



Request for Proposal

Municipal Telecommunications
Feasibility Study

INTRODUCTION

The City of Pella is seeking proposals for a feasibility study for a municipal telecommunications utility. The proposed utility will need to be able to meet the community's telecommunication needs for the 21st century and beyond. The intent of the proposed utility is to enable every home, business, institution, and visitor to Pella to have access to affordable high-speed internet. In addition, the City of Pella would also like to utilize the broadband infrastructure to provide Advanced Metering Infrastructure (AMI) for its municipal utilities.

The objective of this study is to determine the most economical business model for the City of Pella to employ to provide affordable, high-quality telecommunication services that will meet our long-term needs.

BACKGROUND INFORMATION ON THE CITY OF PELLA

Located in central Iowa, Pella is a vibrant family-oriented community where residents enjoy a high quality of life. Pella was founded in 1847 by 800 Dutch immigrants led by Henry Peter Scholte. Scholte and the other immigrants were fleeing famine and religious persecution at the hands of the state church of the Netherlands. Before leaving, the immigrants decided to name their new home Pella, or City of Refuge, in the prairieland of Iowa.

Today, Pella is a vibrant community with a population of 10,352 as of the 2010 census. Since 2000, Pella has experienced a population growth of 6.53%. The City of Pella spans 8.73 square miles. The largest industries served in Pella include manufacturing, agriculture, tourism, and service. Large employers include Pella Corporation, Vermeer Corporation, Pella Regional Health Center, and Central College.

An impressive inventory of community assets includes 15 diverse City-owned and maintained parks with hiking trails, two golf courses, a public library, and a recently opened 105-acre Sports Park facility. Abundant cultural opportunities which accompany a community with a private liberal arts college exist and flourish in this rich cultural setting. In addition, the local school district enjoys a solid reputation as one of the best districts in the state. Lake Red Rock, Iowa's largest lake, is located a few short minutes away from the City of Pella, connected by the Volksweg Trail which is utilized by pedestrians and cyclists alike.

The Central Business District is home to a quality mix of service businesses, specialty shops, destination stores, and restaurants. Pella, in partnership with the Pella Area Community and Economic Alliance, maintains a focus on balanced growth and is an ideal location for commercial, industrial, and corporate headquarters and retail developments.

SCHEDULE OF EVENTS

The City of Pella expects to adhere to the tentative procurement and delivery schedule shown below. However, it should be noted that the dates are approximate and subject to change, as amended.

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| 1. RFP issued | November 22, 2017 |
| 2. Proposals due to Pella City Hall by 4:00 p.m. | January 10, 2018 |
| 3. Proposal evaluation completed | January 17, 2018 |
| 4. Firm interviews | Week of January 22, 2018 |
| 5. Contract awarded by City Council | February 6, 2018 |
| 6. Contractor start date | February 22, 2018 |
| 7. Milestone meetings with task force | <i>Quantity and dates TBD</i> |
| 8. Delivery of final feasibility study | May 31, 2018 |

SCOPE OF WORK

The consultant will be required to evaluate the current and future demand for broadband products and services within the City of Pella. Included in this evaluation will be an analysis of the City's telecommunication providers and their ability to meet the community's future needs. In addition, the consultant will also need analyze the City's electric utility fiber optic network and its capability to be utilized to serve the public. Furthermore, the scope of work also includes the development of a conceptual network design, proposed business model, and ten-year financial forecast. Listed below is a summary of each of the components of the analysis:

- A. Situational Assessment: The contractor shall gather and assess information on the current status of telecommunication services provided to the residents of Pella. The assessment should include, but not be limited to:
 1. An inventory of services currently available to Pella residents and businesses. This will include a listing of available providers, service offerings, pricing data, competitive rate comparisons, bandwidth, and analysis on the necessary level of bandwidth to adequately serve the community.
 2. A community market survey to assess consumer satisfaction with existing services, and interest in the City of Pella provided telecommunication services including, but not limited to, recommended service rate pricing and bundled service offerings.
 3. Meetings with the community's large employers and key stakeholders to determine their broadband needs.
 4. A review of communications facilities currently owned and operated by the City of Pella which could be utilized for the proposed municipal telecommunications utility.

- B. Network Design Alternatives: The contractor will provide an assessment of network design options, common vendor and technology alternatives, and related high-level price estimates. Findings should include data summarizing technical capabilities of design alternatives.
 1. Contractor will research and present alternative network design options including recommended equipment solutions (cable head-end, junction cabinets, ONT, etc.).
 2. The analysis should include an assessment of what services the options are able to deliver and the bandwidth and technical capabilities of the presented options.
 3. The analysis should include network design with the ability to accommodate Advanced Metering Infrastructure (AMI) for the City's municipal utilities.
 4. Contractor will also provide guidance with regard to the best approach for a phased-in build out of the envisioned network facilities.
 5. Presented alternatives should be accompanied by high-level cost estimates.

