

**REQUEST FOR INTEREST:
USE OF A TOWN-OWNED, FIBER OPTIC BACKBONE NETWORK TO PROVIDE ADVANCED
TELECOMMUNICATION SERVICES**

LOCATION:

Town of Breckenridge, Colorado

STATEMENT OF INTEREST RESPONSES DUE:

**Closing Date: Monday, November 26th, 2018
Time: 5:00 pm MST**

A statement of interest submitted under this Request for Interest (“RFI”) is not binding or promissory. Responses will be used for planning purposes and for the continued development of the Town’s fiber project initiative and build out. In addition, the Town of Breckenridge, Colorado (the “Town”) may issue further RFIs and failure to respond to this RFI **does not** preclude the ability to respond to any further RFIs.

This RFI is issued for planning purposes and may lead to negotiations with potential contracts. It does not constitute an RFP or any promise to issue an RFP. All costs associated with responding to this RFI will be solely at the interested party’s expense.

RESPONDENT'S CERTIFICATION

Note: return this page with your statement of interest.

The undersigned, as an authorized agent of the Respondent, hereby certifies:

- () the receipt of _____ addendums;
- () familiarization with all instructions, terms and conditions, and specifications stated in this RFI;

Company Name

Authorized Signature

Mailing Address

Printed Name

City, State, Zip Code

Title

Federal Employee ID Number (FEIN)

Phone Number

Type of Entity (sole proprietorship, LLC,
partnership, LLP, corporation, etc.)

Fax Number

Web site (if applicable)

Email Address

REQUEST FOR INTEREST

USE OF A TOWN-OWNED, FIBER OPTIC BACKBONE NETWORK TO PROVIDE ADVANCED TELECOMMUNICATION SERVICES

Introduction:

The Town of Breckenridge staff and Council are committed to creating an environment that provides state of the art and dynamic, fiber-based, broadband infrastructure for both home and business use across the town.

The Town believes that high speed, reliable, fiber-based broadband access at competitive rates is critical to the Town's continued success as both a year-round resort and a great place to both live and work. Fiber has become the infrastructure of the 21st Century and its availability in Breckenridge and other mountain towns is limited. The Town feels strongly that investing in fiber and its associated conduit infrastructure, with direct ownership and control, will provide significant value for the residents and businesses of Breckenridge over the long-term. The Town's new infrastructure investment will not only form the basis of a vastly improved Internet experience, but will also be at the core of driving new efficiencies for the municipal and utility operations of the Town. The potential use cases of this Town owned fiber and conduit infrastructure are many and varied, and the Town will seek to engage with private sector partners to realize many of these benefits over the long-term.

The Town's first objective is to build new fiber and conduit infrastructure town-wide pushing this as close to as many key sites, neighborhoods, homes, and businesses as possible. In order to make this objective a reality, the Town commissioned Foresite Group, Inc., a multi-disciplinary engineering and consulting firm, to perform a full engineering market assessment to determine an accurate cost to implement such a project and consider various revenue models. The Town has decided to move forward with the creation of a Town-wide, Fiber to the Premises (FTTP) network, with final fiber drops delivered by the Town once a service is confirmed. This fiber network will be designed to support competition but the Town also recognizes the limitations of its market size. The Town plans to begin construction of the new infrastructure by mid-2019 and believes that the first premises could be connected with Town-owned fiber and served before the end of 2019.

This request for information (RFI) is being issued to express the Town's interest in collaborating with motivated and proven private sector partners to provide fiber-based broadband internet and/or other services to Breckenridge's residents, businesses, and community anchor institutions across the Town's fiber optic network. The Town seeks to develop a fiber use agreement, or to develop a P3 (public-private-partnership) or similar agreement with a private sector service provider that can utilize the Town's significant new fiber and conduit infrastructure.

RFI schedule:

The RFI will be released on Wednesday, October 31st, 2018. To be considered, proposals must be received via email by Assistant Town Manager, Shannon Haynes at shannonh@breckgov.com, before 5:00 p.m. on November 26th, 2018.

