

REQUEST FOR PROPOSALS
BROADBAND ASSESSMENT AND FEASIBILITY ANALYSIS CITY OF LOVELAND

The City of Loveland, Colorado is seeking proposals for the **BROADBAND ASSESSMENT AND FEASIBILITY ANALYSIS**.

The Request for Proposals, including contract documents, will be available at the www.govbids.com Rocky Mountain E-Purchasing.

Interested persons must mail or hand-deliver their proposals to the Office of the City Clerk, 500 East 3rd Street, Loveland, CO 80537 no later than **2:00 p.m. on Thursday, April 7, 2016**. No proposal will be considered which has not been received on or before the deadline set forth above. The City is not responsible for delays occasioned by the U.S. Postal Service, the City's internal mail delivery system, or any other means of delivery employed by the offeror.

For questions regarding this Request for Proposals, please contact Steve Adams at steve.adams@cityofloveland.org.

The City of Loveland is committed to providing an equal opportunity for services, programs and activities and does not discriminate on the basis of disability, race, age, color, national origin, religion, sexual orientation or gender. For more information on non-discrimination or for translation assistance, please contact the City's Title VI Coordinator at TitleSix@cityofloveland.org or [970-962-2372](tel:970-962-2372). The City will make reasonable accommodations for citizens in accordance with the Americans with Disabilities Act (ADA). For more information on ADA or accommodations, please contact the City's ADA Coordinator at bettie.greenberg@cityofloveland.org or [970-962-3319](tel:970-962-3319).

“La Ciudad de Loveland está comprometida a proporcionar igualdad de oportunidades para los servicios, programas y actividades y no discriminar en base a discapacidad, raza, edad, color, origen nacional, religión, orientación sexual o género. Para más información sobre la no discriminación o para asistencia en traducción, favor contacte al Coordinador Título VI de la Ciudad al TitleSix@cityofloveland.org o al 970-962-2372. La Ciudad realizará las acomodaciones razonables para los ciudadanos de acuerdo con la Ley de Discapacidades para americanos (ADA). Para más información sobre ADA o acomodaciones, favor contacte al Coordinador de ADA de la Ciudad en bettie.greenberg@cityofloveland.org o al 970-962-3319.”

OVERVIEW

On November 3, 2015, Loveland voters supported the override of Colorado Senate Bill 05-152, the bill that prohibits local government supporting either directly or indirectly advanced telecom services, thus authorizing the City to investigate alternatives for promoting advanced telecom services to its Citizens. Consequently, the City of Loveland is seeking proposals from qualified firms to perform a broadband assessment and feasibility analysis and to develop a plan, to be presented to and delivered in written form to City Staff and City Council.

The City will consider proposals from a single firm or multiple firms working as a Team. The Team approach will only be considered if a single firm is identified as the prime contractor. The ideal firm will have excellent technical and analytical depth in areas of interest to the City as identified in this RFP; and must be highly effective communicators, particularly in translating technical concepts to non-technical audiences. The City prefers firms with experience working with municipal organizations, both smaller and larger than Loveland.

The Feasibility work will focus on creating a structured evaluation of the wide range of strategies available to the City for Next Generation broadband services in the community. Other municipal broadband projects suggest that Next Generation broadband services have a net positive economic and social impact to local economies; while enhancing a community's quality of life through expanded innovation opportunities, workforce development and training, narrowing of the digital and/or economic divide, and improved organization efficiencies.

The time line for this project is:

| Activity | Date | Time |
|---|--|------------|
| RFP Issue Date (posted on Rocky Mountain E Purchasing System) | February 29, 2016 | |
| Written questions deadline ** | March 14, 2016 | 12:00 p.m. |
| Official Responses to Questions posted (posted on Rocky Mountain E-Purchasing System) | March 21, 2016 | 12:00 p.m. |
| Proposals Due | April 7, 2016 | 2:00 p.m. |
| Short-List Notification | April 21, 2016 | |
| Short List Vendor Interviews | May 5, 2016 | |
| Reference checks | May 12, 2016 | |
| Selection of preferred partner | May 19, 2016 | |
| Negotiations with Selected Partner | June 2, 2016 | |
| Recommendation to Task Force Committee | June 9, 2016 | |
| Contract Award | June 16, 2016 | |
| Project Completion | Firm project completion date will be determined in contract negotiations | |

All questions must be submitted in writing via email to Steve Adams at steve.adams@cityofloveland.org, with a copy to Cindy Scymanski at cindy.scymanski@cityofloveland.org, no later than 12:00 PM our clock on March 14, 2016. Questions received after the deadline will not be answered. Responses to all

questions submitted before the deadline will be addressed in an addendum posted on the Rocky Mountain E-Purchasing System webpage no later than 12:00 PM our time on March 21, 2016.

