Request for Proposals

BROADBAND RESEARCH AND PLANNING

Issue Date: July 5, 2019
Proposal Due Date: July 19, 2019

Issued by: Holy Cross Energy
3799 Highway 82
P.O Box 2150
Glenwood Springs, CO 81602-2150

RFP Website: www.holycross.com/request-for-proposals/
REQUEST FOR PROPOSAL
Holy Cross Energy (HCE) is soliciting proposals from qualified consulting firms for broadband research and planning services to evaluate how HCE can best assist its members in obtaining broadband internet.

ABOUT HCE
Founded in 1939, HCE is a not-for-profit rural electric cooperative that provides safe, reliable, affordable and sustainable energy and services that improve the quality of life for more than 43,000 members and their communities in Western Colorado. HCE is committed to leading the responsible transition to a clean energy future and has set a goal of obtaining more than 70% of its power supply from clean and renewable energy resources by 2030.

HCE’s main business headquarters is in Glenwood Springs, Colorado with other facilities and operations in Avon, Gypsum, and Aspen, Colorado. HCE has approximately 160 employees and had annual revenue in 2018 of $135 million. The electric utility plant contains 3,030 miles of energized line connecting 59,827 electric services. The electric utility plant consists of 1,802 miles underground, 1,108 miles overhead, and 119 miles of transmission.

SCOPE OF SERVICES
The objective of this RFP is to help HCE develop an understanding of its role in improving broadband internet access within the HCE service territory and surrounding communities. In doing so, the following questions will be answered:

1. Should HCE help its members obtain abundant access to broadband internet?
2. What is HCE’s role in helping members obtain access?
3. Can HCE help members obtain access in a fiscally responsible and financially sustainable way with no impact to our electric rates?

Context and Background
Lack of abundant broadband access continues to be a regional problem in Western Colorado. Densely populated neighborhoods near major roadways have at least one option, while more rural neighborhoods may be underserved or unserved.

Local governments have studied and sought to address the issue. Garfield and Pitkin counties are actively working together to deploy wireless middle-mile infrastructure using an open access model to reach some of these underserved and unserved areas. The Northwest Colorado Council of Governments has also sought to address the issue through Project Thor by building a middle-mile network connecting ten Colorado counties. Local communities including Aspen, Eagle, Glenwood Springs, and Vail have all signed-on as participants.
Last Fall, Pitkin and Garfield counties approached HCE about working together to provide broadband services to unserved and underserved communities including the town of Marble. HCE’s electric infrastructure, specifically the electric poles, are a valuable asset in building a robust fiber-optic-based broadband network. The outcome of this RFP will help HCE evaluate how best to help the efforts of local governments.

HCE conducted a general member survey in early 2018 and posed the question “assuming cost was competitive, would you be interested in HCE offering any of the following products and services?”. Broadband internet service was presented as an option, and 62% of members surveyed responded positively. For select demographics, the number of positive responses climbed to 77%.

In parallel to this RFP, HCE is also issuing another RFP for network strategic planning services. HCE’s internal network primarily utilizes wireless technologies and due to the large growth in connected devices may not be sufficient to support HCE’s seventy70thirty plan (https://www.holycross.com/seventy70thirty/). There may be synergies that develop resulting from the network strategic plan which help facilitate HCE’s efforts towards broadband access for its members. Additionally, behind-the-meter integrations, as demonstrated by the Basalt Vista project (https://www.holycross.com/basalt-vista-affordable-housing-project/) may become more prevalent in the future requiring reliable broadband access.

Key Activities
The following is a list of non-inclusive suggested key activities for this project. Respondents are encouraged to identify other activities which will assist in the develop or improve the quality of the project. Activities have been grouped by milestones with each subsequent milestone dependent upon a successful outcome of the previous milestone. Please provide itemized pricing for each activity grouped by milestone. Successful award for Milestone 1 activities does not guarantee Milestone 2 or 3 activities will be pursued.

**Milestone 1**

1. **Member Survey**
   Survey HCE members regarding broadband. Identify gaps in internet service by existing providers related to availability, speed, cost, and service. Determine members’ comfort level with HCE participating in improving broadband. Estimate take-rates for the different communities serviced by HCE. Survey both residential and commercial members.

2. **Market Analysis**
   Provide a detailed competitive market analysis. Identify all current providers of internet and broadband internet connectivity. Provide an overview of services offered by geographic area within HCE territory. Identify potentially unserved and underserved areas. Determine market size by geographic area.
3. **Business Model Review**
   Summarize business model options for HCE consideration. Models may include direct sales, leased fiber wholesale, network owner/operator, open access and partnerships. Provide benefits and risks of each model.

