

**REQUEST FOR PROPOSAL (RFP)
2017-51 GIGABIT SPEED BROADBAND**

The City of Loveland, Colorado, is seeking proposals from organizations that have interest, demonstrated capability and experience to participate in a Partnership to provide Gigabit Broadband Service to the Citizens of Loveland.

The Request for Proposal documents will be available at the www.govbids.com Rocky Mountain E-Purchasing.

Interested firms must deliver their response **directly and only** to the Office of the City Clerk, 500 East 3rd Street, Suite 230, Loveland, CO 80537 no later than 2:00 p.m. (Mountain Time) , Thursday, August 24, 2017. Electronic submissions will not be allowed. No proposal will be considered which has not been received on or before the deadline set forth above. **Failure to follow these specific submittal procedures may result in automatic disqualification of the proposal from consideration.** 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.

Questions concerning the RFP should be directed, in writing, to the Project Manager Briana Reed-Harmel, briana.reed-harmel@cityofloveland.org.

Questions regarding the RFP process should be directed, in writing, to Cindy Scymanski, Purchasing at, Cindy.Scymanski@cityofloveland.org

The City is not obligated for any cost incurred whatsoever by firms in the preparation of the Request for Proposal or potential travel to Loveland.

The preliminary RFP schedule follows:

Issuance of RFP	July 27, 2017
RFP Question Deadline	August 11, 2017
Response to RFP Questions Posted	August 14, 2017
RFP Responses Due	August 24, 2017
Discussion Period Starts	September 18, 2017
Public Engagement	On-Going

I. Introduction

The City, local education institutions, data oriented businesses, residents, and community leaders recognize the increased importance of Gigabit speed broadband services for everyone in the community.

The City of Loveland (the “City”) issues this Request for Proposal (RFP) for the purpose of exploring the opportunity to form a Public-Private Partnership or Public-Public Partnership (P3) with an interested party to jointly implement and operate a citywide fiber-to-the-premises (FTTP) broadband service business. This initiative will **enhance the broadband connectivity of the City’s residents, businesses, and local education institutions** by expanding the range and quality of available broadband and data transport services.

The City has initiated this RFP to attract organizations that have expertise, experience and financing capability willing to explore the opportunity to form a P3 to leverage each party’s experience, share in the risks and benefits, and jointly develop a high speed, symmetrical fiber based broadband services business within the City Limits (CL) of Loveland as Phase I, and expanding to the entire Electric Service Territory (EST) in Phase II. These areas are shown in Appendix B. The City seeks input from potential partners to assess possibilities, capabilities, and business model alternatives and the terms and conditions under which a P3 could be assembled to accomplish such a project. The City has a high degree of trust and brand recognition within the community. We are interested in potential partners who bring a strong technical and business operating knowledge of the broadband services business to jointly develop a robust infrastructure to provide ubiquitous Gigabit speed broadband access, and possibly phones and video, within a reasonable timeframe (2 – 3 years).

The City has identified and explored three possible business models. This RFP seeks responses for only two of these models: a P3 where the City works in partnership with a private entity to build and operate a fiber network and offer broadband services across that network, or a P3 where the City works in partnership with a public entity to build and operate a fiber network and offer broadband services across the network. We seek responses that focus on the P3 that share technological capabilities, operational responsibilities, and financial risk between the City and the successful respondent(s). The City will also consider a range of construction, operation, and ownership models associated with public-private partnership, non-exclusive franchise, and other appropriate innovative business models.

Responses to this RFP should state how the respondent’s approach will further the City’s goals to deploy cost effective FTTP Gigabit-speed broadband throughout the City.

Respondents are encouraged to share their expertise which may be used to shape the direction and formation of the network. Respondents may work together to respond to this RFP. The City is open to creative solutions that will provide reliable, cost competitive, high quality services and outstanding customer services to the citizens and businesses of Loveland while maximizing the efficiency of the investment and sharing the business risks.

