

**TEMPLATE:
WRITING THE REQUEST FOR PROPOSAL (RFP)**

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INTRODUCTION

The Broadband for Rural and Northern Development Program administered by Industry Canada requires that communities that are engaged in the program develop a business plan based on a series of activities including:

Conducting an impartial (technologically and commercially neutral) request for proposal (RFP) process for the purpose of identifying the most suitable match between community needs and resources, and a private sector service provider which is capable of delivering these services in a sustainable manner (and which provides for third party access to the proposed facilities);

From the "Guidelines for Applicants"

The purpose of this template is to assist applicant community champions to write the required RFPs inviting vendors to submit proposals for providing broadband services.

An RFP is a standard tool used to purchase services. It is a formal request for proposals from vendors and it may form part of the final contract once negotiations between the community and the vendor are completed.

RFPs are used when the community champion:

- Must use a competitive, open and neutral process for evaluating and selecting a vendor
- Wants to convey specific requirements that will require a tailored response (not an off-the-shelf solution)
- Wants to establish an ongoing contractual relationship with a vendor

This template helps communities to ensure that the questions they ask and the broadband requirements they outline will elicit responses that contain all the information needed to successfully evaluate the bids. Most importantly, the template guides the applicant communities in designing an RFP that is clear and specific, and which assists the respondents (vendors) to propose broadband service solutions to meet the communities' individual needs.

The language that is provided in this template should be customized to meet individual community requirements.

The RFP should begin with a Title Page and a Table of Contents and should consist of the following 9 sections:

1. Project Overview
2. Project Administration
3. The Community
4. Technical Requirements
5. Project Management Requirements
6. Vendor Qualifications and References
7. Estimated Budget and Pricing
8. Contract and License Agreements
9. Appendices

Details on writing each of these sections are provided in the following pages.

1. PROJECT OVERVIEW

The project overview should contain:

- An explanation of why the RFP is being issued and a description of your community's broadband project. Include the purpose of the project and problems that must be addressed (such as the limitations of local access networks, rights of way issues, etc.).

Example:

"The purpose of this RFP is to solicit proposals from vendors who wish to provide broadband services to [Name of Your Community].

The goal of the broadband project is to identify and select a vendor to bring broadband connectivity to the community that best meets the requirements as identified in this RFP. The broadband vendor will... (Provide a short explanation, for example:

- Provide commercial broadband services for both public and private sector customers, which are capable of connecting with locations from across the community and with locations beyond the community,
- Provide a link from the national broadband network to the community,
- Connect public institutions and public access sites in the community to broadband services,
- Offer broadband connectivity to local businesses and residents.)

The major problems that must be overcome in providing broadband connectivity in our community are... (Provide a brief description of the major problems to be overcome).

- A definition of which of the following will be provided by the vendor and which will be provided by the champion or others:
 - **Network:** engineering, furnishing, installation, operations, maintenance and ownership;
 - **customer premises equipment:** furnishing, installation, maintenance and ownership;
 - **management systems hardware and software:** engineering, furnishing, installation, operations, maintenance and ownership
 - **central services:** customer service, sales, marketing, billing, collections, accounting, etc.
- A description of the Broadband for Rural and Northern Development Program including a link to the program website <http://broadband.gc.ca>
- Information on the proposal submission process, specifically how the vendor should respond. Include;
 - Full contact information for the person in your community champion's organization to whom the proposal should be submitted.

NAME	
TITLE	
ORGANIZATION	
ADDRESS	
TELEPHONE NO.	
FAX NO.	
EMAIL ADDRESS	

- Closing date (date and hour) for submitting the proposal. State that proposals received after the closing date and time will not be accepted.
- Format for the proposal. In the format section include information on:
 - Whether bids must be sealed.
 - Whether the financial details of the bid are to be submitted in a separate, sealed envelop from the rest of the bid.
- Whether bids are to be submitted in print and bound, and whether electronic or fax bids are acceptable. If bids are to be submitted electronically, specify the software program is to be used e.g., MS Word, WordPerfect, PDF, etc.
 - The number of copies required.
 - The sections to be included in the vendor's proposal. Providing a list of the sections that you expect the vendors to include in their proposals will help ensure that there is some uniformity to the proposals you receive. This makes it easier to compare them.
- A sample list of Proposal Headings includes:
 - Cover Letter
 - Executive Summary
 - Description of Proposed Broadband Service
 - Project Management Description
 - Vendor Qualifications and References
 - Timeline
 - Pricing Section
 - Contact Information
- Process for vendors to follow if they wish to submit questions about the RFP including:
 - Contact information for the person to whom questions are to be submitted
 - Instructions on how the questions are to be submitted e.g., in writing, telephone, in person, by e-mail
 - A final date by which questions can be submitted
 - Directions regarding whether or not vendors may contact your committee members directly, and if so how.

