

# REQUEST FOR PROPOSALS

## *Salinas Municipal Broadband Network: Services and Operations*

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## I. INTRODUCTION

The City of Salinas (“City”), a charter city located in Monterey County, California, is requesting proposals from qualified companies to operate, provision, maintain and/or provide services on the *Salinas Municipal Broadband Network (Salinas Network)*, as described below.

The City does not intend to limit or predetermine the extent or nature of proposals submitted by respondents. Respondents should bear in mind that the City reserves the right to accept or reject any proposal. The City may accept proposals, in full or in part, from one or more respondents. However, the City envisions receiving proposals which address one or more of the following elements:

- Providing low cost, reliable consumer broadband service, delivered to residents *inside their homes* at download and upload speeds sufficient to enable full and unrestricted access to online services, including but not limited to government, information, education, telehealth, shopping and entertainment services, and full participation in online activities, including but not limited to those necessitated by public health restrictions. The City will look most favorably on proposals that demonstrate the ability to deliver such service to areas and residents with the greatest need, without qualification or screening requirements including but not limited to income limits, benefit eligibility and credit checks.
- Non-exclusive licensing by respondents of surplus (i.e. not needed to support consumer service) dark fiber on the Salinas Network for the purpose of providing dedicated gigabit-class service for large numbers of commercial, industrial and institutional users. Reliability, availability, quality and other metrics should be equal to or better than that achieved by best-of-class providers elsewhere.
- Selling such services to the City of Salinas on an anchor customer basis.
- Operation and maintenance of the Salinas Network on a contract basis.

A study<sup>1</sup> was completed in 2019 which evaluated the options available to the City to support the deployment, availability and accessibility of consumer and commercial broadband services for all residents and businesses (the 2019 Study). This study, linked below, supplements the information in this document.

The City is prepared to consider the full range of options for use and operation of the Salinas Network and the services provided on it. The City's preference is for models that minimize the City's day to day role while ensuring that sufficient public benefits are generated by its investment, including achievement of its economic development and social equity goals. However, the City will not look favorably on models that restrict competitive access to surplus assets, including but not limited to dark fiber, or that do not provide for proactive, continual marketing of such assets. The City may retain a role in marketing and allocating such assets.

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<sup>1</sup> [City of Salinas Broadband Plan Update, May 2019](#)

Where appropriate, respondents should provide a conceptual proposal for structuring a relationship with the City, including partner responsibilities and revenue sharing as appropriate. The City is willing to consider any options that meet its goals. Please note that the term “partner” is used generically herein and does not refer to any specific type of organizational form or ownership and/or management structure, and the City is not expressing a preference for one particular type of model over another.

The City is not soliciting proposals based on any particular design, technology, business model or solution. Any proposal presented to the City as a result of this RFP and the documents referenced herein will be the sole responsibility of the respondent.

The City is expected to receive \$50,459,386 from the American Rescue Act. The City does not know at this time whether any of these funds would be allocated towards the development of broadband infrastructure. Any proposals submitted must include at least one scenario where none of these funds are available, and proposals that do not include an option that meets the City's goals without the use of federal money may be summarily rejected. However, the City will consider submittals that also include scenarios where a portion of these funds are incorporated into the project.

## **II. SCOPE**

### **A. Salinas Municipal Broadband Network**

The City is completing construction of a 1.5 mile, 288-strand municipal fiber optic network in the Downtown area. The City intends to license the use of fiber strands on this network, at prices and on terms consistent with comparable municipal dark fiber networks in California. The City owns an additional 1.1 miles of 12-strand fiber optic cables which support City operations and may be available for licensing to third parties on a limited basis. Together, these assets are referred to herein as the "City Network". Respondents may propose prices and terms, and the City may, at its sole discretion, set prices and terms.

The City executed a Reciprocal Fiber Agreement with ExteNet Systems, attached hereto as an appendix. This agreement allows qualified third parties approved by the City to license up to 24 strands of fiber on ExteNet's approximately 30-mile citywide network (“ExteNet Network”) at a fixed cost of \$400 per systemwide strand per month.

These strands on the Extenet Network may not be used for CMRS service purposes and are allowed to be used for the following purposes:

- i. The provision of internet/broadband services by the Sub-Licensee directly to the ultimate consumer (i.e. retail) or to itself, excluding CMRS Services; and
- ii. To create points of connection between remote locations for the purposes of supporting the Sub-Licensee’s internal network operations, where the Sub-Licensee is a governmental or other bona fide non-profit agency; and
- iii. Other purposes mutually agreed upon in writing by ExteNet and City.

