CITY OF OAK RIDGE NORTH

REQUEST FOR QUALIFICATIONS (RFQ) AND PRICING

FIBER TO THE HOME (FTTH)



RESPONSES DUE THURSDAY, JUNE 11, 2020 10:00AM

CITY SECRETARY

CITY OF OAK RIDGE NORTH, TEXAS

Fiber To The Home (FTTH) Project

Subject: Fiber To The Home / Request for Qualifications (RFQ) and Pricing

Project Description: Today we are experiencing an unprecedented increase in the demand for more and more internet bandwidth – 'over-the-top' technologies such as Netflix, Apple TV, Roku, etc., along with the long-term impact of the rapidly growing 'internet-of-things' or IOT, has yet to be fully understood or even appreciated. All of this means that higher internet connectivity speeds are needed now and that the ability to support exponential bandwidth demand is essential.

The City Oak Ridge North (the City) is requesting interest, qualifications and pricing from Internet Service Providers (ISP's) to provide Gigabit Internet service via Fiber To The Home (FTTH) to "single family" residences and commercial entities of the City with an option to provide service to City of Oak Ridge North Buildings & Facilities. The project boundary is illustrated in the city limits map in Exhibit A.

The City is looking to partner with the ISP's, where the City will build/provide the conduit(s) to the curb of every "single family" residence and commercial district. This conduit system will be utilized by the ISP(s) to run fiber to the home. It will be the ISP's responsibility to sign up residents and continue the fiber from the conduit system at the curb to the residence for the FTTH service. There are currently 1100 residences and over 100 businesses.

Term of Service: The term of the contract is ten (10) years with a potential of multiple renewal terms.

This specification provides a template for a minimum level of Internet Connectivity service to the residential consumer in a City-wide system.

Definitions not otherwise listed below:

- "Customer" shall be the end-user of the Service and ISP's point of contact for billing.
- "City" is City of Oak Ridge North, Texas.
- *"Customer Handoff" is location in Customer's premise where the Customer has power and can distribute the Service for its use.*
- "Customer Service Agreement" is the agreement between ISP and Customer that defines the costs, terms, and conditions of ISP's service hereunder.
- "Agreement" is the agreement to be entered into between respondent(s)/prospective ISP(s) and the City of Oak Ridge North.
- "Tier 1" is a type of **ISP** that directly connects with and has access to the global Internet backbone in a specific region under the settlement-free peering agreement.
- "Gigabit per second" is one billion bits per second of data which will also include protocol overhead of 6 to 10%.

The City will use a point system to evaluate Respondents based on the following criteria:

| Technical Specifications | Mandatory |
|---------------------------------|-----------|
| Call Center | 10 Points |
| Service Center | 10 Points |
| Price | 40 Points |
| Company Experience / References | 20 Points |
| Level of Service | 10 Points |
| City Facilities | 10 Points |

Technical Specifications:

Mandatory

There are no points awarded for meeting mandatory technical specifications. A respondent must meet all the requirements listed in this section to be considered for the award of the contract:

| Component | Discussion and ISP Response | Technical Specifications |
|-------------------------------|---|---|
| Fiber Optic Infrastructure | The foundation for abundant, reliable, and scalable bandwidth is a 100% end-to-end fiber optic network. Respondent shall provide detail of its System in relation to this item/specification and further certify compliance with this specification. | ISP's network (or "System") shall consist of a 100% end-to-end fiber optic network from customer premise equipment ("CPE") in each home at the Customer Handoff, thru ISP's network to Tier 1 internet and/or peering exchange(s). No copper/fiber hybrid system or technology solutions will be accepted |
| System Diversity | Reliability of service is critical. With an initial bandwidth capacity of 1-Gbps, traditional services such as telephone, cable TV, security monitoring, will be able to utilize the Service. In addition, this same bandwidth capacity will make it practical and effective for people to work from their home. Respondent shall provide detail of its System in relation to this item/specification and further certify compliance with this specification. ISP shall provide its definition of Diversity with regards to their proposed fiber design for the City. | as part of ISP's response. ISP's System serving the City shall include the following redundancy and diversity: Utilize multiple local distribution points. Utilize multiple local points-of- presence ("POP" or "POPs"); Utilize multiple Tier 1 ISP's and/or peering exchanges. Area/serving distribution delete "to" shall include multiple and diverse fiber routes to local POPs; Area/serving POPs shall include multiple and diverse fiber routesto Tier 1 internet and/or peering exchanges. |
| Upstream ISP | The 'upstream' connection to the internet beyond the ISP's network - is an important component in that the quality of this connection impacts the overall quality of the Service. Respondent shall provide detail of its System in relation to this item/specification and further certify compliance with this specification. | ISP's System shall include connectivity to multiple Tier 1 ISP's and/or peering exchanges ("Upstream ISP"). ISP's Upstream ISP's shall have multiple and diverse 100-G internet backbone connectivity, and each acknowledged as Tier 1 backbone ISP. |

