



Request For Proposal

Seeking a Fiber to the Premise Feasibility Study

Introduction

The Decorah Telecommunications Utility is seeking proposals for a Fiber to the Premise Feasibility Study. The purpose of this effort is to hire a qualified consulting firm to provide insight on the feasibility of installing fiber to the premise within the city limits of Decorah.

This Request for Proposal (RFP) is intended to generate responses to the set of defined issues listed within the Scope of Work section, and also stimulate creative ideas that will add value to the envisioned concept of a fiber to the premise (“FTTP”) network in the city.

Description of the City of Decorah

Location

The City of Decorah is located in the center of Winneshiek County in Northeast Iowa near Minnesota and Wisconsin. The Upper Iowa River bisects the community on the east side, “original Decorah” from the community on the west side “west Decorah”. In addition to being located on the Upper Iowa River, the City of Decorah is located on U.S. Highway 52 and Iowa Highway 9. The city is surrounded by vast areas of karst topography with many bluffs, limestone rock outcroppings and deep valleys. Figure 1 shows an aerial photo of the Decorah area and Figure 2 illustrates the location of the city in relation to the county, region, and state.

Figure 1: Aerial Photo of Decorah

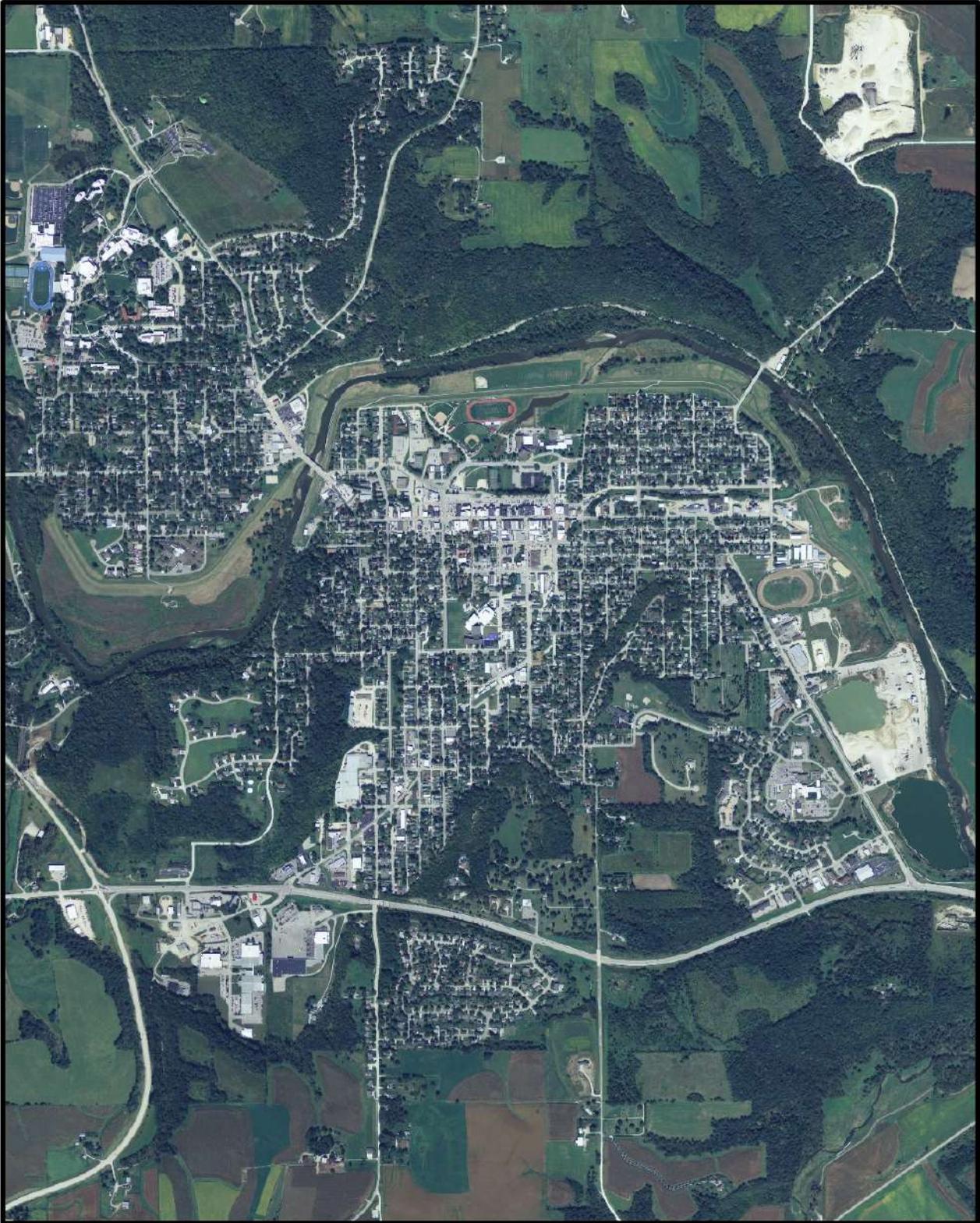
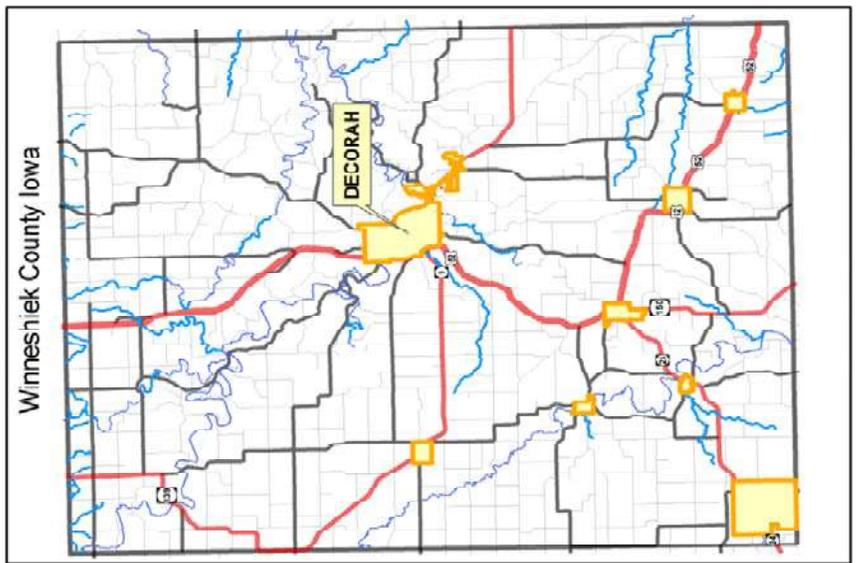
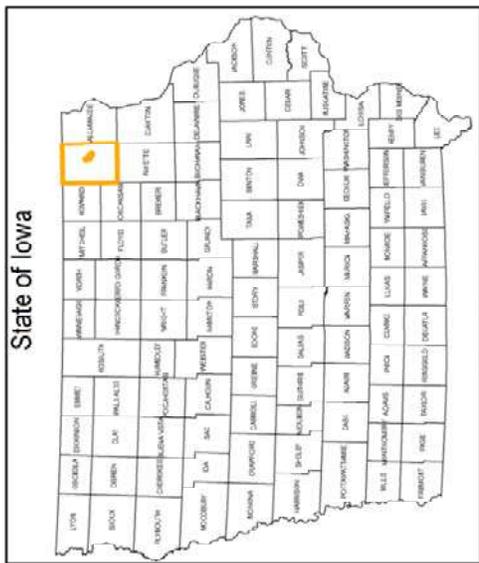
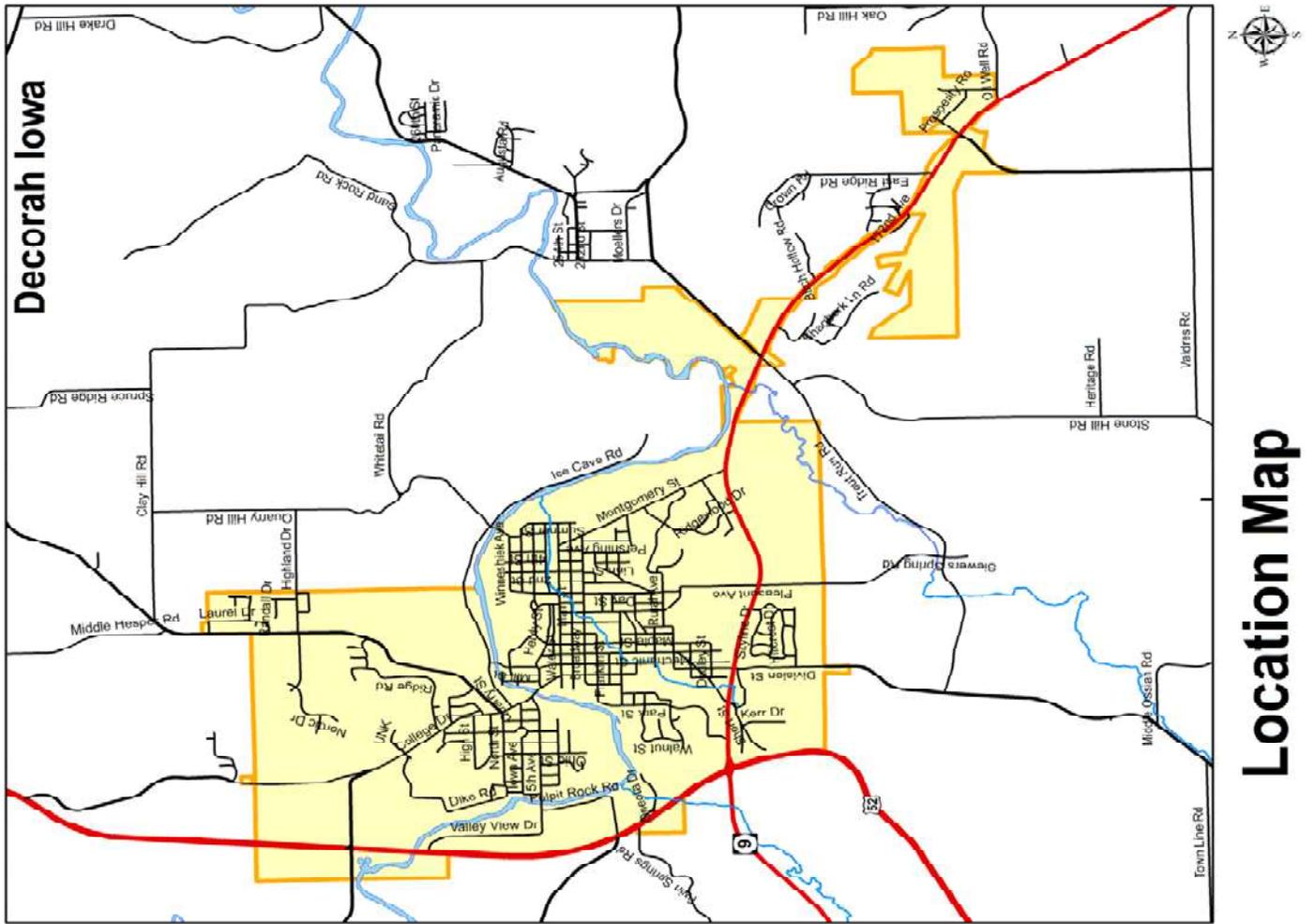


