

**June 26, 2020**



# REQUEST FOR INFORMATION (RFI)

## Community Wide Broadband Services

### Abstract

The City of Fort Dodge is interested in gauging the interest of capable entities to contract with the City to provide cost-competitive, reliable, high-capacity, gigabit speed broadband (Required Services) to all Fort Dodge residents, businesses, and anchor institutions through an area-wide fiber-to-the-premises (FTTP) network.

This RFI provides prospective respondents with sufficient information to prepare and submit responses for the Required Services.

Curtis Dean, SmartSource Consulting  
curtis@smartsourceconsulting.com

## Contents

---

1: INTRODUCTION.....	3
2: RFI OBJECTIVES AND SCOPE.....	4
3: PROJECT BACKGROUND AND MARKET DEMAND.....	4
4: CITY PRIORITIES.....	5
Delivery Network Ownership (inside Fort Dodge) .....	5
Middle Mile Network Ownership (outside Fort Dodge) .....	6
Service Infrastructure.....	6
Utility Operations.....	6
Products and Services .....	6
5: RFI SUBMITTAL.....	6
6: ADDITIONAL CONSIDERATIONS .....	8
RFI Addenda .....	8
Respondent responsible for all costs .....	8
Confidentiality.....	8
7: SUBMITTAL INSTRUCTIONS.....	8
8: RFI SCHEDULE.....	8
9: QUESTIONS .....	9

## 1: INTRODUCTION

---

It is the goal of the City of Fort Dodge (the “City”) to facilitate a solution or solutions that provides improved broadband services for its citizens. Improved broadband services in this context means the following:

1. **High capacity.** Any consumer (residential, commercial, anchor institutions) within the city limits should have access to internet speeds of at least 1 gigabit per second (1 Gbps) utilizing a fiber-to-the-premise network. The solution should be capable of providing higher-capacity services as needs develop and internet usage continues to expand.
2. **Ubiquitous coverage.** The solution should be available at every premise within the city limits.
3. **Reliability.** The solution should provide enhanced reliability, including redundant connections to the outside world.
4. **Customer service excellence.** The solution should provide consumers with an improved customer experience in all aspects, including response times to service issues.
5. **Competitive pricing.** Products and services offered by the solution should be priced competitively with other provider options in the market.

This Request for Information (“RFI”) seeks to identify qualified companies that can achieve these goals either individually or in partnership with the City. Responses are welcome from any entity with a track record of providing excellent broadband services and the ability to meet the city’s goals. This may include incumbent service providers, competitive providers, nonprofit organizations, public cooperatives, nontraditional providers, and any other interested, capable entities.

The City has initiated this RFI to expand its knowledge of the industry marketplace by identifying one or more entities for the City to potentially engage in exploratory discussions to enable or directly provide price-competitive, reliable, high-capacity, gigabit speed (or higher) broadband services (the “Required Services”) to end-users generally within the city limits of Fort Dodge. City, local education institutional, business, residential, and community-wide leaders place priority on providing the Required Services to everyone in the community. Successful Responses to this RFI will demonstrate how the respondent’s approach will further the City’s goals to effectively deploy and provide the Required Services throughout Fort Dodge in a manner consistent with Iowa laws.

Each potential service market and business model that accomplishes this goal contains a unique combination of opportunities and challenges. The City has identified three business models to pursue for additional information:

1. A municipal-owned and operated (“utility”)
2. Public/private partnership agreements (“wholesale”) and
3. Private operation without City participation.

The City is not seeking Responses from vendors for the utility model at this time. We do seek Responses that focus on public/private partnerships/agreements and/or franchise business models that effectively share

technological capabilities, operational responsibilities, and/or financial risks between the City and the successful respondent(s).

Responses should provide information to the City that helps it identify potential business models and partnering alternatives it might pursue. This includes identifying strategic-level conceptual terms and conditions under which selected providers would likely participate in such a project. The City is most interested in identifying providers able to construct, manage, or utilize a robust network that leads to reliably providing cost-competitive access to the Required Services in a timely manner (1–2 years).

The City will consider a wide range of construction, operation, ownership, and financing options associated with public-private agreements, non-exclusive franchises, and other appropriate alternatives in its evaluation of business models to pursue. This includes creative solutions maximizing the efficiency of total investments by all parties while providing the Required Services to meet the needs of its citizens.

Respondents are encouraged to share their expertise so that it may be used to shape the direction and formation of the network. Multiple providers may collaborate to respond to this RFI. Responses to this RFI may be used by the City to prequalify, based on capability, organizations who may be interested in responding to any subsequent future Request for Proposal or Request for Quotation initiatives for this project.