| Component | Discussion and ISP Response | - Technical Specifications |
|----------------------------------|---|--|
| Bandwidth Capacity/Capability | Minimum service today is a symmetrical 1- Gigabit per second (or 1-Gbps) throughput. The next logical step is 10-Gigabits per second (or 10-Gbps) – and the move to 100-Gbps is soon to follow. | As a minimum level of service, ISP's System shall deliver a symmetrical 1-Gbps of IP bandwidth to each Customer at the Customer Handoff (the "Service"). |
| | - Respondent shall provide detail of its System in relation to this | Service shall also include equipment and configuration in |

| | item/specification and further certify | order for Customer to use the |
|--|--|--|
| | compliance with this specification. | Service via a 1-Gbps copper handoff. - ISP must also be able to demonstrate capability of its System to deliver 10-Gbps to each Customer Handoff from the initial delivery date along with 100-Gbps from local serving POP to Upstream ISP connectivity capacity. |
| Customer Bandwidth Subscription Ratio | A lower subscription ratio is needed to ensure the Service is always responsive and useable - even when there are many concurrent Customers using the Service at the same time. | ISP's subscription ratio of Customers to a single 1-Gbps port at the nearest powered distribution point shall be no greater than 16 to one. |
| | - Respondent shall provide detail of its System in relation to this item/specification and further certify compliance with this specification. | |
| Aerial vs. Underground | An aerial network is susceptible to damage from high winds, tree limbs – natural occurrences, and construction activity. Although an underground network is susceptible to damage from construction activity, damage from natural occurrence is much less likely. | ISP's System shall be 100% underground from Upstream ISP's to local serving POPs to Customer demarcation point. |
| | - Respondent shall provide detail of its System in relation to this item/specification and further certify compliance with this specification. | |
| | City expects ISP to use existing conduit systems to provide the Service. | ISP to provide number and minimum diameter of conduits necessary for placement of network. |
| Use of City Conduit System | - Respondent shall acknowledge its intention and acceptance of using a City provided conduit system, subject to ISP's reasonable specifications and requirements for using such system. Respondent shall include with its response a conduit system specification acceptable for its use in providing the Service. | |

Specifications

Points will be awarded for meeting Specifications in the Section in accordance with information below. City Staff will make the determination of points to be awarded.

Call Center:

The Call Center shall be the sole phone number that receives customer calls for new service requests and existing customer needs. Points for Call Center will range from 1 to 5 based on the physical location provided by the bidder: (points are not cumulative)

Call Center Physical Location:

| • | Houston | - | 5 points |
|---|----------------|---|----------|
| • | Texas | - | 4 points |
| • | USA | - | 2 points |
| • | Other Location | - | 1 point |

Points for Call Center phone support service will range from 1 to 5 Points:

Call Center Phone Service (points are not cumulative):

| • | Live Call Answer | - | 2 points |
|---|------------------|---|----------|
|---|------------------|---|----------|

Automated Answer - 1 points

Call Wait Time (points are cumulative):

- Three Ring maximum to answer 2 points
- Wait Time below 2 minutes 1 point

| Component | Discussion and ISP Response | Specifications |
|-------------|--|---|
| Call Center | - Respondent shall provide detail of its support infrastructure and further certify compliance with this specification. | of the week, 365 days of the year call center |

Points Awarded

10 Points

Service Center:

10 Points

The Service Center is the location where technicians are dispatched for installation and repair. Points for service center will range from 1 to 10 based on the location provided by the bidder (points are not cumulative).

