

REQUEST FOR PROPOSAL

RFP No. 2

Operation, Maintenance and Expansion of Fiber Network Infrastructure

December 10, 2013

EXECUTIVE SUMMARY

An intergovernmental consortium which includes Piatt County, the City of Monticello, the Monticello CUSD #25, and the Allerton Library (“the Group”) owns a fiber-optic backbone structure that provides high speed connectivity to the four government entities. As described in this Request for Proposal, the Group is seeking services from a qualified firm (“Operator”) to operate, maintain and expand the backbone network infrastructure. The requirements of the requested services, terms of the RFP and contract, and details on the proposed structure of the relationship are outlined below.

Submission Location: Monticello CUSD #25 District Office, 2 Sage Dr, Monticello IL 61856

Contact Person: Vic Zimmerman, Superintendent

Submission Deadline: by 10:00AM CST January 6, 2014

REQUEST FOR PROPOSALS

I. Background on Existing Network

The structure includes two 1.5 inch conduit. One of the conduits includes a 72 fiber optic bundled strand throughout the 10 mile project. The other conduit is reserved for future use.

II. Scope of Requested Services

➤ Operation and Maintenance Services

The Group is looking for an Operator to provide network management, locating services and repair in the event of outage over a multi-year term. The Group believes that the system will require minimal management during the term of the contract. At this time, the Group believes that its needs can be served with a 500 mb connection, however bandwidth requirements may change over time.

➤ Backbone Infrastructure Expansion

The Group also has several engineered extensions to the backbone that it wishes to be installed (“Backbone Infrastructure Expansion”). The Group is hopeful that the management entity will work with the Group to either: 1) fund, construct and operate the expanded network off of the current backbone; or 2) find an entity that will fund, construct and operate the expanded network in order to provide additional services, including commercial internet service, to the surrounding communities.

The existing “engineered” legs (Ridings-Walden Pond lift station, Aquatic Center, County Farm Road lift station) to be constructed by the Operator. Group shall pay for cost of materials. Operator shall cover all other costs related to the Expansion.

Once engineered, the backbone redundancy legs “outer ring” (south of school to middle school and along railway museum tracks from City building to Iron Horse Place) will be constructed by the Operator. Group shall pay for cost of materials. Operator shall cover all other costs related to the Expansion.

The proposed Backbone Infrastructure Expansion shall be considered part of the backbone structure and will be wholly-owned by the Group and subject to the terms and conditions of the Operations and Maintenance Agreement.

III. Proposed Opportunity for Operator

➤ No-Fee Fiber Lease

In return for the network management and related services, the Group is offering a multi-year year indefeasible right of use (IRU) no-fee lease of a portion of existing fibers. The Group is seeking potential management companies to submit a proposal to provide the services listed below.

➤ Additional Lateral and Accessory Infrastructure Expansion

In addition to any Backbone Infrastructure Expansion, the Operator may fund, construct and/or operate side, accessory or lateral lines off of the backbone in accordance with any and all local, State and federal permit and approval requirements (“Lateral and Accessory Infrastructure Expansion”). All such Lateral and Accessory Expansion shall be constructed underground. All materials, conduit and fiber used shall be similar in quality and size to the existing infrastructure. Any Lateral and Accessory Expansion shall remain the property of the Operator. Mapping and JULIE locating services shall be the responsibility of the Operator.

IV. Primary Proposal for Services

The Group’s RFP is premised on the following arrangement:

The Group will provide Operator:

- No-fee lease of existing fibers (number TBD)
- Opportunity to construct, own and operate an expanded network from the Group-owned backbone.

The Operator will provide the Group:

- Full operations, management and maintenance services for the existing backbone (“Operations and Maintenance”)

Term of Agreement: Multi-year TBD

V. Alternative Proposal for Services

The Operator may then also propose an alternate scenario that will fulfill the business goals and return on investment to be made by the Operator (“Alternative Response”). In this case, the Respondent should clearly identify the benefits of the alternative scenario to the Group.

Any alternate proposal must address fully, the services, capabilities and intent of the primary RFP; and could potentially include providing bandwidth services to the Group, serving as leasing agent for remaining unused fibers and/or development opportunities to the region through the use of broadband infrastructure.