Procedural and technical questions are to be submitted to Shannon Haynes at shannonh@breckgov.com before 5:00 p.m. on November 16th, 2018. Inquiries must be submitted via email to the Town at any time prior to November 16th, 2018. Any written question regarding the meaning or interpretation of the RFI, work scope,

specifications, etc., must be submitted before November 16th, 2018. All clarifications given to any prospective proposer will be similarly furnished to all known prospective proposers in summary form via email, as well as being posted on the Town website, only if the lack of such information could reasonably be considered prejudicial towards uninformed proposers. No technical assistance shall be given by the town to any proposer in preparation of its proposal.

Prospective proposers are advised that the Town shall make a good faith effort to adhere to the following schedule for this RFI:

- Deadline for questions November 16th, 2018, at 5:00 p.m.
- Responses Due November 26th, 2018 at 5:00 p.m.
- Interviews Week of December 10th, 2018
- Service Provider Selection On or around January 1st, 2019
- Contract Completion On or around March 1st, 2019

However, the town will be under no obligation to comply with the schedule shown above, provided that all prospective proposers or other interested parties known to the town will be notified equally of changes made to this schedule within a reasonable time after such changes are made. In no event will any proposer have any redress to the town, be it financial or otherwise, in the event that the town alters this schedule in any way.

Respondents to this RFI must submit their responses in the format specified in this solicitation. Statements of interest and supplementary information are not to exceed 30 (thirty) total pages.

Submissions must be dated and signed by a duly authorized partner or corporate officer, with that person's name and title clearly identified.

The content of all submissions must conform to the following:

- Respondents must respond to the questions (Response Requirements section) in the order presented in this RFI.
- Respondents may provide additional supporting documentation pertinent to clarification of the submission.

Responsibility for submitting the proposal to the town on or before the above stated time shall remain solely and strictly that of the proposer. The town will in no way be responsible for delays in the delivery of any proposal. The validation of the time and date received will occur in the Town Manager's office. A Respondent may withdraw a submission at any time prior to the RFI closing date and time.

The town reserves all rights to investigate the qualifications of any and all individuals and firms under consideration, to confirm any part of the information furnished in a proposal, and to require further evidence of managerial, financial or professional capabilities which are considered necessary for the successful performance of work described in this RFI. The town reserves the right to reject any or all proposals and to waive informalities and minor irregularities in proposals received.

All proposals and supporting documents, except such information that discloses proprietary or financial information submitted in response to qualification statements, becomes public information held in custody of

the town after the proposal submittal date given in this RFI. The town assumes no liability for the use or disclosure of technical or cost data submitted by any proposer.

The town shall not be liable for any costs or expenses incurred for preparation of proposals submitted in response to this RFI or for any other cost incurred prior to a formal contract. Proposers shall not include such expenses as part of the price proposed. The town shall be held harmless and free from any and all liability, claims or expenses whatsoever incurred by, or on behalf of, any person or organization responding to this RFI.

Nevertheless, if a proposal contains information that the respondent does not want disclosed to the public, or used for any purpose other than the evaluation of this offer, all such information must be indicated with the following or similar statement:

"The information contained on pages _____ shall not be duplicated, used in whole or in part for any purpose other than to evaluate the proposal provided; that if a contract is awarded to this firm as a result of the submission of such information, the Town of Breckenridge shall have the right to duplicate, use or disclose this information to the extent provided in the contract. This restriction does not limit the Town of Breckenridge's right to use the information contained herein if obtained from another source."

All such nondisclosure items specified in the proposal shall be subject to disclosure as provided in Part 2 of Article 72 of Title 24, C.R.S. ("The Colorado Public Records Act") or as otherwise provided by law.

The submission of a statement of interest creates no obligation for any action on the part of the town. The town maintains the right, but shall be under no obligation, to award a contract to the responsive and responsible proposer whose offer is deemed by the town to be most advantageous to the town as determined by capability, qualifications and other factors. Proposers are hereby advised that contract award is subject to approval by the Town Council.

Written approval by the town is required prior to any public disclosure regarding this RFI or any subsequent awards.