Up to 8 of these strands may be reserved by the City for its own use, at no cost.

Together, these two, interconnected networks (City Network and Extenet Network) are referred to in this document as the Salinas Municipal Broadband Network (Salinas Network).

The City Network has an access point which is colocated with an access point for the open access Connected Central Coast (CCC) fiber route<sup>2</sup>, which extends 91 miles from Santa Cruz, through Watsonville and Salinas, to Soledad, and interconnects to other long haul fiber networks at various points along the route (CPUC resolution linked below). Strands are currently available on the CCC route at a cost of \$8.50 per strand-mile per month.

Other long-haul middle mile fiber routes also pass through Salinas, as described in the 2019 Study.

The City owns other assets which may be useful to respondents, subject to availability. Respondents may include assumptions about the use of City assets in proposals, so long as all assumptions are fully explained. These assets include, but are not limited to:

- Space for equipment racks in City buildings located on the Salinas Network.
- Buildings, towers and other real property.
- 16,000 feet of telecommunications conduit that is available for use by respondents. Approximately 5,400 feet is in the core downtown business district, 1,600 feet in or near the planned Agricultural Technology Corridor and another 9,000 feet in an unincorporated area southwest of the city. The City makes no representations regarding the suitability or condition of this conduit and will bear no responsibility for assumptions made by respondents. Respondents are warned that some or all of this conduit may be occupied or otherwise inaccessible as a practical matter. The City, at its sole discretion, may install additional conduit and make it available to third parties.

Schematic maps in KML geodatabase format of the following resources are provided as an addendum to this Request for Proposals:

- City Network.
- ExteNet Network.
- Connected Central Coast fiber route.
- Other long-haul fiber routes.
- City conduit.

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<sup>2</sup> [California Public Utilities Commission Resolution T- 17429 Approval of Funding for the Grant Application of Sunesys, LLC, \(U-6991 -C\), from the California Advanced Services Fund \(CASF\) in the Amount of \\$10,640,000 for the Connected Central Coast Unserved and Underserved Broadband Project](#)

## **B. Requirements**

There are no specified quantitative technical or financial performance requirements. Instead, respondents must show how their solutions will meet or exceed the service level, technical, financial, economic development and social equity results achieved in cities that have already pursued such projects.

Examples of where these benchmark systems have been deployed include consumer facing systems such as found in Gonzales, Loma Linda and Ontario, dark fiber systems in Palo Alto, Watsonville and San Leandro, and the lit fiber system in Santa Monica. Respondents may use other benchmark systems for purposes of comparison, but should be prepared to respond to questions that refer to these examples.

Proposals should provide information regarding the service and technology that will be deployed to meet City goals and needs, including, where applicable, service levels, cost, architecture, performance metrics, reliability and contractual methods for guaranteeing performance. This information must be sufficient to assess the suitability of the proposed solution and will be one of the factors used in judging the capabilities and qualifications of respondents. However, detailed designs are not expected or desired. If proposals include consumer service, information regarding rates and terms must be included.

Technical details should be sufficient to assess the flexibility, reliability, capacity, future-proofing and completeness of proposals. Capacity should be expressed both in terms of bandwidth and physical media, such as the number of fiber strands or capacity of electronic equipment. Consumer service levels should be expressed in terms of speeds for individual customers, system capacity specifications (overall *and* on a granular basis, such as by node) sufficient to assess ability to deliver such speeds, as well as latency, uptime, customer contact metrics and installation and repair response times.

Respondents must disclose any current or past contracts with local governmental agencies for services that are similar to services proposed, offered or contemplated in their responses.

The City reserves the right to require respondents to answer questions and provide additional information upon request.

## **C. Business Model**

Proposals that include operation and maintenance of the Salinas Network should provide appropriate details, including delineation of responsibilities among partners, financial responsibility and liability, operating costs and a business plan description. Respondents are advised that the City expects any agreements to include performance metrics, with liquidated damages and/or stated penalties for non-performance.

The City is willing to consider a wide range of business models and roles within those models. However, its preference is for a model that does not involve a direct City role in day to day operations. The City will look favorably on proposals that strike an equitable balance between its economic development and social equity goals and partners' return on investment requirements.