The alternative proposal must outline the value proposition presented by the respondent with the equipment, services and operational components identified and explained in detail appropriate for The Group to evaluate the benefit to the region, benefit to the proposer and, any risk assessment considerations from entry into a contract based on the alternative proposal.

VI. Operation and Maintenance Requirements

Routine and emergency network maintenance and repairs as well as network relocations will be the responsibility of the Operator. The Operator will provide all required services to maintain a functioning network; from customer service to financial management to physical repairs. The selected operator will be responsible to provide 24/7 surveillance and active monitoring of the network and manage all customer calls through resolution. Specifically, Operator shall be responsible for:

- Repairing and restoring network service (i.e. Break Fix) regardless of cause. Includes both physical repairs (i.e. mechanical, structural or physical damage or defects to the fiber or network infrastructure) and programmatic repairs (i.e. programming, signal, electronic or connection problems)
- 24/7 Monitoring of the entire system
- Annual Monitoring Report to the Group
- Routine and periodic physical Inspections
- JULIE Locating services, as needed
- Immediate electronic response time (issues that can be fixed remotely)
- Timely (2-4 hour) on-site technician response for physical repairs
- 12-hour maximum repair time for physical repairs

- Advanced replacement service next business day
- Ninety-five percent (95%) “up time” for network services
- Accommodate movement and interruption of fiber lines to as a result of utility work
- 24-hour notice prior to any scheduled maintenance requiring service interruption
- Performance of scheduled maintenance on off hours (i.e. 12 am-5 am)
- One point of contact available twenty-four (hours) for all service-related issues
- The Operator will provide customer service responsibilities on the services provided across the Network using “carrier class” standards of care, service and reliability that is consistent with industry accepted standards.

VII. Restrictions on Use of Fiber

Operator’s use of any fiber associated with the Group’s network shall be subject to the following restrictions:

- Criminal activity prohibited
- Non-discrimination
- Compliance with all State and federal laws, regulations and requirements
- Customer service requirements contained in any lease, IRU or Agreement affecting the fiber

VIII. Appendices

The following documents are attached to this RFP:

1. Map 1 with handholds (APR 26)
2. Map 2 with summary (JUN 3)
3. Map 3 Google overview
4. Electronic link to KMZ files of same at www.sages.us/kmz

PROPOSAL SUBMITTAL REQUIREMENTS

IX. Proposal Requirements

Proposals must include the following information:

- Narrative statement documenting the ability of the firm to provide the scope of services requested
- Relevant experience, including but not limited to: 1) the number of years experience providing the proposed level(s) of equipment and services as described by each Section of this RFP to which you respond; 2) descriptions of similar projects
- At least 2 references for which you have provided similar equipment and services as described in each Section of this RFP to which you respond.
- Resumes of support staff and description of supporting physical capital, including access to equipment necessary for inspections and repairs upon request
- A response to the Primary Proposal, and If applicable, an Alternative Proposal and any related documentation
- Pricing quote for coverage of failed network components resulting in a service outage to be replaced. The locations of warehouses that will store spares for the optical system should be included upon request.

X. Evaluation Criteria

The following primary criteria will be used to evaluate Operators' responses to this RFP:

1. 40% Operator's Experience and Qualifications
2. 40% Operator's Proposal
3. 20% Operator's References

Proposals will be evaluated on the above criteria with emphasis on aspects deemed to be in the Group's best interests, including, but not limited to, completeness of the solution, presence in region, Operator's readiness and availability, all non-recurring and recurring costs, delivery timeline, financial stability and viability, and references.

XI. Submission Requirements and Operator Questions

Responses to this RFP are due by 10:00AM CST, Monday, January 6, 2014 at Monticello CUSD #25 District Office, 2 Sage Drive, Monticello, IL 61856.

All information requested in this RFP must be included in the initial submission filed by the above deadline.

Please provide your Responses per the following:

- two hard copies of Proposal shall be submitted by 10:00AM CST on January 6, 2014 to:
Vic Zimmerman, Monticello CUSD #25 District Office, 2 Sage Drive, Monticello, IL 61856
- an electronic copy of the Proposal shall be submitted (via email) after 10:00AM CST on January 6, 2014, to: Vic Zimmerman – zimvi@sages.us

XII. Questions

Any and all questions or requests for additional information or clarification of the information presented in this RFP, must be submitted by 10:00AM CST on December 30, 2013.