A. Introduction

The City of Loveland, CO (City) is requesting proposals from qualified professional consulting firms to conduct a comprehensive broadband assessment and feasibility study ("Study). The Study will include (1) two recommended business cases and deployment plans for the City to indirectly or directly provide broadband services to the community and (2) a review of current providers in the area and identification of potential areas for partnership between the City and these providers. The City uses Platte River Power Authority's fiber network of redundant loops providing either 48, 96, or 144 strands of fiber, and general City and City Traffic owned fiber. The City is interested in how to best utilize PRPA's and its own existing fiber-optic infrastructure to (1) enhance broadband services in the Loveland community with a particular focus on strategies that will support economic development, education, public safety, healthcare and overall quality of life AND (2) in conjunction with broadband-friendly public policy development, to expand broadband services in the City. Viable solutions not dependent on existing fiber are certainly encouraged and accepted. The Study should provide a reasonable assessment of the opportunities for the City, the most viable business, financial and operational models, and the deployment plan that will enable the City to take advantage of these opportunities. The successful proposer will need to demonstrate their ability to conduct market analysis, engineering network design, business plan development, regulatory understanding and operational best practice scenarios.

City of Loveland Community Background

The City of Loveland is a full-service municipality that operates under the Council/Manager form of government. Major utilities are electric, water, sewer, storm drainage, and solid waste. The proposed service area for broadband can either be based on the Loveland City Limits, a geographic area of a little over 35 square miles; or alternatively on the service territory of the City owned electrical power enterprise, which is currently 75 square miles. The final product should focus on the 35 square mile area with an alternate price to study the entire 75 square miles.

The City has four primary objectives:

1. Inclusivity - To provide the opportunity for high speed broadband service to all residents, businesses, schools, local government, non-profit organizations, healthcare service providers, and multi-tenant properties in our service area.
2. High Speed – Requires up to 1 Gigabit symmetrical broadband connection for residential and up to 10 Gigabit symmetrical broadband connection for non-residential, with higher speeds for both service types available in the next five to seven years.
3. Reliable – The service needs to be able to be depended upon as it will have many uses requiring high availability. Some examples are businesses - both storefront and home, residents, students, and healthcare professionals.
4. Reasonable cost – The monthly charges for such service should be reasonable and affordable.

Business Models (strategies) to be considered should include at a minimum, but not be limited to:

1. Public Policy Only
2. Infrastructure Provider/Dark fiber Leasing
3. Open Access Provider
4. Municipal Retail – Businesses and Residences
5. Public-Private Partnerships

Official name: City of Loveland

Contiguous Census Blocks: 46

Total Population: 74,349 (year 2015)

Total Households: 30,979 (year 2015)

Total Businesses: 2,572 (year 2012)

Labor Force: 56,604 (year 2014)

Number of community anchor institutions, public safety entities, and critical community organizations passed and/or involved with project:

- 14 City Facilities (including Police/Courts, Library, and Cemetery)
- 5 Fire Stations
- 1 Fire Training Grounds
- 6 City parks with wireless security environments
- 1 Municipal Airport and additional Fire Station
- 2 Hospitals
- 27 Community School Facilities
- 2 Colleges (Satellite)
- 1 Water Treatment Facility
- 1 Wastewater Treatment Facility
- 1 City owned Electrical Utility.

For additional City of Loveland broadband related information, go to <http://www.CityofLoveland.org/broadband>.

B. Scope of Work

1. Community Engagement

Process to educate and define a communications and outreach strategy to include the following:

- a. Development of the Community Engagement Plan: Coordinate with City staff and City of Loveland Broadband Task Force in regard to the community engagement plan to capture current and future needs of the community. The engagement plan will include education and background information for community members, as well as online resources.
- b. Support community discussion and document:

- i. Community's desire for broadband service;
 - ii. Willingness to pay, and at what price, for high speed broadband service; and
 - iii. Citizens view on the role that the municipal government should take in providing broadband service.
 - c. Proposal must clearly define their stakeholder evaluation process including their recommended participant level in order to reach statistically reliable results.
2. Conduct Business Case Needs Assessment