This description must address:

1. Roles and responsibilities for the respondent, the City and other partners, if any, including financial responsibilities.
2. Services, additional facilities and City-owned assets that will be utilized by the respondent and/or offered to customers.
3. Services and facilities that will be offered directly by the respondent and indirectly via third parties.
4. The means by which these services and facilities will be marketed, provisioned, supported and maintained. Time limits for fulfilling maintenance and repair requests, service enquiries, service orders, technical support and other customer service needs must be stated and expressed in hours.
5. Pricing strategy.
6. Financial performance metrics necessary to ensure sustainability.
7. Technical performance metrics that will be used to evaluate system performance over time.
8. Operational details, for example how network operations will be managed, customer support provided, and maintenance scheduled and performed.
9. Staffing plans, including the number of employees to be based in Salinas.

## **D. Schedule**

Respondents should provide an implementation schedule. The schedule may be conditioned on the availability of specific resources, such as a particular intercity fiber network, but must include contingency plans that allow for completion within an acceptable amount of time if such conditions are not met.

## **III. PROPOSAL FORMAT**

Proposals should include a description of the qualifications and capabilities of respondents, including examples of past projects, particularly of a similar nature. A summary of the financial structure and condition of the company is required, and the City may request more detailed information, including audited financial statements, during the evaluation and selection process.

The proposal must include the name, contact information and a brief biography of the primary manager and the person who is the primary point of contact during the evaluation, selection and negotiation process, if different. Brief biographies of other key personnel should also be included.

The City does not wish to discourage respondents by requiring lengthy or time-consuming submissions. Proposals should not contain detailed system designs but should include sufficient technical detail to evaluate performance and technical and financial feasibility. Proposals should

not exceed 25 pages in length and shorter proposals are welcome so long as the above points are addressed. Additional material such as background information on the company, resumes, general product and technology specifications or other information the respondent considers relevant may be included as an appendix, however materials that are overly elaborate, or of an advertising, catalog or promotional nature, or provided by third parties are not desired.

The City reserves the right to request additional information during the evaluation and selection, process and to require substantially more extensive and detailed information in the course of any subsequent contract negotiations.

## **IV. SELECTION PROCESS**

### **A. Qualifications**

All proposals received by the due date will be evaluated by the City. Only information which is received in response to the RFP or any subsequent interview or information request will be evaluated. The City will judge the responses of each proposing firm in several critical areas. Selected proposers may be invited to an oral interview.

### **B. Selection Criteria**

The City will select the most qualified proposal based on the following factors. Responses to the RFP should address the qualities and indicators that are listed below:

1. *Ability of the Respondent to Meet Requirements and Objectives.*

An assessment of the overall quality of the proposal. Qualities and indicators that will receive consideration include the proposer's detail and clarity of discussion as to the proposer's approach to implementation; the proposer's performance in identifying any special problems or concerns which may be associated with its plans and preliminary ideas about how these obstacles should be addressed; the inclusion of any unique approaches which are designed to save time and money or increase the benefits or effectiveness of the proposed work; the demonstrated ability to work with governmental bodies; and a full understanding of applicable laws or regulations.

2. *Ability of the Proposer to Carry Out and Manage the Proposal and Sustain it Over Time.*

An assessment of the past experience of the organization in general. Qualities and indicators that will receive consideration include the number, types and scale of projects, particularly fiber optic projects, the organization or its employees have completed and operated; the variety of projects completed and a demonstration of the organization's ability to undertake this project; the general level of experience in the areas of supervision, observing, monitoring and financing fiber optic projects; the organization's ability to meet timetables and quality control objectives; the respondent's ability to meet and held accountable for contract requirements; and the demonstrated general ability to bring about

a successful completion of projects under the proposer's direction and operate projects over the long term.

3. *Financial Position and Capabilities of the Proposer.*

An assessment of the proposer's financial capacity and expertise. The proposer must demonstrate the ability to fund its activities and sustain operations over the long term, including covering unanticipated expenses due to higher than anticipated costs or lower than anticipated revenues.

4. *Current Workload of the Organization.*

An assessment of the perceived ability of each organization to devote the necessary human resources and management attention. Qualities and indicators that will receive consideration include the number and size of the projects presently being performed by each organization and the assigned staff; the status of existing projects; the past ability of the organization to deliver projects on a timely basis; and the nature of the existing projects that are behind schedule or past the completion date.