Submit questions via email only to: Vic Zimmerman – zimvi@sages.us

Questions and Answers will be emailed to Operators who have provided email addresses.

TERMS AND CONDITIONS

I. Terms and Conditions for RFP Response

Communication with Group. It is the responsibility of the Operator to inquire about any requirement of this RFP that is not understood. Questions will be accepted until 10:00AM CST on December 30, 2013 with responses sent to all who request by 10:00AM CST on January 3, 2014. Inquiries must be made via email only to: Vic Zimmerman – zimvi@sages.us

Award of Proposal. The Group reserves the right to cancel this RFP or reject any or all proposals in whole or in part, and is not necessarily bound to accept the lowest cost proposal if that proposal is contrary to the best interests of the Group.

Confidentiality. The information contained in proposals submitted for the Group's consideration will be held in confidence until all evaluations are concluded and an award has been made. At that time, the winning proposal will be available for public inspection. Pricing and other information that is an integral part of the offer cannot be considered confidential after an award has been made. The Group will honor requests for confidentiality for information of a proprietary nature to the extent allowed by law. Clearly mark any information considered proprietary.

Costs of Preparation. Operator assumes all costs of preparation of the proposal.

Debarment. Submission of a signed proposal in response to this solicitation is certification that the Operator firm (or any sub-contractor) is not currently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any State or Federal department or agency.

Submission is also agreement that the Group will be notified of any change in this status.

Proposal Understanding. By submitting a proposal, the Operator agrees and assures that the specifications are adequate, and the Operator accepts the terms and conditions herein. Any exceptions should be noted in the response.

Proposal Validity. Unless specified otherwise, all proposals shall be valid for 180 days from the due date of the proposal.

Minority Participation. The Group hereby notifies all respondents that it will affirmatively ensure that minority business enterprises will be afforded full opportunity to submit proposals responding to this invitation and will not be discriminated against on the grounds of race, creed, color, religion, sex, marital status, sexual orientation, familial status, national origin or ancestry, age, physical or mental handicap unrelated to ability, military status, or unfavorable discharge from military service in consideration for an award concerning any contract entered into pursuant to this advertisement.

Financial Reporting. If requested, Operator must provide applicable credit rating/reports,

letter from bank, suppliers to verify financial stability. If requested, Operators shall supply one copy of the following to the Group:

Public Companies:

- Annual reports for the last three years
- History and description of the company
- Recent reports from securities analysts
- Published reports about the company

Private Companies:

- Audited financial statements or tax forms from three years
- History and description of the company
- Published reports about the company, if any

II. Terms and Conditions for Services

Contract Modification and Amendment. The parties may adjust the specific terms of the contract (except for pricing) where circumstances beyond the control of either party require modification or amendment. Any agreed-upon modification or amendment must be in writing and signed by both parties.

Contract Validity. In the event one or more clauses of the contract are declared invalid, void, unenforceable or illegal, that shall not affect the validity of the remaining portions of the contract.

Cancellation/Termination. If the Operator defaults in its agreement to provide personnel or equipment, or in any other way fails to provide service in accordance with the contract terms, the Group shall promptly notify the Operator of such default and if adequate correction is not made within a reasonable timeframe, the Group may take whatever action it deems necessary to provide alternate services and may, at its option, immediately cancel the Contract with written notice. Cancellation does not release the Operator from its obligation to provide goods or services per the terms of the contract during the notification period.

Contract may be terminated by Group if service level drops below what is required to operate the network twice in any five year period.

Assignment; Successors; Third Party Beneficiary. The covenants and agreements contained herein shall be binding upon and inure to the sole benefit of the successors and assigns of the respective parties hereto. Neither party of the contract shall sublease or otherwise assign the contract without the prior written consent of the other, nor shall the Operator assign any money due or to become due without the prior written consent of the Group.

Operator may only subcontract work under this Agreement with the advance, written approval

of the Group.

Nothing herein, express or implied, is intended to or shall confer upon any other person, entity, company, or organization, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

All terms and conditions shall be binding on all approved assigns and successors.

Equal Opportunity. In the execution of the contract, the Operator and all sub-contractors agree not to discriminate on the grounds of race, color, religion, sex, sexual orientation, including transgender status or gender expression, national origin or citizenship status, age, disability or veteran status and to provide reasonable accommodations to qualified individuals with disabilities upon request.

