



## **Responses to Questions Received Concerning CVFiber's RFP for Development of High Speed Broadband Feasibility Study and Business Plan**

### **Preface**

CVFiber recognizes that the scope of this RFP is broad. We ask that each respondent address each element of the RFP even if it is a short response describing the complexity of the task or a suggestion that a comprehensive completion will be beyond the scope of the proposed workplan or budget.

Your choice of the elements that will be the focus of your work will help us understand your strengths as they relate to the needs of our organization to start a new venture in fiber installation and operations.

The evaluation of each proposal will be based on the total value of the product described, and there is no expectation that every task will be comprehensively addressed.

The following are responses to the questions we have received. Several questions were similar, so we have grouped them together to provide a larger, contextual answer.

### **General**

A. Yes. We will award to a single consultant. The consultant can team with a subconsultant if more advantageous to your proposal.

#### **Q. May a consultant respond to individual tasks and not others?**

A. No. – please note the general response prefacing the detailed answers to proposal questions.

#### **Q. Can the awardee for the Feasibility Study and Business Plan can also do the Design Build and O&M?**

**Q. If you were to award this study and business plan work to our firm, would that preclude us from being involved in any related future phases of this initiative if it shows to be feasible and moves forward? For example, would remain eligible to do the design, construction, operations, and/or management of the entire project if it moves forward?**

A. There is no restriction regarding the choice of an implementation firm. Respondents are encouraged to package a proposal that accomplishes this concept.

### **Cost Estimates and Pro Forma Financials**

**Q. In 1.7 there is a request to “create a proforma financial projections for at least three years.” Are you going to provide your expected plan pricing?**

- A. Consultant should vary the analysis of \$/month/type of potential subscriber and estimate business cost price based on consultant’s knowledge based on similar municipal or cooperative fiber systems.

**Q. In section 2.3 and 2.5: Pro-forma financial projections and operational costs – Does CVFiber have an opinion about the proximity of the staffing and management to perform the buildout? Is the sharing of staff and facilities that are also working with other CUD’s acceptable?**

- A. We would like the consultant to provide details of either a self-operating entity and a solely outsourced operation. For example, Vermont’s community-based ECFiber’s relationship with ValleyNet is a version of the latter. We would also entertain some hybrid of this.

**Q. In Section 1.8, what form is the 3rd party opinion supposed to take and is the funding for that supposed to be included in this RFP response?**

**Q. Will a respondent be disqualified if the following item is not provided: Section 1.8: 3rd party opinion**

**Q. Section 1.8 Third Party opinion: In our experience, a formal 3rd party opinion for financing requires some form of payment commitment and fee. Is CVFiber seeking a “formal opinion” or a “non-binding letter of feasibility” or “letter of interest”? If it is a formal letter, could this wait until formulation of a business plan?**

**Q. Section 1.8 asks us to get a 3rd party opinion of a feasibility study from a lending institution. Do they have a specific local bank in mind? Has this concept been run past a bank?**

- A. Based on interpretation received from the Vermont Department of Public Service (“VDPS”), we are deleting the Section 1.8. requirement from the RFP. CVFiber will independently get a 3<sup>rd</sup> party opinion of the completed Feasibility Study. The 3<sup>rd</sup> Party opinion must agree that the envisioned project is feasible prior to the VDPS releasing the Business Plan grant funds.

**Q. Section 2.4 Estimated construction costs. Is this looking for the estimated cost of doing construction today or in the next year or two? The upcoming 2 years appear likely to be the most volatile cost years ever.**

**Q. Section 2.4: Effort in determining the cost to purchase or contract with privately owned fiber networks.**

**Q. Section 2.4 Estimate Construction Costs - There are many variables here that would lead to a large number of different cost scenarios. Would these need to be priced separately or would the options be evaluated and a single lowest price model be selected?**

- A. Costs should be based on most recent experience and then inflated based on estimated construction cost inflation rate. Consultant should provide CVFiber with enough information that

allows us to understand the basic alternative scenarios. Consultant should make a statement as to the pros and cons of the scenarios provided. , an ideal proposal will provide a product that allows CV Fiber to determine the circumstances where new fiber install provides more or less advantage than contracting with privately owned fiber networks.

### **Funding/Finance Questions**

**Q. Does CV Internet have a maximum budget limit that may not be exceeded for work proposed in response to the RFP?**

A. We have a total of \$60,000 available currently. We ask that proposals provide a budget for that amount. You can also submit supplemental materials that budget for additional work. CV Fiber is looking for additional funds to do additional work.