Gather, evaluate, and analyze information on broadband-dependent Next Generation high-speed needs from users within the potential service areas (i.e. residents, businesses, city, county, healthcare, and public safety and educational institutions) via industry- accepted evaluation methods. The needs assessment should include current and future needs of these users. The needs assessment should include other broadband based technologies such as the City's use of smart metering for water and power.
3. Conduct Local Broadband and Telecommunications Market Assessment

Identify existing broadband and telecommunication options and costs across the community, particularly those users identified in the Business Case Needs Assessment. To save time and workload the selected consultant should take full advantage of recently completed work done by Fort Collins as shown at the City of Loveland's Broadband website. Profile Loveland and provide an assessment of the telecommunications environment detailing the types of services, pricing, availability and limitations. Identify potential areas for partnership between the City and incumbent providers and provide assistance to the City in creating dialogue with these providers. Consultant should perform a detailed SWOT analysis and include an analysis diagram.
4. Implement a mapping Tool that Provides a GIS-Based Analysis for the Project

Build a comprehensive map in a GIS-based tool (using ESRI ArcGIS 10.3 in the NAD_1983_HARN_StatePlane_Colorado_North_FIPS_0501_Feet coordinate system) that provides analysis of the City's broadband environment, including current availability, penetration and usage of broadband services, service territories, backhaul routes, capacity, providers and other relevant information for the project.
5. Perform a Gap Analysis of the Current Broadband Environment

Evaluate the current environment against the current and future needs of Loveland, including all stakeholders defined in the project. Determine what economic and community impact broadband issues are having on Loveland. The Gap Analysis should include an evaluation of key issues limiting broadband expansion.
6. Evaluate the City's Current Fiber-Optic Network Capabilities

Perform a technical evaluation of the City's owned and Platte River Power Authority (PRPA)'s existing fiber-optic networks and their ability to expand to provide broadband services to users identified in the Business Case Needs Assessment. Reflect existing conduit, fiber-optic, vaults, and boxes & related outside plant infrastructure as well as capacity and usability. To the extent possible, compare the City's existing fiber-optic network with incumbent providers' networks for possible synergies and/or gaps.

7. Assess Loveland's Regulatory Environment

Analyze and report on the Colorado regulatory environment and the impact to the City in developing its network for potential broadband services. Consultant must have proven telecommunications regulatory experience working with communities on municipal broadband issues. Please state experience working with Colorado communities or alternative satisfactory experience in the municipal regulatory environment.

8. Development of Market-Driven Demand Planning Tools

Develop a GIS-based demand planning tool (using ESRI ArcGIS 10.3 in the NAD_1983_HARN_StatePlane_Colorado_North_FIPS_0501_Feet coordinate system) that identifies customer segments across the community and estimates demand for services. This tool(s) should identify physical locations of all customers across multiple segments and identify the potential volume and demand that may be utilized to forecast the priority of building into different areas of the City.

9. Development of Sound Business Models

Develop a market-driven demand planning tool (including physical location of users and their demand) and evaluate viable business models for the City to consider in expanding its existing fiber network either independently or through partnerships. Business models must be based on sound and reasonable business cases that can be demonstrated quantitatively through the development of a comprehensive financial model. Business models must also be tied back to market assessment data to determine uptake, ARPU, churn and other key metrics. Present the various business models to the project team and the potential benefits and risks of each to the City.

Business models must also provide at a minimum but not limited to the detailed information as outlined below:

- Capital investment required (amount, timeframe, responsible party, etc.)
- Additional assets required (alignment with asset inventory)
- Potential services and partners (aligned with assessment and identifying strategic impact and cash flows)
- Operations and maintenance (amount, timeframe, responsible party, etc.)
- Repair
- Customer Service
- Installation

Marketing

- Selling, General, & Administrative costs (personnel, professional services, supplies, etc.)

- Financials (Net Income, Balance Sheet, & Cash Flow) over 10 years
- Additional Items:
 - Due diligence on revenue and uptake rates
 - Forecasts for future utilization
 - Competition impact (risk)
 - In-depth cost analysis and leverage opportunities
 - ROI, breakeven, and NPV analysis
 - Opportunity cost analysis

The City is only interested in business models that are developed using reasonable or conservative assumptions and are prepared by companies that have proven financial planning experience for broadband fiber networks. Resulting financial analysis model developed by the consultant will become the property of the City and should be structured so it can be used for future “what if” scenarios. Any considerations for cybersecurity should be identified for each model.

10. Recommendation on Broadband Strategy

Based on consultant’s analysis in steps 1-9 and feedback from the City, prepare a broadband strategy for the City that creates the greatest opportunity to implement a network that is capable of meeting current and long-term community needs. **The strategy should include two recommended approaches to broadband implementation.** For each recommended approach, include customer billing alternatives that meet all federal, state, and local requirements.