Providing specific instructions on how to submit questions ensures that all vendors receive the same information.

- Time and place for vendor's information session. You may decide to hold a vendors information session. The purpose of the session is to allow the vendors

to review the RFP with the project team and to ask questions. This information session can be mandatory or optional. You may choose to request that all vendors' questions be submitted in writing prior to the information session. (Responses to all questions are usually circulated to all potential bidders.) A final date for accepting questions should be stated.

- Outline of the evaluation process you will use to assess the proposals.

NOTE: You should write detailed evaluation criteria as part of your complete RFP process however, **only general evaluation criteria should be provided in the RFP.** For example, the following evaluation criteria and scoring detail is appropriate to provide in the RFP.

Example	
Understanding of Scope of Work	25 Points
Administrative (Compliance) Requirements	25 Points
Technical Requirements	100 Points
Project Management Requirements	25 Points
Price	75 Points
Presentation, Demonstration, References	50 Points
Total:	300 Points

- Date that you will notify the vendor whom you have selected.
- A Statement of Ownership of Material: For example, "All materials submitted in response to the RFP become the property of the [Name of Community Champion]. Proposals and supporting materials will not be returned to vendors."
- Pricing policies for the project. Vendors should be advised that:
 - Pricing will be considered as part of the proposal evaluation process.
 - The award of the contract will not necessarily go to the proposal with the lowest bid. (Include this in case you have a situation where the lowest bid may offer an inadequate level of service and a higher bid may offer a better value.)

Depending on the budget available for the project, (See Section 8 of this template), You should include one of the following statements

- "The issuer of the RFP is prepared to enter into an agreement with a vendor without a government subsidy."

Or,

- “The signing of an agreement between the issuer of the RFP and a vendor is dependent on the receipt of a one-time government subsidy by the issuer.”
- A statement advising the vendors that “The issuer of the RFP reserves the right to reject any or all proposals.”

2. PROJECT ADMINISTRATION

The RFP should include the name and a brief description of your “community champion”.

The Broadband for Rural and Northern Development Program “Guidelines for Applicants” defines a community champion as the government or legally incorporated, not-for-profit Canadian organization that has committed itself to act on behalf of the eligible community.

Include a statement of the organization’s (community champion’s) mandate. Also include a list of the members of the project team.

3. THE COMMUNITY/COMMUNITIES

Community Overview

In your RFP provide an overview of your community(ies) including:

- A description of the community(ies) to be served by the proposed broadband service.
- Current and projected demographic and geographic data.
- Estimated number of current Internet users by type of service: dial, DSL, cable modem, wireless, fibre optic, satellite.

Current Levels of Connectivity

Your RFP must provide information on the levels of connectivity currently available in the community(ies). This consists of two parts.

Part 1: Provide a list of the companies and/or organizations that currently provide access to Internet connectivity in your community(ies). Include the following information about each:

- Name of the company or organization.
- Address and contact information.
- Description of the connectivity services that they provide.

Part 2: Provide a list of the current levels of connectivity to aggregation stakeholders, including major businesses and institutions in the community(ies). Include the following information about each:

- Name of institution, organization or company.
- Location (Include civic addresses and GPS coordinates if possible for all locations. Identify the number of buildings, if more than one.)
- The current infrastructure in each building (if known), such as: copper, coaxial cable, fibre, antennae, who owns that infrastructure and whether the building entry is aerial or underground.
- The services currently being subscribed to, and the current cost of those services.

4. TECHNICAL REQUIREMENTS

The RFP must include detailed information, as identified by the community champion, about:

- broadband service requirements; that is, the number of customers (for each of institutions, businesses and residences) that are projected and/or confirmed to sign up for broadband service;
- aggregated community demand for broadband services; that is, the total broadband requirement needed by the customers (institutions, businesses and residences) that are projected to sign up for broadband service.

The requirements must be presented in enough detail to ensure that the potential vendors will have sufficient understanding of the project to be able to accurately determine and propose the appropriate level of broadband service.