We welcome the responses of all respondents, including incumbent service providers, competitive providers, nonprofit organizations, public cooperatives, nontraditional providers, and other entities.

II. RFP Objectives and Scope

The City has five primary objectives of Phase I and Phase II broadband projects:

1. **Ubiquity/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.
2. **High Speed** – Requires at least 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 dependable, with minimal outages, 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.
5. **Customer Service Excellence** – Demonstrated consistent and reliable customer service to all subscribers.

The City's objectives of the RFP process are as follows:

1. Identify entities interested in engaging with the City to make FTTP with symmetrical Gigabit speed broadband service available within the City of Loveland in phase I and the entire EST in Phase II.
2. Identify and evaluate innovative and cost-effective ways to partner and leverage the strengths and abilities of both parties to deploy Gigabit speed broadband Citywide.
3. At the City's option, meet with select respondents for in-depth discussions regarding the entities proposed approach, capability, business model, and terms & conditions to jointly develop details of a potential P3 partnership, non-exclusive franchise, or other business arrangement.

Based on the outcome of the RFP and subsequent discussions with select entities, the City will determine next steps based on the City's best interest. The City anticipates using responses to the RFP to determine the next steps. If the City proceeds with a P3 model, one of the next steps would involve negotiating a business arrangement.

III. Project Background and Preliminary Market Demand

The City is a full-service Colorado home-rule municipal corporation that operates under the Council/Manager form of government. Major City owned utilities are electric, water, sewer, stormwater, and solid waste. The proposed service area for broadband for Phase I is the Loveland City

Limits, a geographic area of a little over 35 square miles; and for Phase II the service territory of the City-owned electrical power enterprise, which is currently 75 square miles and includes the Big Thompson Canyon corridor along Highway 34 from Loveland to Waltonia. The RFP response should offer a Phase I scope focusing on the 35 square mile area and a Phase II scope to include the additional 40 miles, expanding to the EST.

The overall objective of the City's Broadband Plan is to make informed decisions through evaluation of risks and opportunities to best bring ultra-high speed broadband services to the City. Additional benefits being sought include competitive pricing, an affordable Internet tier price for low-income residences, universal coverage throughout the Loveland City Limits (CL) in Phase I, and throughout the Electric Service Territory (EST) in Phase II; underground infrastructure where possible for improved reliability; and providing services within a reasonable timeframe (2-3 years).

On November 3, 2015, 82% of Loveland voters supported Ballot Issue 2B, which removed the legal barriers imposed by Colorado Senate Bill 05-152 for the City's involvement, directly or indirectly, in providing telecommunication services. This vote allows the City and citizens to consider and pursue the best decisions based on the needs and desires of the community.

Official name: City of Loveland

Contiguous Census Blocks: 46

Total Population: 74,349 (year 2015)

Total Households: 31,459 (year 2016)

Total Businesses: 4,293 (year 2016)

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 Ground
- 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>

Loveland Market Demand Study

The City, in collaboration with a third party consulting firm, completed an initial market demand study in March 2016. The study included three market segments (residential, small business, large business/institutional) to identify unique service needs by sector of population and/or geographical areas, and estimate demand and take-rate (i.e., potential subscribership rate) assumptions by sector.

A summary of the survey findings follows:

Residential Market Survey

Loveland has approximately 31,500 residences. The residential market demand survey asked questions around Internet, voice, and video services as part of the overall inputs for the financial feasibility analysis. A high-speed Internet service is the primary focus of the broadband study, but the appeal of bundling services at a minimal cost is being investigated. Based on statistically reliable survey results, the survey confirmed that almost all Loveland households use the Internet, with 97.4% of Loveland residents having an internet subscription. Of these connected homes, cable modem and digital subscriber lines (DSL) have the vast majority of the market share at 81.3%. Additionally, the study indicated that Internet usage is prevalent across all income and age groups.