4. **Identify Partnership Opportunities**
   Evaluate current external broadband activities of service providers and local government agencies to identify potential partnership opportunities with the result of improving broadband.

5. **Legal Considerations**
   Evaluate local, state, and federal legal considerations which may benefit or put HCE at a disadvantage when pursuing broadband.

6. **Risk Analysis**
   Conduct a risk analysis identifying potential issues that could negatively impact the core HCE business by pursuing broadband-related activities.

7. **Technology Overview**
   Provide a comparative overview of wireless and fiber technologies and provide a summary of advantages and disadvantages of each. Include the short and long-term financial impact of deploying each. Evaluate the impact of 5G wireless service on a fiber-optic deployment.

**Milestone 2**

1. **High-level cost estimate**
   Provide a total capital cost estimate for deployment separated by geographic area.

2. **Financial Model**
   Develop and provide HCE with a fully functional financial model in Microsoft Excel format to explore financial scenarios. Provide the ability to explore predicted financial performance by geographic area.

3. **Funding**
   Identify options to fund the deployment of a broadband network utilizing grants, loans, or a combination of both. Evaluate local, state, and federal grant opportunities. Explore low-cost loan options.
**Milestone 3**

1. **Business Plan**  
   Complete a broadband business plan as a blueprint for HCE broadband activities.

2. **Engineering Standards**  
   Develop a set of engineering standards for the deployment of broadband technologies.

3. **Construction Plan**  
   Provide HCE with a construction schedule and plan for broadband deployment.

**SCHEDULE**  
HCE expects to adhere to the timetable shown below. It should be noted, however, that target dates are approximate and subject to change without notice.

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>RFP Issuance</td>
<td>July 5, 2019</td>
</tr>
<tr>
<td>Last day for Questions</td>
<td>July 16, 2019 3:00 PM Mountain Time</td>
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<tr>
<td>Proposal Due Date</td>
<td>July 19, 2019 3:00 PM Mountain Time</td>
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<tr>
<td>Anticipated Award Date</td>
<td>Between July 19 and August 8, 2019</td>
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<tr>
<td>Anticipated Start Date</td>
<td>August 12, 2019</td>
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<tr>
<td>Completion of Milestone 1 activities</td>
<td>Prior to September 30, 2019</td>
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<td>Completion of Milestone 2 activities (if applicable)</td>
<td>Prior to November 30, 2019</td>
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<tr>
<td>Completion of Milestone 3 activities (if applicable)</td>
<td>Early 2020</td>
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**SUBMISSION OF PROPOSALS**  
Proposals must be submitted no later than the close of business on the date indicated in the timetable listed in the Schedule section of this document. Late proposals will not be considered. Each respondent shall bear all expenses associated with the preparation and submission of their proposal.
Please submit proposals by email to: bfarmer@holycross.com. Please use the subject line: RFP – BROADBAND RESEARCH AND PLANNING.

Provide all proposal submissions in PDF format. Other formats, including zip files, will be rejected.

Proposals should be concise and must include:

1. **Cover Page**
   
   Provide a cover page which clearly identifies the RFP, respondent’s company name, and primary point of contact.

2. **Executive Summary**
   
   Provide a high-level synopsis of the respondent’s proposal. The Executive Summary should provide a brief overview of the work to be completed and should identify the main features and benefits of the proposed work.

3. **Company Overview**
   
   Provide the following for your company:
   
   - Official registered name, address, website, and relevant contact numbers.
   - Key contact information including contact name(s) and title(s), mailing address(s), phone number(s), and e-mail address(s).
   - Brief history, including year established and number of years performing work related to this RFP.

4. **Qualifications**
   
   Provide a description of qualifications, capabilities, and organizational structure. Identify the project team including qualifications, experience, and specific responsibilities of the project manager and staff that will be assigned to the project.

5. **Relevant Work Experience and References**
   
   Provide three to five examples of projects similar in scope and scale completed by the respondent, especially related to similar work for electric cooperatives. Provide a brief description including completion date, type and scope of project, and contact person with telephone number for reference.

6. **Work Plan**
   
   Provide a description of the approach proposed to accomplish the objectives outlined in the Scope of Services. Include a summary of the steps to be completed. Provide an overview of resource requirements needed of HCE to complete this project.
7. **Work Schedule**  
Provide a detailed schedule indicating how the tasks will be organized to complete the work.