Goals of the Project:

1. The Town plans to build conduit, fiber backbone, distribution and premise drop infrastructure with an initial first phase already identified with detailed engineering plans begun. The Town expects the local fiber network to interconnect with Project THOR that will offer fiber connectivity back to Denver and the Town will actively ensure that transport connectivity is sufficient to ensure a "fair playing field" for Service Provider(s) who may not have any local presence.
2. The Town plans to ensure that over time, all businesses, residents, community facilities and other key sites across town are able to receive fiber connectivity if desired or required.
3. This new infrastructure will be made available to potential service provider partners to offer next-generation broadband and other advanced IP services. The Town does not plan to offer any IP services.
4. At this stage, the Town plans to offer only dark fiber services only to other Service Providers who would create applicable residential and business service packages and options. The Town's fiber network will extend all the way to the premise once a customer has confirmed an interest in taking a service

provider(s) service offering. The Town’s “demarcation point” will likely be a passive fiber termination unit that connects onto the outside of the house.

5. The Town sees itself a “fiber infrastructure provider” – providing a professionally designed, constructed, and managed fiber platform for other applicable partners to use. At this point, the Town is unwilling to invest and select the network electronics without knowing the thoughts of a potential Service Provider partner. This point is open for negotiation and discussion with a final Service Provider partner.
6. The Town wants Breckenridge to become a leading mountain town with both fiber connectivity and the latest and greatest in available advanced IP services.
7. The Town will establish a long-term partnership or agreement with qualified Service Provider(s) that utilize the new infrastructure to offer new advanced IP services.
8. Additional use cases will be further explored and the Town hopes to consider how this new fiber infrastructure may support options such as smart city applications and services, improving cellular and wireless performance, and provide network redundancy and critical services for those who may require it.

Requirements of potential Service Provider Partner(s):

The Town expects to have open dialogue with interested partner(s) and is willing to consider various approaches, but some key base points that are expected would include the following:

1. Service Provider(s) should be experienced in the field of providing advanced IP services to homes and/or business. Services should be fiber based and gigabit internet speeds should be an option at an affordable rate. Other IP based services in addition to Internet would be preferable such as voice and television-like services.
2. Service Providers(s) should understand smaller communities and how to engage and work with local governments.
3. Service Provider(s) should want to be “local” to the community, hire locally, invest locally and become synonymous with the community.
4. Service Provider(s) should have the means to invest in applicable network technologies to run their IP services across the Town’s fiber network. Experience building consumer demand, provisioning services, providing top-class customer support, billing, and addressing in-house wiring issues are all expected.
5. Service Provider(s) should be willing to explore various business approaches with the Town that may include; revenue share, per premise connected fee, or fiber use fees etc.
6. Service Provider(s) should be familiar with how the Town’s fiber can be utilized for other use cases and will ideally have experience or partnerships around smart city applications and/or other examples around innovation.
7. Service Provider(s) may have experience engaging with wi-fi, wireless and cellular carriers.

The Town’s fiber project:

The Town has identified and settled on its first phase, Phase 1, to begin construction in mid-2019, the following steps have been completed by the Foresite Group to date:

- Strategy Session
- Preliminary Design
- Demand Aggregation Study

- LiDAR Collection and High-Level Extraction
- Bill of Materials, Business Plan and Financial Proforma

The Foresite Group has begun work towards creating the detailed design and applicable construction packages for Phase 1. As the early efforts of this phase will primarily be focused on the backbone fiber build, early next year the desire is to work with the selected service provider(s) to define the actual neighborhoods or “fiberhoods” that potentially will be able to take first services.