- C. Business Model Alternatives and Considerations: The contractor will research and present common business model alternatives for the operation of a City of Pella owned telecommunications utility.
 1. Contractor will research and present alternative business models for consideration by Pella. Those alternatives, at a minimum, should include a City of Pella owned and operated telecommunications utility. In addition, a City of Pella municipal telecommunications utility which is operated by a third-party contractor and partnerships with public and/or private entities, including service delivery options for all services offered for all options.
 2. Contractor will research and present services that can be delivered to Pella residents and businesses over the envisioned network including, but not limited to, Voice over Internet Protocol (VoIP), video, data, security, education, and potential bundled service options.
 3. Contractor will research and present information on the future use of fiber for demand management, use by the utility for outage management, voltage reduction, voltage monitoring, and smart grid purposes.

4. Contractor will research and present analysis on the need for additional systems necessary to handle billing and customer service needs and estimates of additional staffing and/or equipment that will be necessary to implement these services including, but not limited to, technicians, billing, customer service, trucks, buildings, tools, etc.
5. Contractor will review operational cost drivers and provide information regarding the implications of those items on the business model.

D. Financial Model, Financing Alternatives, and Regulatory Assessment

1. Contractor will provide guidance on common financing alternatives likely to be available to the City of Pella. Based upon a reasonable set of assumptions, the contractor will prepare and present forecasted financial results for the envisioned network operations.
2. Contractor will provide an overview of regulatory matters that will be relevant to the operation of the envisioned network. In addition, an overview of regulatory trends and current regulatory issues should be provided.
3. Contractor will provide multi-year financial projections including operational and maintenance costs, capital costs, etc.

E. Forward-Looking Recommendations

1. In addition to providing the network alternatives and related data identified above, the contractor will provide an opinion regarding their preferred network alternative.
2. In addition to providing the business model alternatives and related data identified above, the contractor will provide an opinion regarding their preferred business model alternative.
3. In addition to providing the financing alternatives and related data identified above, the contractor will provide an opinion regarding their preferred financing alternative.

REQUEST FOR PROPOSAL CONSIDERATIONS

The following will be considered minimal contents of the proposal. Proposal documents should be limited to no more than 30 pages in length.

1. Goals, objectives, and project tasks to demonstrate the responder's view of the project and exhibition of responder's knowledge and expertise regarding FTTP networks.
2. Outline of respondent's background and experience with particular emphasis on financial, business model evaluation, marketing, and network architecture for fiber based networks.
 - a. Provide contact list for at least three Iowa references in support of the background and experience.
3. Knowledge of relevant municipal/government work.
4. Identify key personnel to conduct the project and detail of their training and work experience. No change in key personnel assigned to the project will be permitted without approval of the City of Pella.
5. Demonstrated ability to create and analyze customer survey, sales, and marketing objectives.
6. Demonstrated ability to analyze and interpret the regulatory and legal landscape and provide guidance on the regulatory and legal hurdles of different delivery options.
7. Detailed work plan identifying key milestones of the project and a minimum of three status meetings.
8. Detailed cost estimate of the study including professional hourly rates, multipliers, and estimated service/task hours.

EVALUATION CRITERIA

The City of Pella's task force members will evaluate all proposals received by the deadline as stated in this RFP. Proposals will be evaluated based on a variety of criteria including, but not limited to, the following:

- Express understanding of the project and knowledge of scope of work
- Recent experience in similar municipal utility projects
- Qualifications of both company and key personnel
- Project work plan and timeline with a demonstrated ability to meet schedules within budget
- Costs

If desired, the task force may choose to interview candidates from the top proposals. The cost of proposed services requires that expenditures be authorized by the Pella City Council.

SELECTION

Selection of the consultant for this project will be based on the criteria noted in the previous section titled "Evaluation Criteria". Upon initial selection of the consultant, the City of Pella will enter into negotiations with the selected consultant to develop a Professional Services Agreement and finalize the work plan including budget hours. Should the City of Pella and the selected consultant fail to satisfactorily reach an agreement to the work plan including budget, the City of Pella may enter negotiations with the respondent judged second in the evaluation process, or the City of Pella may re-advertise for proposals.

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

CONFIDENTIALITY

This RFP and any information or proposals submitted shall be subject to Iowa's open records laws as provided in Chapter 22 of the Code of Iowa. All submitted material shall become the property of the City of Pella.

QUESTIONS

Prospective responders with questions regarding this RFP may contact:

Mike Nardini
City Administrator, City of Pella
Phone: (641) 628-4173

RETURN OF PROPOSALS

The City of Pella will accept proposals until 4:00 p.m. on January 10, 2018. Six (6) copies of the proposal shall be enclosed in a sealed envelope marked "Telecommunications Feasibility Study RFP", and addressed to:

Mandy Smith, City Clerk
City of Pella
825 Broadway Street
Pella, IA 50219