8. **Cost Proposal**  
Provide an estimated cost to complete the project and include a “not-to-exceed” cost. Indicate total cost by phase and for each activity. Include an hourly or flat rate price for work exceeding the included work plan. Provide a separate breakdown for any proposed additional items not included in the work plan.

9. **Deliverables**  
Provide a list of deliverables including detailed descriptions of each item.

10. **Additional Information**  
Respondent may provide any additional information necessary to assist HCE in the evaluation process.

**Questions**  
Submit all questions in writing via e-mail to Bob Farmer at bfarmer@holycross.com. Questions sent to any other HCE e-mail address regarding this RFP will not be answered.

**Confidentiality**  
Any portions of the proposal containing confidential or proprietary information should be clearly marked “Proprietary and Confidential”. HCE reserves the right to release any such information to its agents or contractors for the purpose of evaluating the respondent’s proposal. Under no circumstances will HCE be held liable for any damages resulting from any disclosure of respondents claimed confidential information during or after the RFP process.

**EVALUATION OF PROPOSALS**  
All proposals received will be evaluated for responsiveness and completeness. HCE will eliminate any proposals that (a) are non-conforming to this RFP, (b) do not meet the minimum requirements outlined in this RFP, (c) are not economically competitive with other proposals, or (d) are submitted by respondents that lack appropriate qualifications. Please be certain that all required information is included in your proposals, as HCE will not be required to notify you of incompleteness, seek clarification, or ask for additional information. Failure to provide the information set forth herein may be grounds for elimination of consideration.

**Evaluation Criteria**
Proposals will be evaluated based on technical merit and on the criteria listed below. Finalists may be interviewed by the HCE evaluation team as part of the evaluation process. HCE reserves the right to make an award for reasons other than the lowest price offered.

1. Completeness of proposal.
2. Approach and deliverables.
3. Qualifications, experience, and references.
4. Comparative costs.

Additional Information
HCE reserves the right to request additional information from a respondent to obtain clarification concerning the submitted proposal.

Ownership
All materials submitted in response to this RFP becomes the property of HCE. Selection or rejection of a proposal does not affect this right. HCE shall retain all copyright of materials produced under any contract or subcontract awarded as a result of this RFP. All forms of documents and data generated as a result of this contract are owned by and shall be delivered to HCE at the direction of the HCE Representative. During the period of performance, the information may not be disclosed by the Respondent to third parties, except as expressly provided in the Contract, without the written permission of the HCE Representative.

Proposal Selection
HCE reserves the right to make an award without further discussion of the proposals submitted; there may be no best and final offer procedure. Interviews and negotiations may be conducted with one or more of the respondents. Each initial offer should contain the respondent’s best terms from a cost or price, service, timing, and technical standpoint.

HCE may consult references familiar with the respondent regarding its prior operations and projects, financial resources, reputation, performance, or other matters. Submission of a proposal shall constitute permission for HCE to make inquiries and authorization to third parties to respond to them.

HCE may elect to initiate contract negotiations with one or more respondents including negotiation of costs/price(s) and any other issues or terms and conditions, including modifying any requirement in the RFP. The option of whether to initiate contract negotiations rests solely with HCE. No respondent shall have any rights against HCE arising from such negotiations.

As a result of selection of a respondent to supply products and/or services to HCE, HCE is neither endorsing nor suggesting that the respondent’s product or service is the best or only solution. The respondent agrees to make no
reference to HCE in any literature, promotional material, brochures, sales presentation, or the like without the express written consent of HCE.

GENERAL INFORMATION FOR RESPONDENTS

Compliance with Federal, State, and Local Laws
Respondent warrants in submitting a proposal and in the performance of an award as a result of the proposal, that respondent has complied with, or will comply with, all applicable federal, state, and local laws, ordinances and all lawful orders, rules, and regulations hereunder.

Limitation of Liability
HCE makes no representations, warranties, or guarantees that the information contained herein is accurate, complete, timely, or that such information accurately represents the conditions that would be encountered in pursuing the work or at the site(s) of work now or in the future. The furnishing of such information by HCE shall not create or be deemed to create any obligation or liability upon it for any reason whatsoever and each respondent, by submitting its proposal, expressly agrees that it has not relied upon the foregoing information, and that it shall not hold HCE liable or responsible therefore in any manner whatsoever. Accordingly, nothing contained herein and no representation, statement or promise, of HCE, its directors, officers, agents, representatives, or employees, oral or in writing, shall impair or limit the effect of the warranties of the respondent required by this RFP and that it shall not hold HCE liable or responsible therefore in any manner whatsoever.