## **V. PROPOSAL DUE DATE, DELIVERY AND AWARD**

### **A. Proposed Selection Schedule**

Deadline for Submitting Written Questions: April 9, 2021

City's Response to Written Questions: April 16, 2021

Deadline for Submission of Proposals: April 30, 2021

Tentative Selection Interview Dates: May 10-14, 2021

Final Selection: June 8, 2021

### **B. Delivery**

The proposal, clearly marked with the project description, should be submitted no later than:

April 30, 2021

to either the physical or email addresses below. All copies received by that time will be date and time stamped. Proposals may not be accepted after this time. Proposals should be addressed to:

Andrew Myrick  
City of Salinas  
200 Lincoln Avenue  
Salinas, CA 93901  
[andym@ci.salinas.ca.us](mailto:andym@ci.salinas.ca.us)

Emailed proposals will be accepted and are preferred. Hand carried proposals will be accepted at the above address. Faxed proposals will not be accepted.

### **C. Award of Contract**

It is anticipated that a final decision regarding contract awards will be made by the Salinas City Council at the June 8, 2021 meeting.

## **VI. CONDITIONS OF REQUEST**

### **A. General Conditions**

The City reserves the right to cancel or reject all or a portion or portions of the Request for Proposals without notice. Further, the City makes no representations that any agreement will be awarded to any organization submitting a proposal. The City reserves the right to reject any and all proposals submitted in response to this request or any addenda thereto.

Any changes to the proposal requirements will be made by written addendum.

### **B. Liability of Costs and Responsibility**

The City shall not be liable for any costs incurred in response to this Request for Proposals. All costs shall be borne by the person or organization responding to the request. The person or organization responding to the request shall hold the City harmless from any and all liability, claim or expense whatsoever incurred by or on behalf of that person or organization. All submitted material becomes the property of the City of Salinas.

The selected proposer will be required to assume responsibility for all services offered in the proposal whether or not they possess them within their organization. The selected proposer will be the sole point of contact with regard to contractual matters or other liabilities, including payment of any and all charges resulting from the contract.

### **C. Public Nature of Proposal Material**

Responses to this Request for Proposals become the exclusive property of the City. At such times as a formal recommendation to award an agreement to one proposer is made to the awarding authority, all submittals received in response to this Request for Proposals become a matter of public record and shall be regarded as public records, with the exception of those elements in each submittal which are defined by the proposer as business or trade secrets and plainly marked as “Confidential,” “Trade Secret,” or “Proprietary”, unless disclosure is required under the California Public Records Act or other applicable law. Any submittal which contains language purporting to render all or significant portions of the proposal “Confidential,” “Trade Secret,” or “Proprietary,” shall be regarded as non-responsive.

Although the California Public Records Act recognizes that certain confidential trade secret information may be protected from disclosure, the City may not be in a position to establish that the information that a proposer submits is a trade secret. If a request is made for information

marked “Confidential,” “Trade Secret,” or “Proprietary,” the City will provide the proposer who submitted the information with reasonable notice to allow the proposer to seek protection from disclosure by a court of competent jurisdiction.

#### **D. Validity**

The proposer agrees to be bound by its proposal for a period of ninety (90) days commencing from the date proposals are due, during which time the City may request clarification or correction of the proposal for the purpose of evaluation. Amendments or clarifications shall not affect the remainder of the proposal, but only the portion so amended or clarified.

#### **E. Permits and Licenses**

Proposer, and all of proposer’s subcontractors, at its and/or their sole expense, shall obtain and maintain during the term of any agreement, all appropriate permits, certificates and licenses including, but not limited to, a City Business License, which will be required in connection with the performance of services hereunder.

#### **F. Oral and Written Explanations**

The City will not be bound by oral explanations or instructions given at any time during the review process or after the award. Oral explanations given during the review process and after award become binding only when confirmed in writing by an authorized City official. Written responses to question(s) asked by one proposer will be provided to all proposers who received this Request for Proposals.

#### **G. Proposer’s Representative**

The person signing the proposal must be a legal representative of the firm authorized to bind the firm to an agreement in the event of the award.

#### **H. Insurance**

General liability, automobile, professional liability, and workers’ compensation insurance are required in the amount set forth in the attached sample agreement.

### **VII. AVAILABILITY OF DOCUMENTS**

Copies of the study referenced above are available for review at Salinas City Hall, 200 Lincoln Ave., Salinas, CA 93901.

The study is also available for download at:

<https://www.cityofsalinas.org/our-city-services/city-manager/economic-development>

## **VIII. APPENDICES**

**A. Reciprocal Fiber Agreement between City of Salinas and ExteNet**

**B. Electronic Map of Existing Fiber Assets in City of Salinas (.KMZ)**