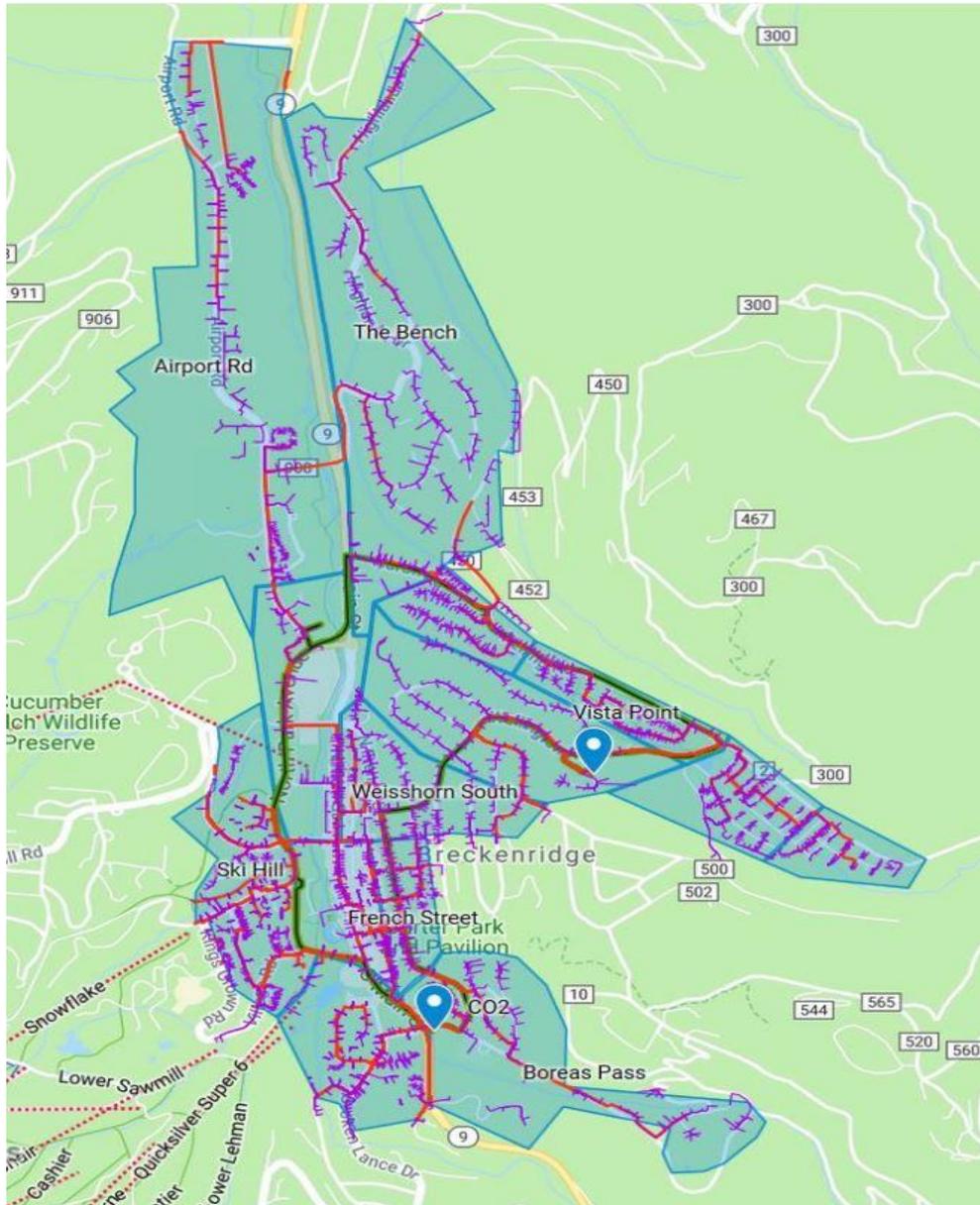
Phase 1 includes the Town completing the entire backbone network (approximately 13 miles) and, in parallel, review interest for fiber connectivity towards the 5,590 demand points that have been identified (includes single family units, businesses, multi dwelling units and key anchor institutes). The Town is estimating that phase 1 will be built across 2 years with the entire backbone network and between 1,000-2,000 end users connected for services within the first year. The remaining 5,590 demand points would be lit in the second year. The target boundaries for phase 1 include the path of the backbone. The Town’s fiber cable will be applicably sized in terms of fiber strand density to ensure ample capacity for both private sector, governmental, and other use cases. Design will include backbone, distribution, and neighborhood serving points that provide simple fiber drop connectivity options. The Town is estimating a budget of circa \$8m for phase 1. The final allocated capital will become clear after final design is completed. The current design supports the likely deployment of a GPON architecture for FTTH.