**Q. Page 14, last sentence: Is additional funding necessary to either award or to proceed with the business plan (Phase 2)? If there is a delay, how long does CVFiber anticipate that to be? Does this have any effect on the schedule for, or interest in, the pilot project (See question 1 above). Is it anticipated that the consultant will help CVFiber obtain funds necessary to proceed with business planning? How about funding for the pilot project, or is the pilot project considered part of the \$3.5 Million noted as available for first build-out?**

A. Since issuing the RFP, we have been awarded a Broadband Innovation Grant from VDPS. We believe we have the funding to complete both the feasibility study and business plan. We do not anticipate any delays.

**Q. Is CVFiber eligible for some amount in State broadband funding to support broadband deployment in unserved and underserved areas?**

A. Yes. We request the consultant help us identify and describe of other sources of funding, e.g., Federal grants, corporate, etc.

**Q. If so, how much would be loans and how much would be grants?**

A. At this point we know that if the Feasibility Study comes out positive, we would then be eligible to apply for a Vermont Economic Development Authority (“VEDA”) loan of up to \$4.0 Million.

**Q. Does CVFiber anticipate the availability of any federal grants, from sources such as RDOF or Department of Agriculture broadband programs?**

A. See Above.

**Q. Task 2.3 states that “All potential sources of grant, loan and foundation funding be identified. There are several hundred different potential sources here. How likely does the source have to be to be included?**

A. The major sources that CVFiber could take advantage of—we are mainly interested in Government grants and foundations and how successful similar organizations have been and whether you have had experience getting them for your previous clients. (SEE ABOVE ANSWER)

**Q. Will the network also serve public safety needs and, if so, are there separate sources of funding for this component?**

A. We believe the proposed will be an all-encompassing solution for all potential users. CV Fiber understands that the Central Vermont Public Safety Authority is looking at its telecommunication needs, and we intend to work with them to find any potential for the CV Fiber system to support an upgraded public safety communications system.

### **Connectivity, Access, Speed, and Customers**

**Q. The RFP defines CVFiber’s mission as “providing Central Vermont residents, businesses, and civic institutions with universal access to a reliable, secure, locally-owned and -governed communications network able to grow to meet future community needs.” This raises several questions:**

**Q. 70% of potential customers already have access to 25/3 or better broadband – would bringing a minimum of 25/3 service to the remaining customers – the Broadband Innovation Grant Program standard – be your first priority?**

A. No. CVFiber’s vision and goal is 100/100 to everyone. The proposals should address the costs for 100/100 and may provide alternatives - especially for remote customers via wireless.

**Q. Would the plan be to win over current Comcast and other private provider customers?**

A. For the areas in our region that have cable service, we are interested in the proposed workplan providing an estimate of the work and costs. This may be separate from the workplan to provide service to those parts of our region that do not have cable service.

**Q. By “universal access” do you mean 100% of the homes and businesses? Or do you expect to achieve at least a slightly lower rate, such as 96%, for cost reasons?**

A. Our goal is to offer service ultimately to all structures/premises within the district. Remote and off-grid structures would have to bear the cost of extension to them.

**Q. What speeds are those state grants or loans conditioned on?**

A. The VEDA loan can only be used for projects that “the provider shall offer to all customers broadband service that is capable of speeds of at least 100 Mbps symmetrical.” (H513. Section 280ee.C.F).

### **Design, Operational**

**Q. Regarding Section 1.3, is it necessary that we entertain a wireless alternative? Section 1.6 seems to want it, but we are wondering if we can abstain from this or only do it cursorily. True wireless design will consume a tremendous amount of time for all parties as things like spectrum usage, usage licensing, tower locations (part of the vertical assets provided?) propagation through the terrain and trees will make it difficult to make a meaningful design or cost analysis.**

A. See our introduction for our overall perspective. We will leave that up to the consultant. We anticipate that cost estimating for fiber to the premise for all communities could be broken up into several classes.

**Q. Will each of the 17 municipalities fund, own and manage the infrastructure with its borders, or will this be done collectively through CVFiber?**

A. CV Fiber is a Communications Union District making it a municipality, just like towns and cities. It is not legal for Vermont towns and cities to take any responsibility in operating the telecommunications services of a CUD. It is possible that the system will be managed by an operator under contract to CV Fiber.