Specifically, the RFP must include well-documented information on:

- Goals and objectives for the broadband project.
- Functional specifications for broadband infrastructure, connectivity and applications – Specify **what** the broadband service will have to do and how many sites will have to be connected. (See Appendix A for a sample list of broadband requirements and specifications.)
- Performance specifications – State **how** the broadband service will be required to perform. For example, your community may wish to specify the minimum level of broadband connectivity required and any broadband standards with which the vendor is expected to comply. It is important that the standards facilitate inter-operability with other public networks.
- The environment in which the system or application must function.
- A description of the customers (institution, business and individual) that have committed or may choose to access the proposed broadband service, including:
 - Name of customer
 - Location, including number of buildings if more than one
 - Purpose of broadband service
 - Amount of bandwidth required from the broadband service now and the estimated increase in demand for the next 3 years
 - Description of user group/population to be served by the customer

The amount of money on a monthly basis that the customer may be willing to pay for the proposed broadband service

In your RFP state that the vendors are required to provide a detailed description of the proposed broadband service, which includes descriptions of:

- The broadband infrastructure and architecture (Including network diagrams for how the local broadband network will connect to regional, provincial and national systems and how users will access the local service) and technologies for broadband communication of voice, video, data and graphics.
- How the proposed service will meet the broadband connectivity requirements of the community.
- Broadband applications and the bandwidth required to support these applications.
- The technical standards that the vendor will use for this project.
- How the broadband service will connect to the specific customers identified in the RFP.
- The terms under which a third party service provider could interconnect to the vendor's facilities to offer their own broadband services
- The scalability of the proposed broadband service; that is,
 - how the service can be extended to the new customers who may wish to sign up for the service at a later date, and
 - how the level of service can be upgraded to provide a higher level of service to the customers who have already signed up for the service.
- The security of the physical infrastructure and the safeguarding from unauthorized access established for the service.
- The redundancy (if any) of the facilities.

5. PROJECT MANAGEMENT REQUIREMENTS

In your RFP instruct the vendors to include a **Detailed Project Management Plan** for implementing the broadband project. The RFP should include an estimated start time and completion date for the project.

Example

Ask the vendors to outline their implementation plan for the project described in the RFP. The plan should include timetables that address the following issues;

Project Management: A description of the vendor's management team for this project, listing all key personnel.

Project Schedule: An implementation schedule for the broadband service, including delivery dates, implementation milestones, task relationships and dependencies, and a timeline.

Broadband System Design and Development: Descriptions of how the broadband service will be designed, including details of customer testing and final implementation, the extent to which broadband connectivity to the community will be guaranteed, how the broadband service will deliver differentiated levels of service depending on the different bandwidth needs of the potential users.

Training: Detailed description of all training that is required for this project and how this will be accomplished.

Ongoing Service Maintenance and Assistance: Details of all maintenance activities and how assistance will be provided.

For example:

Will 24/7 maintenance support be provided?

What is the response time for major problems and minor problems?

How will the service be monitored on a continuous basis for any problems?

How will service growth be accommodated?

What software will be used to generate utilization reports and service availability reports?

Documentation Requirements: Information or manuals that are required for the delivery and usage of the broadband service.

6. VENDOR QUALIFICATIONS AND REFERENCES

In your RFP instruct the vendors to demonstrate their ability and competency to complete the project by providing you with the following information:

- A brief outline of the vendor company and services offered, including:
 - Full legal company name
 - Year business was established
 - Number of people currently employed
 - Most recent annual report, if a public company
- An outline of the relationship between the vendor and the product manufacturers that supply the vendor, in order to ensure availability of product.
- A description of the qualifications, experience, capability and/or capacity of the vendor to successfully provide the broadband service and complete the project in a timely manner.
- A description of the qualifications of the members of the proposed project team that will be assigned to the project.
- Information on current broadband clients including
 - Total number of current clients
 - A list of broadband services provided to similar communities
 - Evidence of successful completion of a project of a similar size and complexity
- References: Contact information for three references from projects similar in size, application and scope and a brief description of their broadband installations.

7. ESTIMATED REVENUE AND COSTS

Estimated Revenue

- The RFP should include the projected aggregate monthly revenue that is expected to be generated by the service, including: The actual amount of money that the customers who have signed up for broadband service in your community are prepared to pay on an on-going basis.
- The length of time customers have committed, or are prepared to commit, to purchasing the broadband services from the vendor.
- The market projections or estimates of how much the use of broadband will grow in your community over the next three to ten years.

Using the community aggregator model provides a way to calculate the amount of money that is available from the community to pay for the broadband service.

Community Aggregator Model

The community champion identifies customers (institutions, businesses and residences) that may sign up for the broadband service.

Through the sign-up process the community champion identifies the broadband volume commitments and the monthly dollar amounts that each customer may be prepared to pay.