Jobsite, Safety, and Hazardous Materials. When Operator provides construction observation or management services on the job site during project construction, it is understood that, in accordance with generally accepted practices, the contractor shall be solely and completely responsible for working conditions on the job site, including safety of all persons and property during the performance of the work and compliance with OSHA regulations, and that these requirements will apply continuously and not be limited to normal working hours. Any monitoring of the contractor's performance conducted by our personnel will not include review of the adequacy of the contractor's safety measures in, on or near the construction site.

Prior to conducting any subsurface exploration, Operator shall make all reasonable inquiries of available information pertaining to subsurface obstructions or structures such as utility lines or wires, cables, piping, tanks, vaults, etc. Such reasonable inquiry shall be made to the Group and to the appropriate public or private companies to review documents, plans, as-builts or other records indicating underground structures that could be damaged or destroyed if Operator penetrated the surface. Operator assumes the risk of and waives all claims with respect to such conditions while conducting any of its activities at the Facility property. Upon completion of the Services, Operator shall reclaim and restore all surface disturbances caused by it and its contractors' activities.

Indemnification. The Operator agrees to be responsible for, and to protect, save harmless, and indemnify the Group and its members from and against all loss, damage, cost and expense (including attorney's fees) suffered or sustained by the Group or for which the Group may be held or become liable by reason of injury (including death) to persons or property or other causes whatsoever, in connection with the operations of the Operator or any subcontractor under this agreement.

Liability Insurance. If chosen for contract, Operator agrees at all times during the execution of this Agreement to maintain in full-force and effect (and require all subcontractors to maintain) at least the following insurance coverage: 1) Workmen's Compensation (Comply with all applicable laws and regulations); 2) Commercial General Liability (\$ 1,000,000 limit); 3) Umbrella/Excess Bodily Injury / Property Damage (\$2,000,000 limit per occurrence and

\$3,000,000 in Aggregate); Professional errors and omissions insurance with a per claim limit of not less than \$3,000,000.

All policies shall name all Group members as additional, primary insured (or equivalent, as determined by the Group). The policies shall contain a cross Liability/Severability of Interests provision assuring that the acts of one insured do not affect the applicability of coverage to another insured.

All policies shall specifically name City of Monticello as additional, primary insured (or equivalent, as determined by the City) when conducting work in a City-owned Right of Way.

All such insurance policies will be primary/umbrella without the right of contribution from any other insurance coverage maintained by the Group. Operator shall furnish certificates of insurance and all endorsements evidencing such insurance before commencing the Services and upon the Group's request will provide the Group copies of the insurance policies required above. Each of the insurance policies required above must provide that the insurance coverage will not be canceled or expire without 30 days prior written notice to the Group.

Nothing contained in the insurance requirements of this Agreement is to be construed as limiting the liability of the Operator, the liability of any subcontractor or any tier or either of their respective insurance carriers. The Group, does not in any way, represent that the coverages or limits of insurance specified is sufficient or adequate to protect the Group, Operator or any Subcontractor's interests or liabilities but are merely at minimums. The obligation of the Operator and any Subcontractor of any tier to purchase insurance, shall not, in any way, limit their obligations to the Group in the event the Group should suffer an injury or loss in excess of the amount recoverable through insurance, or any loss or portion of the loss which is not covered by either the Operators or subcontractor's insurance.

All insurance required of the Operator shall provide that any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Group or any of its officers, directors, commissioners, officials, employees, consultants, volunteers, or agents.

All insurance required of the Operator shall provide that the insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

In the event the Operator fails to furnish and maintain the insurance required by this contract, the Group may purchase such insurance on behalf of the Operator, and the Operator shall pay the cost thereof to the Group upon demand or shall have such cost deducted from any payments due the Operator. The Operator agrees to furnish to the Group the information needed to obtain such insurance.

In order to protect the Group, the Operator shall require that all its Subcontractors purchase insurance protecting the Group to the same extent they are protected by the insurance required herein from the Operator.