The Town is planning on the use of existing Town owned, and new underground conduit to be constructed, for deployment of the high-density fiber cable. The Town plans to deploy all the fiber required for the project; core, distribution/neighborhood, passing and ultimately customer drops. Final designs and locations for distribution/neighborhood serving facilities are ongoing and should ensure that final customer drops are as simple and fast as possible to deploy.

Phase 2 includes expanding to the rest of Breckenridge and would be an additional 5,038 demand points that would be available for providers totaling ~10,628. We plan on the overall network be completed by 2022.

The Town is currently negotiating interconnectivity with Project THOR that will be building middle mile connectivity throughout the entire area encompassing the entities of the Northwest Council of Governments (NWCOG). Project THOR is projected to be complete and ready for service by September of 2019 and all potential providers will be able to access these circuits for transport services, diversity and redundancy.

Town map with proposed fiber routes:



Response Requirements:

The proposal shall be submitted via email in a PDF format that can be read using Adobe Reader. The maximum file size that can be accommodated by email is 10MB. Proposals shall be submitted to Shannon Haynes at shannonh@breckgov.com

Proposers are advised that proposal content and completeness are most important, and that clear and effective presentations are preferred, with unnecessarily elaborate, decorative or extraneous materials discouraged. The proposal shall be submitted to fit an 8.5" by 11" format. Each section within the proposal shall be clearly defined for easy reference.

The Town seeks creative responses to this request and hopes to identify a Service Provider(s) partner to develop a long-term successful relationship with. Below are specific requirements to please identify clearly and provide answers to in your response, these include:

1. Please provide a summary overview of why you are interested in this opportunity, what you see as key services you can bring, what makes your response unique, and identify any parts of this RFI that you cannot meet or that you have questions pertaining to.
2. Please provide an overview of your organizational structure, key business units, services provided, and key capabilities. Identify your knowledge and experience of providing advanced fiber-based IP services in other markets, summarize the business models, and please identify any projects that may involve local government. Please stress what is unique and exciting about these specific cases whether it is the business or deployment model, or the services that are offered.
3. Please identify your product and service offerings. State clearly what rates are in certain markets and what factors may drive these rates. Please identify any projects in Colorado.
4. Please identify your current number of subscribers, how are services provisioned and set-up for current customers? Please explain your customer service organization and how residential and business (if applicable) customers are supported. Explain your NOC function and processes as applicable. How do you bill your customers and identify the process?
5. For Breckenridge, please identify an applicable organizational structure. What resources would be local to the project? Clarify any partners or subcontractors that you may use on this project. Identify any investments in the local community you would likely make, retail store, an office and/or distribution facility, local employees, etc.? How do you plan to perform local marketing? Please provide some examples of marketing and awareness campaigns you have performed in other markets.
6. What additional offerings could you bring to the Town? Would you offer a dedicated service for the Town to use across the network for themselves? How about free town wide wi-fi as an option to market your residential and business services? What smart-city applications and services could you bring? Do you have experience providing fiber to towers/poles that cellular carriers could consider? What economic development success stories with broadband have you been involved with?
7. The Town considers its first role in any partnership to be a fiber infrastructure provider, providing fiber all the way to the premise once a service is confirmed. What do you think of this model? Does it provide a solid foundation for success in a new market such as Breckenridge? The Town would expect to strike a revenue share agreement with the Service Provider, what thoughts around a retail revenue share agreement or per premise fee do you have? What other models may you consider?
8. The Town has decided to not invest in electronics at this stage, do you see this as an investment that the Service Provider should be willing, capable, and able to make? What about any additional software that may be required for network operations, monitoring or subscriber services?
9. Please identify any requirements or commitments that you need from the Town to ensure a successful partnership. Do you require any network exclusivity for success?
10. Please supply applicable references, ideally similar agreements that you have entered into with other local governments, including the term involved, for advanced fiber-based IP services. Please summarize these references.
11. Please identify any limiting factors that would prevent you from scaling your business and operations to serve the subscribers and build-out plan as identified in this document.
12. Please identify all applicable licenses currently held that are applicable for Breckenridge and Colorado market.