The estimated total amount of money that may be available from the customers on a monthly basis, that is, the *aggregated monthly revenue budget amount for the project*, is then identified in the RFP.

The benefit of using the aggregator model is that bringing together and identifying community broadband usage commitments puts the community in a better position to obtain favourable rates from vendors.

Costing

The RFP should instruct the vendors to:

- Provide a Detailed Breakdown and Summary Of Costs to provide broadband services to the customers identified in the RFP. It is very important that all bidders submit their costs in a consistent format so that a fair comparison between proposals can be made. Therefore the RFP should instruct the vendors to organize the proposal into specific components with clearly identified capital and non-capital components.

EXAMPLE – COST BREAKDOWN

You can require the vendors to provide a cost breakdown similar to this;

- **Hardware** (Each piece of hardware should be listed and priced separately.)
- **Software** (System and Application Software, including software license fees.)
- **Installation** (Labour equipment and supplies.)
- **Ongoing** (Operating, maintenance and connection to the Internet)
- **Training** (Administration, users)
- **Documentation** (Product literature, manuals, numbers of copies)
- **Project Management** (Staffing, Testing, Travel)
- **Miscellaneous**

- The vendor should specify the amount by which the projected aggregate monthly revenue exceeds the expected monthly operating costs of the service.
- The vendor should identify the amount of one-time funds required, if any, in order for the vendor to provide the service. The vendor should state the payback period on which they have calculated the return on the capital investment with and without a capital injection (or you may choose to specify it).
- Specify that you will accept only complete solutions from a prime vendor. The prime vendor shall assume responsibility for all work and services. However, if the transport network is to be provided by a different subcontracted vendor than the access network (last mile), the pricing for each must be presented separately.
- Include a *Payment Schedule and Terms* that links payments to deliverables.
- Specify the length of time that the vendor must agree to keep the prices valid e.g., 120days.

8. CONTRACT AND LICENSE AGREEMENT

This section of your RFP contains all purchase contracts, nondisclosure agreements and other legal documents.

Example

Your RFP can include a number of contractual obligations e.g.

Requiring the vendor to carry liability insurance.

Withholding part (e.g.10%) of the contract price until it is clear that the network or service is fully and successfully operational.

Advising the vendor that their proposal will be incorporated into the final agreement and may be provided to Industry Canada as part of your business plan submission.

The vendor will be required to certify that in implementing their proposed deployment of infrastructure, they would comply with the *Canadian Environmental Assessment Act*, as amended.

If the project details are to be kept confidential or if proprietary information is contained in the RFP the vendors can be required to sign and return a nondisclosure agreement together with their proposal. An alternative is for you to include a proprietary information notice in the RFP.

9. APPENDICES TO INCLUDE IN YOUR RFP

Any appendices you choose to include should contain information about your community that will be of assistance to the vendors.

Examples of documents you may choose to include:

- Any existing network diagrams (telephone, cable etc.) or detailed descriptions of current systems,
- Needs assessments that have been conducted,
- Any relevant community studies, statistical and demographic data, technical documents,
- Lists of project partner organizations.

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Appendix A: Typical Broadband Requirements and Specifications

Typical Requirements of a Broadband Network¹

Functional Requirements:

- Addressing (IP addressing)
- Interoperability with other products
- Conferencing features
- Electronic mail interface

Technical Requirements

- Alarm reporting capability
- Compliance with standards
- Physical interface requirements
- Emergency backup, power outage protection and power conditioning
- Remote maintenance and testing capability
- Security and firewall provisions
- Self-diagnostic capability
- Support for specific protocols
- Traffic and usage data collection

Support Requirements

- Remote monitoring capability
- Continuing availability of spares
- Documentation provided
- Installation and setup requirements
- Generic program updates
- Required in-service dates
- Project management requirements
- Training for users and administrators

Typical Technical Specifications of a Broadband Network²

Compatibility

- Physical interface
- Protocols supported
- Networks supported

Technical

- Range of speeds
- Media access method
- Switching method
- Transmission medium
- Blockage or congestion factors
- System redundancy

¹ Adapted from James H. Green, *The Irwin Handbook of Telecommunications Management* (New York: McGraw-Hill, 2001), 127.

² Adapted from James H. Green, *The Irwin Handbook of Telecommunications Management* (New York: McGraw-Hill, 2001), 128.

Service Level Agreements

- Response time
- Latency
- Jitter
- Error-free seconds
- Percent availability
- Mean time between failures
- Mean time to repair