



The Basics of Issuing an RFP

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Issuing the Request for Proposal (RFP) should be the summation of your business plan, with full knowledge of regulatory implications, funding considerations and a clear understanding of the products and services you intend to use. Before getting started on your RFP, it is essential to remember three major aspects of the process: details, details and details. The RFP is the tool responders will use to supply you with products and services that will best satisfy your needs. To be successful, they will need a clear and concise understanding of what you are trying to accomplish. We will now explore the basics steps in preparing and issuing an RFP for your Fiber to the Home (FTTH) project.

Business Plan

A business plan is much like a roadmap, it tells you where you are, where you are going and major points you will pass along the way. An idea changes into a business plan when it is written and contains a description of the future of your business, tells what you plan to do and how you plan to do it. The business plan implores the strategy on how you plan to get to your destination and the milestones you will have as you determine resources and abilities to achieve your goal and objectives. As on a successful trip, you will set timelines for each milestone and an estimate based on the facts you have to reach your desired objective. Give yourself some time, 3-5 years is a good timeframe to look at.

Regulatory and Funding Considerations

Work closely with legal counsel familiar with FCC rules and regulation concerning content delivery and the model you plan to use for your network. Look for available funds through Federal, State and Local Bonds or Grants. The following are models as described through Gig.U's "Generic Request for Proposal Template for Next Generation Networks and Services" that are available to help in deciding how you will build and manage your network.

Wholesale Model

This model is for a network that will be wholly owned by the public entity, with a private operator providing wholesale services to entities throughout the community. The service may be provided under the name or brand of the private operator or the public entity may provide a "white label" service under its own brand. Construction, Operation and Maintenance functions could potentially be performed by different entities; In addition, the public entity may provide service under its own brand.

P3 Open Model

This model is for a network that will offer wholesale services on a non-discriminatory, open access basis. There are several models of public-private partnerships (P3) for broadband network ownership that may interest communities looking to accelerate the deployment of next generation networks and services. The form and functions of P3s are limited only by the imagination and legal framework in which the municipality operates. Some communities may issue bonds to fund construction of a network, which they lease to private carriers, with the lease payments covering the debt service. Others create nonprofit organizations to develop networks in collaboration with private carriers or provide seed investment to jumpstart construction of networks that the private sector is unable to cost-justify on its own.

PPP Not Open Model

This model is for a network that will have a hybrid ownership structure -- a public-private partnership that combines both public and private resources and expertise. The RFP seeks services for Construction, Operation and Maintenance of a vertically integrated network, with no requirements of openness. The public entity is a “customer” of network services from a private vendor even though it may own some or the entire infrastructure. The vendor may, but need not, offer wholesale services on an open-access basis.

Third Party Model

This model is for a network that will be wholly owned and operated by a Vendor. This is considered a Vertically Integrated Third Party Model. The Vendor may choose to offer service to other service providers on a wholesale basis, but if it does so there will not be an open access requirement. Examples of this model include local cable franchise agreements.

The amount of funding needed will be determined by the type of network you choose to deploy. Partnering with vendors will be another way to offset costs.

RFI or QBS - Which is Best for ME?

The choice of issuing a RFI then RFP or a RFP with QBS is dependent on how comfortable you are gathering the information and then issuing an RFP to achieve the desired architecture.

Request For Information (RFI) is primarily used to gather information to help in deciding what steps to take next. In addition to gathering basic information, an RFI is often used as a solicitation sent to a broad base of potential suppliers for the purpose of conditioning suppliers' minds, developing strategy, building a database, and preparing for an RFP.

Once the information is received, the owner then makes the decision on the architecture that is to be used and issues an RFP.

Qualifications-Based Selection (QBS) is a competitive contract procurement process whereby consulting firms submit qualifications to a procuring entity (owner) who evaluates and selects the most qualified firm, and then negotiates the project scope of work, schedule, budget, and consultant fee. Under a QBS procurement, the cost of the work (price) is **not** considered when making the initial selection of the best or most appropriate provider of the professional services required. Fees for services will be negotiated, however, following selection and before contracting.

FTTH has many creative models for achieving a desired architecture that meets the service objectives, issuing an RFP with QBS allows the owner to best select a short list of firms that best meet those objectives and then negotiate pricing as set forth in the RFP in one step.

The Nuts and Bolts

Invitation to Propose

This is the portion of the RFP where the owner gets to best describe their requirements for the project. This is also the section that will explain the process the owner will be using to make the selection, i.e. RFP out for bid, pre-bid meetings, issue addendum, due date, evaluation process, negotiations, and award.