## 2: RFI OBJECTIVES AND SCOPE

---

The City's objectives and scope of the RFI process are as follows:

1. Identify entities interested in engaging with the City to make the Required Services available in the Fort Dodge city limits.
2. Identify and evaluate innovative, cost-effective, sustainable, resilient business models to deploy the Required Services in the Fort Dodge city limits.
3. At the City's option, meet with select respondents for in-depth discussions regarding the entities' approach, capability, business model, and proposed key terms and conditions. Discussions may be expanded to jointly develop details of potential agreements, non-exclusive franchise, or other business arrangements.

Based on the outcome of the RFI and subsequent discussions with select entities, the City will determine next steps based on the City's best interest.

## 3: PROJECT BACKGROUND AND MARKET DEMAND

---

Fort Dodge, Iowa is the county seat of Webster County, Iowa. It is a major commercial center for northwest Iowa, located at the intersections of US. Highways 20 and 69.

Other facts about Fort Dodge include the following:

## Request for Information – Community Wide Broadband Services

- 2010 Census Population: 25,136
- Households: 10,275
- Median Age: 33.8 years
- Total area within City limits: 16.3 square miles

The City Council of Fort Dodge has identified broadband as a key priority under its strategic plan. In 2019, it retained SmartSource Consulting, LLC to conduct a community broadband study. This study found significant dissatisfaction with existing broadband service providers among Fort Dodge citizens, and strong interest in a new, fiber-based broadband provider in Fort Dodge. A copy of this pre-feasibility study report is available upon request.

A referendum held on November 5, 2019 to establish a municipal telecommunications utility in Fort Dodge was approved by margin of 72% to 28%. This referendum gave the City legal authority to pursue all options for broadband, including full municipal ownership and operation.

On June 22, 2020, the City retained the services of HR Green to conduct a feasibility study to develop capital costs, operational costs, anticipated revenues, and a pro forma for a municipal-owned and operated telecommunications utility.

As a result of the work done to date and by the authority granted by voters, the City of Fort Dodge continues its due diligence by examining various ways to improve broadband connectivity in the community. Several acceptable pathways to achieving this goal have been identified:

1. A municipal fiber-to-the-premise (FTTP) network owned and operated by the City. Results of the feasibility study will provide the City with guidance on this model.
2. Attraction of a new, private provider to build and operate a FTTP network in Fort Dodge able to commit to meet access goals in a reasonable timeline.
3. A combination of public and private ownership based on the combination of information provided in the feasibility study and through this RFI process that serves the best interests of Fort Dodge and its citizens.

## 4: CITY PRIORITIES

---

As a result of previous research on the topic and discussion among community leadership, the City has determined that the ideal outcome of this RFI will be the identification of a partner(s) that accomplish the following priorities:

### Delivery Network Ownership (inside Fort Dodge)

The City would consider any proposal that accomplishes the goal of passing 100% of homes and businesses within the city limits that also achieves its other goals. This would include proposals that require City ownership in all or part of the fiber network.

## Middle Mile Network Ownership (outside Fort Dodge)

The City would entertain any combination of new construction, dark fiber leases, or circuit leases that provides redundancy and the lowest possible cost for transport and internet bandwidth. In order of preference:

- a) Jointly-owned infrastructure (existing or new)
- b) New city-owned infrastructure
- c) Dark fiber leases
- d) Circuit leases

## Service Infrastructure

The City would rely on a partner(s) to provide needed service infrastructure elements, including a cable TV headend and voice switch. Co-ownership is also an option (for example, partnership in the CFU 28E agreement).

## Utility Operations

The City would prefer a partnership that limits staffing requirements. Variations could include:

- a) Partner performs all functions, including both back office and customer facing.
- b) Partner performs technical operations functions while City performs customer-facing functions

## Products and Services

The City would prefer partner relationships that allow a direct say in product selection, pricing, and customer service delivery expectations regardless of whether the City is the brand.

Services must include broadband internet access with at least 1 Gbps download speeds, TV services, and telephone services. Additional services may also be considered if they are of value to Fort Dodge consumers.

# 5: RFI SUBMITTAL

---

Qualified entities that are capable and may have an interest in engaging with the City to contract, deploy, and/or operate the Required Services are encouraged to respond to this RFI.

Respondents are encouraged to provide as much information as possible to allow the City to make an informed evaluation. However due to the expected volume of information this RFI process is expected to generate, we ask that each respondent limit its response to not more than 20 pages total.