Figure 2: Location Map



History

Decorah was established as the county seat in 1851. The city was platted two years later in 1853. Decorah was named after Waukon-Decorah, a prominent Chief of the Winnebago Indian Tribe.

The railroad reached Decorah in 1869 and provided transportation for passengers and freight for nearly 100 years. Railroad service ended in Decorah in February 1979.

Although the settlement began in 1849, Decorah was not incorporated as a city until 1871. The small settlement was designated the county seat in 1851 and the first county courthouse was built in 1857. In 1903 the court house was replaced with today's present building.

The first plat of the city, what is now known as "Original Decorah," was made in 1856. West Decorah, or the settlement on the other side of the Upper Iowa River, was incorporated in 1878, and legally recognized by a legislative act in 1894. The two settlements, Decorah and West Decorah, did not merge into a single unit until 1902.

Education was important to the community and its settlers as well. The Norwegian Luther College, a private four year liberal arts school, was established in Decorah in 1862 with the purchase of 32 acres for the college. The first building on campus was built in 1865.

Today Decorah is a vibrant community of 8,127 residents. It is a family-oriented community where residents enjoy a high quality of life in a college town atmosphere.

Decorah's central business district lies east of the Upper Iowa River but there is some commercial activity on the west side, near Luther College, and numerous other businesses and industries are situated throughout the community. There are two key business and industrial areas in the community, one on the extreme east end of the community and the other on the west gateway corridor.

An impressive inventory of community assets includes more than 15 miles of trails and paths, two golf courses – one public and one private, a public library, an extensive park system with hiking trails, prairies and Works Progress Administration (WPA) era amenities throughout. Abundant cultural opportunities which accompany a community with a 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.

The downtown district is a protected district and home to a quality mix of service businesses, specialty shops, destination stores and restaurants. Decorah, under leadership from the Decorah Area Chamber of Commerce and Decorah Jobs, Inc., the economic development company maintains a focus on balanced growth and is an ideal location for commercial, industrial and corporate headquarters and retail developments.

As the county seat for Winneshiek County, Decorah is a regional hub of activity. City government and economic development leaders have set the course for a prosperous future through their strong commitment to a safe community, investment in parks, trails and services, and through a unique partnership formed to bring economic success through the creation of employment opportunities and a vibrant retail and commercial development.

Background Information

The utility commission has been exploring the feasibility of fiber to the premise since the community passed a referendum in 2015 that allows for the creation of a city-owned communications utility.

It is believed that the incumbent providers in Decorah are reacting to the voter action and are making or propose to make many upgrades and investments in their telecommunications networks.

However, while some additional investments have been made or are planned by the incumbents, Decorah, as a community is falling behind acceptable and competitive levels.

Decorah cannot afford to wait years for additional private investment, and the electorate and city officials have recently decided that it is time to take control of the future fiber resources available to residents and businesses in the community. The utility commission has been established to commission, oversee and evaluate a comprehensive feasibility study.

The objective of the study would be to consider how the Decorah telecommunications utility can best ensure that all businesses and residents can enjoy access to an integrated city-wide network that provides affordable high-quality and high-speed communications services that will meet their long term needs.

Special conditions

1) Decorah MetroNet

The community also boasts a six-member intergovernmental / agency agreement that built a 144 strand fiber network connecting 19 individual sites and buildings around the community. The Decorah MetroNet is a million dollar fiber optic infrastructure project that is transforming the community. The major impetus for the fiber network is for service sharing and aggregated purchasing power of the five anchor members. The power of this network and the cost savings it has shown for the six members (City of Decorah, Winneshiek County, Luther College, Decorah Community School District and Winneshiek Medical Center) is not lost on the constituents of the community as is evident by the 93% approval during the referendum in November 2015.

The 11-mile fiber optic loop project became operational in 2013 with the majority of the infrastructure costs made possible by a Broadband Technologies Opportunity Program grant through the National Telecommunications and Information Administration. The grant only provided money for the initial infrastructure investment; ongoing infrastructure, equipment and operational costs are determined by the MetroNet Board. Some of the basic goals behind the formation of the partnership include service sharing, aggregated purchasing power, economic development and disaster preparedness, all of which have been accomplished by the connectivity afforded by fiber between each anchor's buildings and sites.