Customer service satisfaction levels were also surveyed, as this plays a role in the market demand for alternative broadband services. Respondents were asked to respond whether their internet speeds were meeting their needs (yes or no). For all connection types, 55.5% of respondents indicated that no, their internet services were not meeting their household needs. Nearly sixty-eight percent (67.7%) of DSL customer respondents indicated their internet services were not meeting their needs, while 50.2% of cable modem customer respondents reported the same. Other users of internet services had similar responses with the exception of the 1.1% of Loveland households that have fiber-optic connections to the home, with only 27.3% of all respondents saying that their internet services did not meet their needs. Lower prices, increased Internet speed and reliability dominate the wish list of service improvements respondents identified for broadband. Additionally, 90.3% of respondents indicated that they considered internet to be an essential utility like water and electricity.

Additional information can be found at the City's broadband project webpage:

www.cityofloveland.org/broadband

Small to Mid-Size Business Survey

The City of Loveland has approximately 4,000 businesses, including small, medium, and large employers. A similar survey was deployed to the business community. The survey found that Comcast and CenturyLink are the two dominant Internet Service Providers (ISPs) with market share in Loveland (about 71.9% of survey respondents). The remaining market share includes a combination of mobile, fixed wireless and satellite, and a small number that have access to fiber-optic connection (5.6%) Additionally, business respondents had similar responses as residential respondents in regard to customer satisfaction by service and customer needs. Business survey respondents indicated a larger emphasis on the need for improved reliability through redundancy, most likely due to reliance on technology and Internet connectivity for business operations.

Large Business/Institution Qualitative Survey

The objective of the large business/institution qualitative survey is to qualify the current and future capacity needs, unmet needs, interest, and level of support for the City's development and implementation of a fiber broadband network. Some of those interviewed could be potential customers as major commercial accounts, or they could be an influencer of community opinion. In total, 11 interviews were conducted and the responses aggregated for confidentiality. The survey found that due to multiple incumbent providers competing in the large business/institution segment, fiber is not only deployed, but activated to many of these business locations. Advanced data needs are being met with dedicated connections for the business's/institutions' sole usage. As a result, the

City does not see large business/institutional organizations as primary customers of the City's broadband efforts. But these enterprise would benefit from having competitive, redundant broadband provider.

Estimated Subscribership ("Take") Rate

The consultants engaged by the City utilized a conservative approach based on the results of the market and qualitative surveys that were performed to estimate a take-rate for Internet service. Based on this analysis, the consultants estimated the take rate for Internet service in Loveland to be at 33.5%. The City is currently engaged in ongoing efforts to perform additional studies and surveys of the community in order to corroborate the initial study and estimate the projected take-rate for various levels of Internet service in Loveland.

IV. RFP Submittal

Qualified entities who have an interest in partnering with the City to deploy Gigabit speed broadband service are encouraged to respond to this RFP. Please note that any direct correspondence with City Council is available to the public as all City Council email is released to the public through the Global Relay System. Any correspondence with City Staff may be subject to disclosure under the provisions of the Colorado Open Records Act ("CORA"). Responses to this RFP must be submitted to the City directly and only to the Office of the City Clerk, at the address and time described above on page 1 of this RFP. **Responses to this RFP that are not submitted in accordance with those specific directions may be disqualified from consideration.**

Respondents are required to provide the following information in response to this RFP.

1. Company name, address, and website.
2. Organization Type (Corporation, Subsidiary, Partnership, Individual, Joint Venture, or Other).
3. The name and contact information (email, phone) of the company representative responsible for providing further information.
4. A brief overview of the company's demonstrated capabilities, experience and role in planning, engineering, implementing, or operating Gigabit speed internet particularly in collaboration with a public municipality.
5. Provide evidence your firm is financially strong including recent (last two fiscal years) audited financial statement including balance sheet and income statement.
6. A brief, high-level description of company's solution/product(s) including but not limited to:
 - a. Address key components of your business model including the elements of the network implementation your firm supports and proposed ownership structure.
 - b. Summarize project cost and cost of service.
 - c. Identify roles and responsibilities of the partnership.
 - d. Identify financing and funding elements including the City's level of participation.
 - e. Identify key provisions required to enter into a partnership or non-exclusive franchise arrangement including important terms & conditions.