**Q. A regional wireless broadband project is under construction in the hill towns of Western Massachusetts, with terrain similar to that in the CVFiber Union District. It will offer low-cost broadband and unlimited phone service to over 96 percent of the homes, and since construction costs are approximately one-third that of a comparable fiber network, it will be 100% funded by state broadband grants with no town tax funding and no initial sign-up or installation fees. Would CVFiber entertain a proposal for such a network – especially as the goal is to be “cash flow positive in 3-5 years”?**

A. The role of wireless technologies should only be incorporated into a fiber system, where appropriate, and not unless such a proposed system would be able to deliver symmetrical 100 Mbps.

**Q. Is CVFiber looking to see alternate costs and benefits of all-fiber, hybrid, and all wireless solutions, or are the primary objectives to achieve universal  $\geq 25$  Mbps at minimal cost?**

A. All fiber and a hybrid system. Given the restrictions the VEDA loan the initial buildout using those funds must be for 100/100. We also realize that this will not nearly cover the cost of a district-wide deployment.

**Q. In Section 2.1, what’s meant by “Pole electric safety space service drop solution”?**

As it is possible that CV Fiber may install fiber cables above the typical communications space on utility in the electric safety space between communications cables and electric conductors, we request submitters suggest any appropriate solutions for dropping fiber to end users (e.g., securing splice closures in the communications space, powering wireless access points, etc.).

**Q. Section 2.1 High Level Engineering and Design Plans - What level of detail is required here and what will these deliverables be used for? We ask because our typical high level design and associated budget is often times only used for input into the financial analysis and business plan.**

A. We only want a high level design for input into the financial analysis and business plan.

#### **Data and Information Questions**

**Q. Are the responses to CVFiber’s survey to date in agreement with the broadband statistics compiled by the Vermont Department of Public Service?**

A. We have not done that analysis.

**Q. Will there be access to roadside rights-of-way in order to put up new dedicated utility poles for wireless antennas?**

A. This would have to be determined depending on the situation, but we do not expect this to be a barrier.

**Q. Does CVFiber anticipate that such dedicated antenna structures would face regulatory or zoning barriers, or face processes similar to those of full-size cell towers?**

A. If this kind of option is proposed as part of the possible solution, the typical regulatory/zoning barriers could be anticipated. Small structures may qualify for “de minimis” approval, more rigor is required for large towers

**Q. Does CVFiber have an inventory of existing towers that could be used for a fixed wireless network, whether commercial or publicly owned?**

A. The State of Vermont and FCC have inventory and will provide that data to CV Fiber as we work with a consultant to design a system. We have a copy of the Vermont Center for Geographic Information (“VCGI”) data, which is possibly dated.

**Q. Does CVFiber have an inventory of existing fiber that could be used within its network? (This refers to dark fiber, generally on an IRU basis, not ILEC fiber used only to provide lit services.)**

A. We are not aware of any dark fiber available for IRU in our area. The state’s electric grid manager (“VELCO”) does have dark fiber it may make available for backhaul only. VELCO has previously indicated that will make its data available through a non-disclosure agreement (“NDA”).

**Q. The E-911 building list includes many types of structure besides homes and businesses. These include camps, barns, accessory buildings, and telephone pedestals. Which types of entry were counted when determining the number of buildings per road segment?**

A. The road segment analysis only included Residential category. A separate list of Municipal, Schools, Hospitals, and Commercial structures will be provided.

**Q. Which types of structure will or will not be expected to require service?**

- B. All structures/premises within the district should be offered service. Remote and off-grid structures would have to bear the cost of extension to them.

**Q. Is any or all of the data in Appendix B able to be provided in geodatabase format?**

- A. The data will be made available as a ArcGIS Pro v.2.4.2 Project Package

**Q. Regarding Section 1.2, the RFP says CVFiber will “will provide to the consultant the necessary resources to inventory the vertical assets in each Municipality” after we provide CVFiber the essential attributes to be collected. This suggests to us that a comprehensive inventory of poles is going to occur, the result of which will be provided to the consultant. When is it expected the consultant will provide attributes, and when may the consultant expect to receive the result of the inventory?**

**Q. Section 1.2 Asset inventory – Having a good understanding of pole densities, pole locations and other assets usually requires a survey. Do “necessary resources” include funds to complete such a survey, or alternatively is CVFiber intending provide a completed survey of poles and assets for the consultant? Does CVFiber anticipate adequate information exists already on VCGI?**

- A. For this project, we will provide the consultant the available electrical pole inventory. With additional funding, we would anticipate more. The current attributes are limited to location and height. The consultant will have to rely on the data from CVFiber, VCGI, FCC, and VDPS most of which is included in our ArcGIS Project Package.