Fiber offers much more reliable speeds with a potential for reduced costs for service. Cost savings come into play by having the wholesale buying power of the MetroNet Board being able to purchase access on the national wholesale scene rather than the local retail market. The benefits of the project also include updated phone systems and the availability of building networks with other anchors that offers network redundancy and data backup at an offsite location. Another important aspect of the fiber network is emergency and disaster preparedness. The plug and play possibilities of a shared cloud environment allow each organization to plan for continuity of business and overall emergency preparedness. By leveraging the installed fiber with other service providers the MetroNet has been able to enhance business development by lowering the cost to extend service to remote parts of the community.

Having fiber for the anchor group's use is a tremendous asset for the community and by itself worth the investment because it helps lower costs for these member organizations and provides for more efficient

operations. Now the issue becomes how to allow access to the broader community and service a demand that exists for both business and residential customers. The utility commission is seeking ways to leverage the MetroNet infrastructure into this proposal and network design concepts.

The Decorah MetroNet is using less than half of the 144 fiber strand capacity of the fiber system and has affordable broadband capacities at greater than one gigabit.

- ✓ The contractor may wish to utilize a review of the University of Iowa's student led study of the Decorah MetroNet and telecommunications environment in the central Winneshiek County area. The full study and recommendations are available at the University of Iowa and the [Iowa Initiative for Sustainable Communities](#).
- ✓ A Decorah MetroNet network map is attached as figure 3.

Special conditions

2. External factors and area municipalities

The city and the MetroNet have been involved in a Northeast Iowa pilot project with the premise that communities working together could accomplish significant financial and technical gains in the provision of advanced communication structures. It was based on the assumptions that partner communities could achieve more together than each individually. The developmental focus is incremental, beginning first with a transport network connecting all members. This network, were it to go no further, addresses the ever increasing costs in Internet connectivity that arise from the growth in traffic requirements. That rate of growth over the last ten to fifteen years has annually compounded at forty-three (43%) percent with no diminishment in sight. Attendant to traffic growth is ever increasing expense. A second possible growth element is the aggregation of services and purchasing power, perhaps most importantly would be Internet broadband. It is hoped that additional communities can be brought under this umbrella model furthering opportunities for Iowans that arise today through such advances. It is hoped that this study will consider possible inter-municipality partnerships.

Scope of the Request for Proposal

The utility commission is issuing this RFP for the purpose of selecting a qualified contractor to provide, at competitive and reasonable costs, professional consulting services to conduct a study of the feasibility of the Decorah telecommunications utility providing a fiber to the premise ("FTTP") network. The proposed study is complex in nature and includes a review of salient issues perhaps not seen in communities of similar size or demographics. One of the key complexities is the opportunities previously discussed to partner with the Decorah MetroNet or other area municipalities which may already be exploring some of these issues and questions. A complete study for the utility commission will include an analysis of these issues.

Schedule of events

The utility commission expects to adhere to the tentative procurement and delivery schedule shown below. It should be noted, however, that some dates are approximate and subject to change, as may be amended.

ACTIVITY DATE/TIME	
1. Release Request for Proposal	1/3/2017
2. Last day to submit written questions	1/17/2017
3. Commission responds to written questions through RFP "Amendment"	1/31/2017
4. Proposals due to Decorah City Hall by noon	2/06/2017
5. Evaluation period	3/07/2017
6. Oral Interviews/Presentations and/or Demonstrations (if required)	3/15/2017
7. Contract finalization period	3/31/2017
8. Contract award (city council)	4/3/2017
9. Contractor start date	4/4/2017
10. Milestone meetings with task force	<i>quantity and dates TBD</i>
11. Delivery of final feasibility study	6/30/2017

Scope of Work

The utility commission seeks an independent third-party contractor to conduct a study of the current status of local network facilities and services, alternative network designs for optimization of local fiber optic resources, business model alternatives and operational implications, and recommendations to the utility commission's task force for further action on the envisioned project.