- f. Highlight the unique features of the solution/product(s), including a general description of the program and any unique benefits provided by your firm.
 - g. Submit metrics regarding measure of customer service ratings in communities where services are deployed.
 - h. Describe how you would meet the City's objectives for customer service and your experience in negotiating service standard agreements in deployed communities.
7. **All respondents must complete and execute the Non-Disclosure Agreement (Appendix A).**
8. **Executive Summary** - As a separate document, but included in the RFP response submittal, the City requests all respondents prepare and submit an Executive Summary that summarizes your company's approach to a prospective partnership with the City to provide Gigabit symmetrical broadband service to the residents and businesses of the City of Loveland. Please provide as much of the information included in your RFP response as you are comfortable with. **However, the purpose of the Executive Summary is to allow the sharing of information in a public setting with City Council, City Staff, the City's Broadband Taskforce, and the Public. Therefore no information should be included in the Executive Summary that you deem to be confidential or proprietary.**

Personal Presentations

At its discretion, the City may request that vendors and other parties that provide a timely response to this RFP make an individual and personal presentation to better explain information or solutions identified in the RFP. These presentations, if requested by the City, shall be held at a time and place of mutual convenience.

Confidential Information:

Pursuant to the Colorado Open Records Act, section 24-72-101 *et seq.*, C.R.S. ("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 respondent must clearly mark all Confidential Information as such and provide a written, detailed justification with its 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 respondent, and any safeguards the respondent uses to protect the Confidential Information from disclosure. By submitting a proposal, the respondent agrees to hold the City harmless from any claim arising from the release of Confidential Information not clearly marked as such by the respondent or lacking written, detailed justification supported by Colorado law.

Appendix A: Mutual Non-Disclosure Agreement

Please provide two signed copies of the following Mutual Non-Disclosure Agreement.

MUTUAL NON-DISCLOSURE AGREEMENT

This agreement shall constitute a mutual non-disclosure agreement between _____ (“Vendor”) and the City of Loveland, a Colorado home rule municipal corporation (“City”), individually referred to as a “Party” or collectively as the “Parties,” regarding certain utility data, confidential commercial and financial information, privileged information, proprietary information, and/or trade secrets (“Confidential Information”) provided to the City by Vendor and provided to Vendor by the City. This Agreement is effective as of the date executed by the City.

WHEREAS, Vendor and the City may engage in discussions concerning gigabit-speed broadband internet services and a potential business arrangement; and

WHEREAS, in the course of communications and negotiations, the Parties may disclose to and receive from each other certain information belonging to the disclosing Party of its affiliates that may include Confidential Information;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The Parties acknowledge that Vendor and the City are involved in telecommunications-related design projects that are the subject and purpose of this Agreement. Such projects may include, but are not limited to, projects related to a partnership to provide gigabit-speed broadband internet services to City residents.
2. Vendor acknowledges that it/he/she will have access to the City’s Confidential Information and agrees that it/he/she shall not directly or indirectly divulge, disclose, or communicate any of the City’s Confidential Information to any third party, except as may be required in the course of any formal business association or dealings with the City, and in any event, only with the prior written approval of the City. The Vendor acknowledges that no license of the City’s Confidential Information, by implication or otherwise, is granted to the Vendor by reason of this Agreement. Additionally, the Vendor acknowledges that it/he/she may only use the City’s Confidential Information in connection with its/his/her engagement with the City concerning telecommunications-related design projects or other necessary projects related to the subject and purpose of this Agreement, and for no other purpose. Vendor shall disseminate the City’s Confidential Information to its employees whose duties justify their need to know. The Vendor further agrees that all of the City’s Confidential Information, including without limitation any documents, presentations, files, reports, notebooks, samples, lists, correspondence, software, or other written or graphic records provided by the City or produced using the City’s Confidential Information, must be held strictly confidential and shall not be disclosed. Any and all data and information provided by the City to the Vendor shall remain the property of the City.
3. Records maintained by the City are subject to public disclosure pursuant to the Colorado Open Records Act (“CORD”), section 24-72-201 *et seq.*, C.R.S. If Vendor provides to the City documents

that include Vendor's Confidential Information, Vendor shall segregate any documents including such information from other documents provided to the City and shall clearly identify such documents with a stamp, watermark, or other clear mark identifying the documents as containing Confidential Information under CORA.