**Q. Appendix C: Does CVFiber have mileage and premises covered by any existing cable plant (by town)? This is necessary to assess “Route Priorities.” If not, would you provide same as part of Section 1.2 Asset Inventory where you state “CVFiber will provide to consultant the necessary resources to inventory the vertical assets in each municipality”?**

- A. There is a more current Cable network that VDPS has available, but VCGI has not made available. The data we have is from 2013, so we have held off doing the equivalent analysis. Based on the 2018 100/100 Map available on the VDPS web site, there are no sites in Central Vermont with that level of service. The VDPS Table of Speeds indicates that 40 premises have that 100/100 service in the Town of Orange.

**Q. Regarding section 1.4, is your aim here that the consultant contact each businesses you identify to determine their current state of service availability?**

- A. This task should not require individual contact but will require the use of existing VPDS data and network types to identify those that have high speed and do not.

**Q. Section 1.1, page 4: Customer Survey: CVFiber indicates that the customer survey and the current responses (emphasis added) is attached in Appendix A. We see the survey, but not the responses. You also state that information in the survey results is confidential and will require a NDA. Should**

**potential respondents be entering into a NDA now to assist in preparation of their proposals? Do you intend to offer this information now, or would it only be made available to a successful bidder upon signing a contract (and NDA)?**

A. The survey results will be made available to the selected contractor under NDA.

**Q. Since you are planning to use a demand aggregation software such as COS, how will the consultant determine the best place to build until that data is collected?**

**Q. Section 2.2 states that you would like to use a demand aggregation tool like COS. COS is a great tool but it takes somewhere between 3 and 12 months to get implemented and meaningful data input back into it. With that stated, what are you envisioning the consultant doing before COS results would be available? What is the purpose of the granular analysis requested?**

A. We agree that demand aggregation tools take time to yield useful results. Due to the State of Vermont's accelerated time frame, we will not require respondents to use data derived from a demand aggregation tool but would appreciate coordination with establishment of such a tool.

#### **State Grant Requirements**

**Q. Are audited financials a requirement to bid, to win or both?**

A. This was a State of Vermont Grant requirement. CVFiber has been informed that it is no longer required. This requirement is removed.

**Q. In the "Purpose" on page 1, CVFiber states that "We believe it is critical that we launch a small pilot project within 18-24 months of this solicitation." Phase 1 of the RFP is the feasibility Study, and Phase 2 is the business planning.**

**Q. Do you anticipate the pilot project will be done by the selected consultant, or done separately?**

**Q. Alternatively, does CV fiber see any relationship between the pilot project and the work of this RFP or are they entirely separate?**

**Q. And with respect to timing, do you anticipate the start of the project to be after Phase 1 but before Phase 2, or after both Phases are complete?**

A. We are open to both. CV Fiber will need to decide on the scale of its first phase construction based on the results of the feasibility study and the business planning that provides a better understanding of the financial requirements for starting the system. We may want to do more than a Pilot Project with the amount of funds available from possible VEDA funding. We hope the feasibility study and business plan will guide CVFiber to an appropriate selection of pilot or phase one territory. A business plan is necessary for CV Fiber to make decisions for system



build-out, and most funders will require at least the level of business planning as laid out in this RFP.

**Q. Will a respondent be disqualified if the following item is not provided: Section 2.3: Roadmap for each area and level of effort to prepare documents and likelihood of receiving money?**

A. As we described in the preface, we expect that each proposal include all elements of the RFP. A detailed road map for each step in the development of a CVFiber system is a large task and we will be looking for each response to include some material on each step. With the funds available tell us what you can usefully deliver and feel free to add other items with additional budget. The answer to this and similar questions is this: we want the consultant to describe what options CVFiber should be considering regarding each of them.

**Q. Will a respondent be disqualified if the following item is not provided: Task 2.5: Negotiating contracts with ISPs?**

**Q. Will a respondent be disqualified if any of this item is not provided? Section 2.5: Negotiating with construction and maintenance firms**

**Q. Will a respondent be disqualified if any of this item is not provided: 2.5 Serving as the fiscal agent responsible for financing projects?**

**Q. Will a respondent be disqualified if any of this item is not provided? Section 2.5 Perform legal work**  
A. Please refer to the preface.