Responses should provide the following information:

1. Company name, address, website;
2. Organization type (corporation, subsidiary, partnership, individual, joint venture, other);
3. The name and contact information (email, phone) of the company representative responsible for providing further information;
4. A brief overview of the company's capabilities, management, and key project team members pertaining to providing the Required Services;

## Request for Information – Community Wide Broadband Services

5. A brief narrative demonstrating company's experience and roles in planning, engineering, financing, constructing, implementing, or operating networks able to provide the Required Services; note particular successes in collaborating with a public municipality or utility;
6. A brief, high-level description of the company's proposed solutions, products, and services including, but not limited to:
  - a. Key components of a proposed business model, including describing its:
    - i. Business or network ownership structure;
    - ii. Roles and levels of ongoing governance, management, operations, customer billing, and customer service functions by each proposed party;
    - iii. Geographical coverage of the proposed network and services being provided;
    - iv. Core technologies used to provide Required Services and levels of redundancies;
    - v. Key product and service suppliers central to implementing the Required Services;
    - vi. Elements of network construction being undertaken by proposed parties, including network design, engineering, vendor selection, and construction;
    - vii. Implementation schedules including geographical coverage phasing;
    - viii. Implementation strategies and roles including branding or co-branding, community engagement, customer education, marketing, and others impacting the project's success.
  - b. Customer and City rate impacts; the City recognizes respondents may not have project costs specific to the Fort Dodge area or may not have adequate budgetary information to provide detailed responses to this section, however Responses are encouraged to provide summarized estimated ranges of financial metrics most applicable to the proposed business model including:
    - i. Project cost
    - ii. Cost of monthly service (to residential, business, dark fiber, etc.)
    - iii. Factors impacting monthly costs (as specific as possible)
    - iv. Outcome variance tolerance levels expected
  - c. Financing and funding elements:
    - i. The City's level of up-front and ongoing financial participation and commitments;
    - ii. Other proposed parties' up-front and ongoing financial participation;
    - iii. Debt restrictions (i.e. debt covenants, collateral, and guarantees);
    - iv. Risk-sharing strategies (i.e. levels of sharing of revenue, gross margin, profits, or operational costs);
  - d. Key legal and risk management provisions required by all proposed parties to enter into agreements or non-exclusive franchise arrangements, including key terms and conditions;
  - e. Innovative features of the solution/product(s), including a general description of unique benefits provided by the entity or proposed partnership. Include any enhanced abilities to provide economic development and quality of life benefits to the Fort Dodge community, schools, medical facilities, residents, and businesses;
  - f. Other information as deemed pertinent by respondents.
  - g. Additional data needing to be researched, or professional services contracted for, by the City prior to the respondent committing to proposed activities and advancing in the selection process.
7. A statement expressing how your company would plan to become an involved and engaged member of the Fort Dodge community if your proposal were accepted.

## 6: ADDITIONAL CONSIDERATIONS

---

### RFI Addenda

If it becomes necessary to revise any part of the RFI, an addendum will be posted on the City's website by July 17, 2020. Respondents are responsible to check online prior to submission of their response.

### Respondent responsible for all costs

The City is not liable for any costs incurred by any Respondent associated with the preparation and submission of a response to this RFI, including costs related to potential travel to Fort Dodge or supplying requested studies, plans, specifications, or other information.

### Confidentiality

Respondents acknowledge that the City may be required to disclose any or all of the documents submitted with a response, pursuant to the Iowa Open Records Law, Chapter 22. Respondents **must clearly designate** any documents or content submitted **proprietary or confidential** to avoid being disclosed in the event of a request for documents under Iowa law. Responses submitted and terms and conditions specified in each Respondent's response shall remain the property of the City.

## 7: SUBMITTAL INSTRUCTIONS

---

1. **All responses must be received no later than 5:00pm CDT on August 28, 2020.**
2. RFI response submissions should be provided electronically as a single Microsoft Word or PDF document. Email submissions to: [curtis@smartsourceconsulting.com](mailto:curtis@smartsourceconsulting.com) with a copy to [rymaehl@fortdodgeiowa.org](mailto:rymaehl@fortdodgeiowa.org).
3. Responses received after the deadline will not be accepted. Please allow extra time for delivery before the deadline.

## 8: RFI SCHEDULE

---

The preliminary RFI schedule is tentatively set as follows:

Issuance of Request for Information	June 26, 2020
Possible Addendum posted to City of Fort Dodge website	July 31, 2020
RFI Responses Due	August 28, 2020
Discussion Period Starts	August 31, 2020
Report to City Council	October 12, 2020

## 9: QUESTIONS

---

Potential respondents seeking pre-submittal information should contact:

Curtis Dean  
SmartSource Consulting  
curtis@smartsourceconsulting.com  
(515) 650-0251

At its sole discretion, the City may conduct a pre-submittal meeting with potential respondents to respond to questions and clarify matters contained in this RFI. Meetings may be held individually or in a group format.