4. The City acknowledges that it may have access to Vendor's Confidential Information and agrees that it shall not directly or indirectly divulge, disclose, or communicate any of the Vendor's Confidential Information to any third party, except as may be required by CORA. The City acknowledges that no license of Vendor's Confidential Information, by implication or otherwise, is granted to the City by reason of this Agreement. Additionally, the City acknowledges that it may only use Vendor's Confidential Information in connection with its engagement with the City concerning telecommunications-related design projects or other necessary projects related to the subject and purpose of this Agreement, and for no other purpose. The City further agrees that all of the Vendor's Confidential Information, including without limitation any documents, presentations, files, reports, notebooks, samples, lists, correspondence, software, or other written or graphic records provided by Vendor or produced using the Vendor's Confidential Information, must be held strictly confidential and shall not be disclosed, except as may be required by CORA. Any and all data and information provided by the Vendor to the City shall remain the property of the Vendor.

5. Neither this Agreement nor the disclosure or receipt of Confidential Information hereunder shall constitute or imply any promise or intention by either Party to enter into any transaction or business relationship, nor is it an inducement for either Party or its affiliated companies to spend funds or resources or purchase or provide products or services, nor is it any commitment by either Party or its affiliated companies with respect to the present or future marketing of any product or service. No such agreement will be binding unless and until stated in a separate writing signed by authorized representatives of both Parties.

6. The restrictions on the use or disclosure of Confidential Information shall not apply to any information that is (a) independently developed by a Party as evidenced by documentation in such Party's possession, (b) lawfully received from another source free of restriction and without a breach of this Agreement, (c) generally available to the public without breach of this Agreement, or (d) shared by a Party without the restrictions of this Agreement, including information not identified by the Party as Confidential Information.

7. The restrictions on use and disclosure of Confidential Information disclosed under this Agreement shall survive for a period of three (3) years from the date of last disclosure of any such Confidential Information.

8. This Agreement shall not be construed to limit either Party's right to independently develop or acquire products or services without the use of the other Party's Confidential Information.

9. The restrictions on disclosure of Confidential Information under this Agreement shall not preclude the recipient of such Confidential Information, on the advice of counsel, from complying with applicable law, regulation, other governmental requirement or demand under lawful process, including a discovery request in a civil litigation, so long as the recipient first provides notice to the discloser of the Confidential Information of the required disclosure and cooperates with the discloser, at discloser's expense, to seek reasonable arrangements to protect the Confidential Information. In no event shall the recipient of

Confidential Information be required to take any action which, on the advice of the recipient's counsel, could result in the imposition of sanctions or other penalties by a court or governmental body.

10. Either party may terminate this Agreement upon thirty (30) days advance written notice to the other. In the event of termination, all obligations shall survive and continue in accordance with paragraph 7, above.

11. This Agreement is the entire agreement of the parties. This Agreement may be modified only by a subsequent written agreement signed by both parties.

12. This Agreement shall be governed by the laws of the State of Colorado, USA, without regard to its conflicts of law principles. Any judicial proceeding brought by or against any of the Parties on a dispute arising out of or related to this Agreement shall be brought exclusively in the state district court sitting in Larimer County, Colorado and by execution and delivery of this Agreement, each of the Parties accepts for itself the exclusive jurisdiction and venue of such court.

13. If any provision of this Agreement is declared unenforceable or void by a court with lawful jurisdiction, that provision shall be stricken and the remainder of the Agreement will continue to be valid and enforceable to the extent permitted by law.

In Witness thereof, the parties hereto have executed this Agreement as of the date signed by the City.