- Detail of exactly what you are asking for the proposer to respond to.
 - FTTH is the Aspen Subdivision and adjoining businesses.
 - GPON with a minimum of 1gbit service to 140 homes in the Aspen Subdivision using FTTH architecture and 10gbit service to business located at 123 Main St. and 234 State St.
 - Be clear on what the Owner will provide and what the Proposer is expected to provide.

- Include the pricing schedules for labor, product, etc. and any wage requirements you may have.
- Be sure your project schedule includes the close date for responding, end date for submitting questions, start date and completion date of project. Any major milestones should be identified and included.
- Any signature pages as required.

General Conditions of the Construction Contract

The general conditions, or “laundry list” as I like to refer to it, provides detailed information for all aspects of the work to be completed. This list answers questions and sets expectations to the responder. The ability or inability for responders to meet the conditions provides a quick first step in moving from several vendors to a qualified “short list”.

Some examples of conditions to include:

Definitions and Terminology
 Before Starting Construction
 Preconstruction Conference; Designation of Authorized Representatives
 Hazardous Environmental Condition at Site
 Acceptance of Bonds and Insurance
 Contractor's Responsibilities
 Labor; Working Hours
 Services, Materials, and Equipment
 Progress Schedule
 Substitutes and “Or-Equals”
 Permits
 Laws and Regulations
 Safety and Protection
 Contractor's General Warranty and Guarantee
 Owner's Responsibilities
 Communications to Contractor
 Pay When Due
 Lands and Easements; Reports and Tests
 Change Orders
 Inspections, Tests, and Approvals
 Engineer's Status During Construction
 Project Representative
 Authorized Variations in Work

Rejecting Defective Work
Shop Drawings, Change Orders and Payments
Determinations for Unit Price Work
Decisions on Requirements of Contract Documents and Acceptability of Work
Limitations on Engineer's Authority and Responsibilities
Compliance with Safety Program
Changes in the Work
Cost of the Work
Allowances
Unit Price Work
Tests and Inspections; Correction, Removal or Acceptance of Defective Work
Access to Work
Tests and Inspections
Uncovering Work
Owner May Stop the Work
Correction or Removal of Defective Work
Correction Period
Acceptance of Defective Work
Owner May Correct Defective Work
Payments to Contractor and Completion
Progress Payments
Contractor's Warranty of Title

As an option to writing your own contracts, there are online sources available for general contracts from the **ENGINEERS JOINT CONTRACT DOCUMENTS COMMITTEE (EJCDC)**.

Technical

In my opinion this may be the most important section in the RFP. Technical specifications and compliance to them will have the most impact on the service provided by the network. You can alter designs, methods and procedures on how you place, splice or deliver content but, you can't compensate for products that are not certified to the technical specification required. You noticed I used the word certified and not compliant. Compliant to a specification means that it was designed to meet the requirements. Certified means it was tested and met the requirement. Critical elements in the network need to be certified. An example of this would be fiber cable, not so much the packaging of the cable, but the glass itself. Most glass is built to be compliant with Industry Standards yet some do not

pass certification testing. Documented certification of compliance ensures the product is built and meets the technical requirements.

*Another technical specification to consider is interoperability. A proprietary element in the network limits the ability to upgrade as technology changes, limits competitive pricing, and creates customer service problems as end-of-life comes for a particular vendor's product.

Technical specifications can cover the depth of cable placement, type of duct placed in road crossings and the crush rating. Specify the type of material and compaction requirements for backfill material.

Another important element is to make sure Network Disclosure Requirements are met if co-location is needed at a RBOC.

Product Specification

Product specifications and technical specifications go hand-in-hand. You will want the products you select to meet or exceed the project's objectives. If you are designing a network in Minneapolis, you may want the products to operate at -40. If you are in Phoenix, you probably don't care about -40 but need +125. In the Midwest, you may want a GPON cabinet below grade to protect against tornado activity or in the Northwest with the rain, an above ground, NEMA rated cabinet. I think you get the idea. Your product specifications need to meet network design, environmental concerns and service requirements.

Construction Drawings

The construction drawing provides important information to the proposer for routes, cable requirements, splicing activity, etc.

*Since pricing will vary for aerial, direct buried or pulling cable in underground conduit, the construction prints will identify where each type is placed and the footage required.

In summary, by following these basic principles you will be able to write and issue an RFP that will provide you the best products and services to meet the requirements for your FTTH network. Remember, a concise, detailed explanation of your requirements and expectations will allow the responder to propose a response that is tailored to your network design. This clarity will assist you in evaluating the responses fairly and in a timely manner.