With both implementation approaches:

- a. Do you recommend the network be done in geographic phases or all at once community wide?
- b. Using your experience and expertise, identify possible funding opportunities for each of the two options identified.
- c. Determine how either approach would fit in a regional project that might include Cities in Larimer and other nearby Counties.

C. Proposer Requirements

1. Proposer must have experience conducting community broadband feasibility studies of similar size and scope to the Loveland project. As Loveland is a mid-sized market, the City recognizes that multiple competitive providers currently operate within the City and that Loveland’s broadband strategies may differ from common strategies developed for smaller communities. Therefore, proposer must demonstrate its capabilities providing these services to larger cities greater than 60,000 in population and its ability to work creatively with incumbent providers and other key stakeholders.
2. Proposer’s organization must have been in business providing community broadband planning services for a minimum of 4 years.

3. The City believes that direct industry experience is a fundamental requirement of the consultant to ensure business viability of the proposed strategies. Proposer must have direct past experience working within the telecommunications or broadband industry (carrier or Internet service provider) in a network planning, engineering and business development capacity. This experience must be documented specifically in the proposal.
4. Proposer must have direct and demonstrable regulatory experience working with Colorado communities in regard to State statutes concerning municipal broadband providers, or satisfactorily demonstrate alternative results.
5. Proposer and the project Team must have conducted broadband planning projects with municipalities and demonstrate this through its proposal.
6. Proposer and the project Team must have implemented and/or operated community broadband networks and demonstrate such experience through its proposal, citing specific networks that are currently in operation and the length of time the network has been in operation.
7. Proposer must have extensive financial planning experience with municipal broadband providers and maintain on staff at least one certified financial professional such as Certified Financial Analysis (CFA) or Certified Financial Planner (CFP).
8. Proposer must be able to demonstrate its ability to work quickly and thoroughly with adequate resources. The City believes time is of the essence and an emphasis will be given to those who can complete all aspects of the scope of work in its entirety in the shortest timeline.

D. Proposal Submittal Requirements

1. Each scope of work section (items 1-10) should be listed and answered separately.
2. Estimated timeframe for each scope of work item shall be provided.
3. A separate bid (cost estimate) shall be provided for each scope of work item. The cost estimates for each scope item should be of sufficient detail to provide accurate preliminary cost estimates when comparing the different options.
4. City reserves the right to remove any scope of work item.
5. Overall project timeline (Gantt chart) shall be provided showing overall project timeline. Emphasis will be given to those who can demonstrate timeliness.
6. Project team member's biographies shall be provided to include their work as Team members on similar projects.

7. A minimum of three references shall be provided of similar projects to Loveland that have been completed in the past 3 to 5 years. References should include contact name, role or title of contact, organization, phone number, and email address.
8. The selected Consultant shall be required to sign the City Services Contract (sample attached).

E. Evaluation Criteria

The City will appoint a committee to review and rank each firm based on the proposal submitted.

The City may short-list approximately three to five contractors that it deems, in its sole discretion, to be most qualified to perform the work required for this specific project. . The City reserves the right to interview the top ranking firm(s).

The contract will be awarded to the proposer the City believes, in its sole discretion, has demonstrated the expertise to provide the end result the City desires using their broadband and municipal experience along with Citizen engagement that will guide the City toward two reasonable, cost effective models for the City to consider. The City feels time is of essence and an emphasis will be given to those who can complete this project in the most reasonable timeframe while accomplishing all the identified objectives identified.

The City will not reimburse proposers for costs incurred in the preparation and presentation of proposals.

F. Confidential Information:

Pursuant to the Colorado Open Records Act, C.R.S. § 24-72-101 et seq. (“Act”), all information contained in any bid or proposal is subject to public disclosure unless it meets one of the exceptions set forth in the Act. To avoid disclosure of trade secrets, privileged information, or confidential commercial, financial, geological, or geophysical data (“Confidential Information”), the bidder must clearly mark all Confidential Information as such and provide a written, detailed justification with its bid or proposal of the protected nature of the Confidential Information under Colorado law. This justification must address, at a minimum, the specific competitive harm that may result from any disclosure, the intrinsic value of the Confidential Information to the bidder, and any safeguards the bidder uses to protect the Confidential Information from disclosure. By submitting a bid, the bidder agrees to hold the City harmless from any claim arising from the release of Confidential Information not clearly marked as such by the bidder or lacking written, detailed justification supported by Colorado law.