The selected vendor will be responsible for the research, compilation and presentation of research on the following topics of relevance to the Decorah telecommunication utility commission FTTP project:

A. **Situational Assessment:** The contractor shall gather and assess information on the current status of services and facilities available to the residents of Decorah. The assessment should include, but not be limited to:

1. An inventory of services currently available to Decorah locations that examines available providers, service offerings, pricing data and competitive rate comparisons, bandwidth and analysis on the necessary level of bandwidth to adequately serve the community. This analysis may include, but not limited to Voice over Internet Protocol (VoIP), video, data, security, education and potential bundled service options.
2. An evaluation of Decorah area demographics, accompanied by a community market survey to assess consumer satisfaction with existing services, and interest in Decorah Telco Utility – provided services, including, but not limited to recommended service rate pricing and bundled service offerings.
3. A review of communications facilities currently owned and operated by the Decorah MetroNet 28e consortium.

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 fiber 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. Contractor will research and present analysis on the acquisition of backhaul facilities and integration into the communications utility.

3. Contractor will also provide guidance with regard to the best approach for a phased-in build out of the envisioned network facilities.
 - a. A phased-in approach may include utilizing Indefeasible Rights of Use (IRU) agreements with the Decorah MetroNet as a transport network.
4. 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 Decorah telco utility – owned FTTP network.

1. Contractor will research and present alternative business models for consideration by the utility commission. Those alternatives, at a minimum, should include Decorah telco utility – owned and partnerships with public and/or private entities, including service delivery options for all services offered by Utility, partnerships with other utilities such as the Decorah MetroNet, businesses and fiber lease opportunities.
 - a. This section should also consider IRU use within the MetroNet and how they may impact the business modeling of the utility commission.
2. Contractor will research and present services that can be delivered to Decorah 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 system network monitoring and management. Information shall also include possible relationships with others regarding issues related to smart grid / network purposes. Such partnership may include the local gas, electric and water utilities for example.
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 services, 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 financings alternatives likely to be available to the utility commission. Based upon a reasonable set of assumptions by contractor; 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. The final feasibility study shall include supporting documentation and any worksheets that support the final assessments.
4. Special consideration shall be given to financial sensitivities in the market such as incumbent pricing strategies or customer based take rates.

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.
4. The contractor shall provide a review of fiber friendly municipal policies that support a progressive municipally managed telecommunications utility effort. The utility commission is seeking a review or recommendation of policies to support the telecommunications business throughout the municipality.

Request for Proposal Qualifications

The following will be considered minimal contents of the proposal. Proposal documents should be limited to no more than 30 pages in length including cover (supporting and *relevant* documentation may be included as appendices and not count toward this number).

1. Goals and 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 (3) similarly sized and situated 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 utility commission.
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 two status meetings.
8. Detailed cost estimate of the study, including professional hourly rates and multipliers and estimated service/task hours.

Evaluation Criteria

The utility commission members will evaluate all proposals received by deadline. 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 and demonstrated ability to meet schedules within budget
- Costs

If desired, the utility commission may choose to interview candidates from the top proposals. The cost of proposed services requires that expenditures be authorized by the Decorah city council. While the utility committee will make recommendations to the utility commission, final responsibility for payment lies with the Decorah city council.

Selection

Selection of the consultant for this project will be based on the criteria noted above. Upon initial selection of the consultant, the utility commission and city staff will enter into negotiations with the selected consultant to develop a Professional Services Agreement and finalize the work plan including budget hours. Should the utility commission and the selected consultant fail to satisfactorily reach agreement to the work plan including budget, the utility commission may enter into negotiations with the respondent judged second in the evaluation process, or the utility commission may re-advertise for proposals.

The Decorah Telecommunications Utility Commission reserves the right to reject any and all proposals regardless of merit. It is suggested and recommended the successful contractor consider working with the Winneshiek County GIS department in the development of any mapping or service area identification.

Confidentiality

This request for proposals and any information and 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 utility commission.

Contacts

Prospective responders with questions regarding this RFP may email:

Mr. Chad A. Bird
City Manager
City of Decorah
citymanager@decorahia.org

Submission of Proposal – no later than 12:00 noon, 2/6/2017 to:

Chad A. Bird
City Manager
City of Decorah
400 Claiborne Drive
PO Box 138
Decorah, IA 52101
Phone: (563)382-3651

7 hard copies requested

Figure 3: Decorah MetroNet Network Route