City of Loveland

By: _____

Print Name

Title

Date:

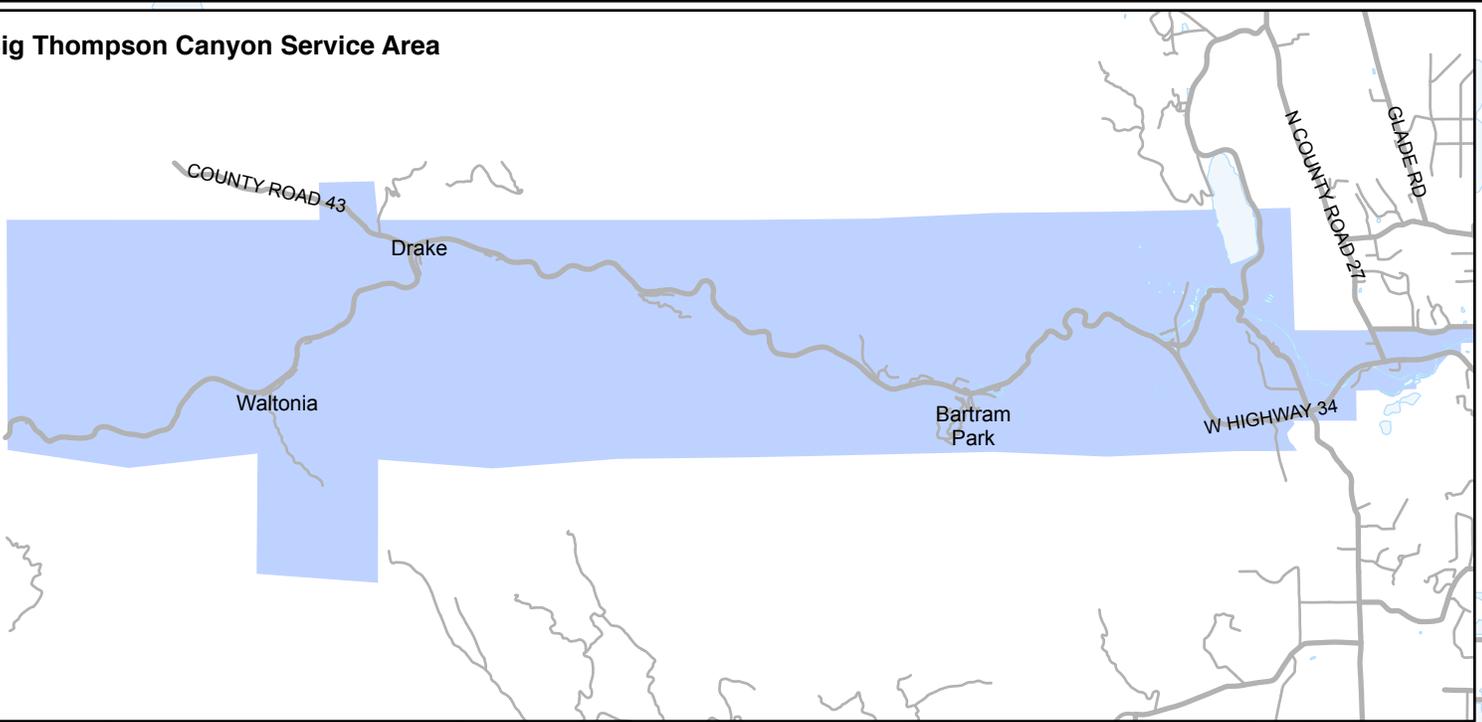
(Vendor)