| • | Located within a 10 mile radius | - | 10 points |
|---|---------------------------------|---|-----------|
| • | Located within a 15 mile radius | - | 5 points |
| • | Located within a 20 mile radius | - | 4 points |
| • | Located within a 25 mile radius | - | 3 points |
| • | Located within a 30 mile radius | - | 2 points |
| • | Located within a 35 mile radius | - | 1 point |

| Component | Discussion and ISP Response | Specifications |
|--------------------------------------|--|--|
| Experienced, Local Technicians | Local technicians with tools and capabilities to respond to any level of Service disruption of issue to ensure a quick and timely resolution and a high-quality Customer experience. Respondent shall provide detail of its support infrastructure and further certify compliance with this specification. Attach Call Center / Service Call Routing and escalation flow chart. | ISP shall have locally located, in-house technicians capable of responding to any level of issue related to the Service, including (but not limited to) fiber damage, network equipment malfunction, and/or system configuration issues. Distance measured from City of Oak Ridge North Municipal Complex. |

Pricing:

40 Points

Points for price of 1 Gigabit Internet Service will range from 0 to 40 based on the cost to residence (points are not cumulative) price to include 15% franchise fee.

Monthly Charges that include 15% Franchise Fee:

| • | \$90 or less | - | 40 points |
|---|--------------|---|-----------|
| | | | |

- \$91 to \$100 35 points
- \$101 to \$110 25 points
- \$111 to \$120 15 points
- \$121 to \$130 10 points
- \$131 to \$140 5 points
- \$141 to \$150 3 points
- \$150 and up 0 points

| | Discussion and ISP Response | Specifications |
|---|--|---|
| Monthly Charges and Conduit Fee for 100% Fiber- Based 1-Gbps Internet Service | Aggressive pricing is needed in order to promote adoption by users in the City. Respondent shall provide detail of their proposed pricing model, and must include any additional or special charges. Respondent acknowledges that there will be a fee for the use of the City's conduitsystem. ISP's will provide their preferred pricing model. Options include one of two ways, pay fee directly to the conduit system Owner, or build the fee into the monthly rate charged to each Customer. | Monthly Charges to Customer must include 15% franchise fee, installation costs and conduit fee (if applicable). ISP's will not be allowed to charge customers for installation. |

| Company Experience/References: | |
|--|----------|
| Points for experience will be awarded based on information presented at the time of RFQ subm | ission. |
| Currently providing service to customers in area with commercial or residential | 4 points |
| Financial standing | 8 points |
| Company profile including number of customers served and number of years as an ISP | 8 points |

Level of Service:

10 Points

| Component | Discussion and ISP Response | Specifications |
|---------------------------------------|---|---|
| Service Level Agreement ("SLA") | With a 100% fiber and IP based network, the ISP will be able to offer a true 'business' or 'carrier' level of service. Respondent shall include the SLA language to be included in its Customer Service Agreement. Respondent shall be able to demonstrate its current service offerings meeting the SLA specification. | Service availability at 99.99% uptime level on a monthly basis. ISP shall be able to provide Service uptime reports upon request. Test and determine level of service a speed test will be made available at ISP. |

City Facilities:

10 Points

Provide Internet service to City Facilities; map to be included.

| Component | Discussion and ISP Response | Specifications |
|-------------------------------|--|---|
| Service to City Facilities | Respondent shall provide proposed term options for service to City Facilities. | Providing service to City Facilities is optional. Points will be awarded to ISP's that provide this at no additional cost. |

Additional Services:

In addition to the above specifications the City would like to show that their service and offerings included in the proposals initial buildout is capable of offering the same level of service throughout the entirety of the City's Extra-Territorial Jurisdiction (ETJ) upon commencement of annexation. The City would like to have the ability built into deployment in order to expand fully to our ETJ that would provide a timely roll out of additional services lines to properties as they annexed into the City and match existing services within the City Limits.

Valid:

The ISP respondent's qualification and pricing submittal must be valid for two Years (24 Months). The 10-year term of service will begin upon award of the contract from the City.

Deadline:

The Deadline for RFQ submissions is Thursday June 11th, 2020 at 10am Central.

Submission and Inquiries:

ALL submissions and inquires shall be emailed to: <u>eharrell@oakridgenorth.com</u>

