a scheduling and managing tool by the City and will serve as the basis for invoicing. The work plan shall also identify the deliverables (ie voice, video, data and other ancillary services) at key milestones in the project and shall indicate the level of City participation in the project as well as any other services to be provided by the City. The City staff intends to be actively involved with the project, and a minimum of three (3) status meetings are to be contained in the work plan in addition to any data collection or input/review meetings.
7. A listing of the names, addresses and telephone numbers of at least three (3) references in support of the background and experience as listed in two (2) above.
8. Detailed cost estimate of the study, including professional hourly rates and multipliers and estimated service/task hours with a "Not to Exceed Cap". Other ancillary expenses related to the completion of the study will be discussed on a case-by-case basis. Preferred pricing will identify fixed cost bids with a menu of necessary and optional services.

Evaluation Criteria

All proposals received by the deadline will be evaluated by the representatives of the fiber taskforce. Members include:

1. City Administrator
2. Port Authority Director
3. City Public Works Director
4. City Finance Director
5. City Information Technology Director
6. School District Buildings & Ground/I.T. Director
7. Council Representative
8. Goodhue County Representative
9. School Board Representative
10. Health care representative
11. One member of the fiber taskforce

Factors upon which proposals will be judged include, but are not limited to—

- Express understanding of the project – 30%
- Qualifications of both company and personnel – 40%
- Project work plan and timeline – 20%
- Cost 10%

Final determination will be made based upon review by the above-mentioned fiber taskforce with interviews, if necessary, conducted with the top three proposals.

Consulting services require an expenditure of funds, for which the City Council has sole authority. The final evaluation will be presented to City Council to authorize funds for this project.

Selection

Selection of a consultant for this project will be based on the criteria noted above. Upon initial selection of the consultant, the City of Red Wing will enter into negotiations with the selected consultant to finalize the work plan including budget hours. Should the City and the selected consultant fail to satisfactorily reach agreement as to the work plan including budget, the City of Red Wing may enter into negotiations with the respondent judged second in the evaluation process, or the City may re-advertise for proposals.

The City of Red Wing reserves the right to reject any and all proposals regardless of merit.

Project Timelines

- **Legal Notice published:** February 15, 2008
- **RFP will be sent out:** February 15, 2008 through Feb. 29, 2008
- **Notice of Intent to Respond:** February 29, 2008
- **RFP responder questions due** March 7, 2008
- **Answers to Questions distributed** March 11, 2008
- **Proposals Due: City of Red Wing** March 17, 2008
- **Interviews, if necessary** March 20, 2008

- Evaluation and initial selection of the consultant will be completed by March 21, 2008

Authorization to proceed with the project is scheduled to be granted by the City Council at their March 24, 2008 meeting

NOTE: If a vendor does not notify the City of its intent to respond and provide an e-mail address for contact, it will not receive answers to all questions received from proposer'(s). This does not preclude vendors from responding by the RFP due date, however, they will not have the benefit of the provided answers.

All proposals must be received by close of business Monday, March 17, 2008. The eligible vendor must provide eleven hard copies of the proposal and one (1) electronic copy (CD preferred) containing all relevant documents that such vendor wishes considered.

Primary Contact(s)

Prospective responders with questions regarding this Request for Proposal may email--

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Submission of Proposal

Ms. Kathy Seymour-Johnson
City Clerk's Office
City of Red Wing
315 West 4th Street
Red Wing, MN 55066

--not later than 4:00 p.m., on March 17, 2008