Print Name

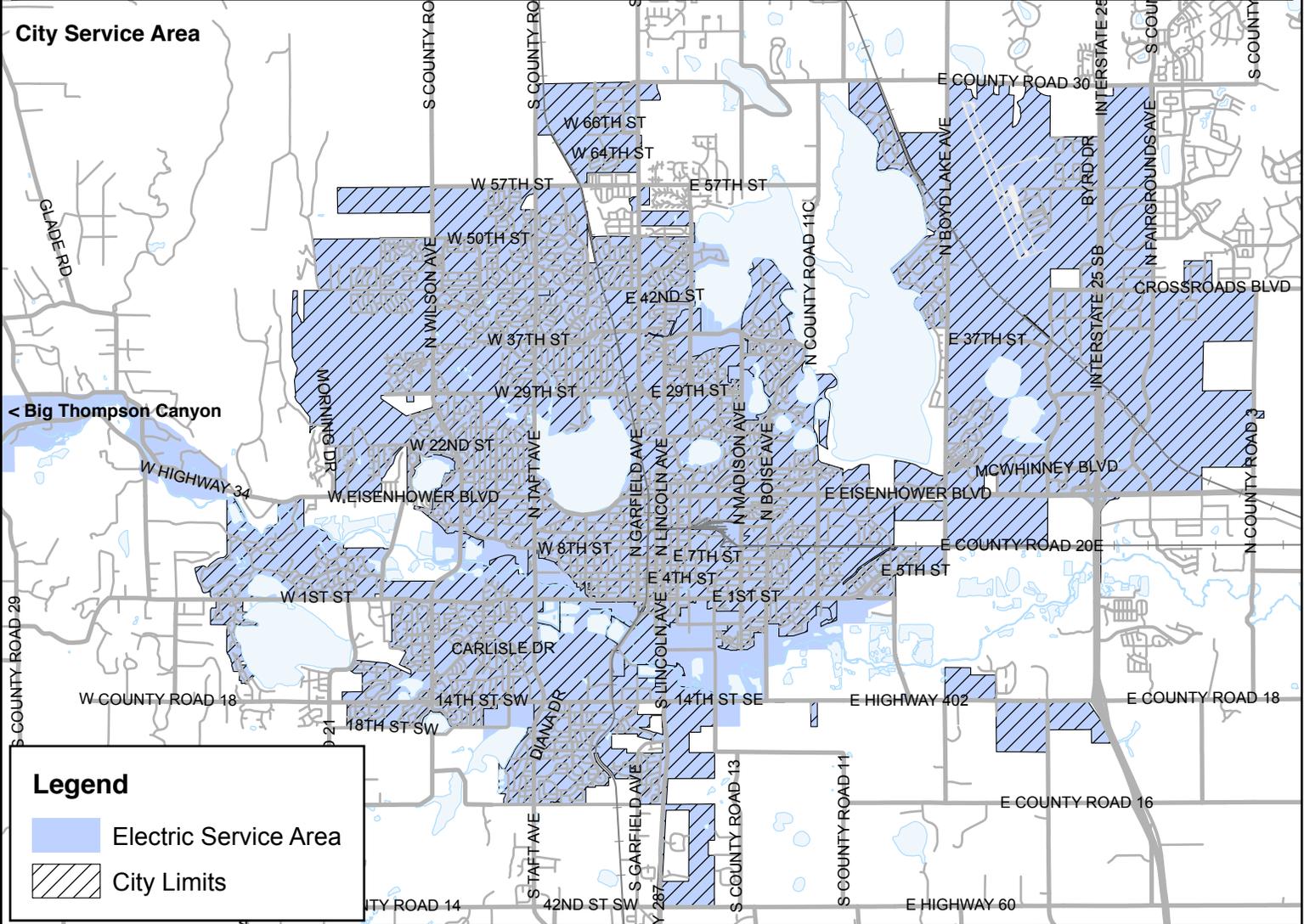
Title

Date:

Big Thompson Canyon Service Area



City Service Area

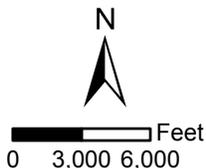


Legend

-  Electric Service Area
-  City Limits

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Due to security concerns, the city requests that you do not post this document on the internet or otherwise make it available to persons unknown to you.



City of Loveland
 Department of Water & Power
 Loveland, Colorado

Electric Service Area & City Limits
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