Prevailing Wage Act. For all work identified in this RFP, Operator must pay and require every Subcontractor to pay prevailing wages as established by the Illinois Department of Labor for each craft or type of work needed to execute the contract in accordance with 820 ILCS 130/.01 et seq. The Contractor shall prominently post the current schedule of prevailing wages at the Contract site and shall notify immediately in writing all of its Subcontractors, of all changes in the schedule of prevailing wages. Any increases in costs to the Contractor due to changes in the prevailing rate of wage during the terms of any contract shall be at the expense of the Contractor and not at the expense of the Group. The change order shall be computed using the prevailing wage rates applicable at the time the change order work is scheduled to be performed. The Contractor shall be solely responsible to maintain accurate records as required by the prevailing wage statute and to obtain and furnish all such certified records to the District as required by Statute. The Contractor shall be solely liable for paying the difference between prevailing wages and any wages actually received by laborers, workmen and/or mechanics engaged in the Work and in every way defend and indemnify the District against any claims arising under or related to the payment of wages in accordance with the Prevailing Wage Act.

Certified Payroll Requirements. To the extent applicable, Operator must provide all certified payrolls required by State of Illinois law. Specifically, any contractor working on a public works project must submit certified payroll records on a monthly basis to the public body in charge of the construction project, along with a statement affirming that such records are true and accurate and that the wages paid to each worker are not less than the required prevailing rate.

Compliance with Applicable Laws. All Operators and Operators' subcontractors must comply with all applicable laws, regulations, and rules promulgated by any Federal, State, County, Municipal and or other governmental unit or regulatory body now in effect during the performance of the work. By way of example, the following are included within the scope of the laws, regulations and rules referred to in this paragraph, but in no way to operate as a limitation on the laws, regulations and rules with which Contractor must comply, are all forms of Workers Compensation Laws, all terms of the Equal Employment Opportunity Clause of the Illinois Fair Employment Practices Commission, the Illinois Preference Act, the Social Security Act, Statutes relating to contracts let by units of government, all applicable Civil Rights and Anti-Discrimination Laws and Regulations, and traffic and public utility regulations. Applicable legal requirements include, but are not limited to, the Use of Illinois Labor for Public Works Projects (20 ILCS 605/605-390; 30 ILCS 570/0.01); Minorities, Females, and Persons with Disabilities Act and Illinois Human Rights Act requirements (30 ILCS 575/0.01; 775 ILCS 5/2-105).

Performance Bond. The Operator, before commencing any work, shall furnish a Performance Bond and a Labor and Material (aka Payment) Bond. The Performance Bond shall be in an amount equal to 100% of the full amount of the Contract Sum as security for the faithful performance of the obligation of the Contract Documents, and the

Labor and Material Payment Bond shall be in an amount equal to 100% of the full amount of the Contract Sum as security for the payment of all persons performing labor and furnishing materials in connection with the Contract Documents. Such bonds shall be on standard AIA

Documents, issued by the American Institute of Architects, shall be issued by a surety satisfactory to the Group, and shall name the Group as a primary co-obligee. The cost of the bonds is to be included in the Bid Proposal.

The Performance Bond and Labor and Material Payment Bond will become a part of the Contract. Each Bidder shall list the name of the surety company that will be furnishing the Bonds on its Bid Proposal. The failure of a Bidder to list the name of its surety company on its Bid Proposal shall be a non-responsive bid. The failure of the successful Bidder to enter into a Contract and supply the required Bonds within ten (10) days after the Notice of Award or within such extended period as the Group may grant if the forms do not meet its approval shall constitute a default, and the Group may either award the Contract to the next responsible, responsive Bidder or re-advertise for bids. A charge against the defaulting Bidder may be made for the difference between the amount of the bid and the amount for which a contract for the work is subsequently executed, irrespective of whether the amount thus due exceeds the amount of the bid guarantee.

Work Product/Waiver of Rights. All designs, materials, or other deliverables produced by Operator under the terms of this Agreement are the property of the Group. Under no circumstances shall the Operator retain any ownership right or interest in any deliverable.

Billing and Payment. Invoicing for labor will be performed in accordance with the provisions outlined in the proposal to which these Terms and Conditions are a part. Invoices shall generally be submitted every month for services performed during the previous month and invoices shall clearly describe the services provided. Payment shall be due within 60 days of invoice date.

Independent Contractor. The services of the Operator shall be rendered as an independent contractor and not as an employee for the Group. Nothing contained in this Agreement shall be deemed or construed to create any relationship of principal and agent, or of limited or general partnership, or of joint venture, or of any association by and between the Operator and the Group.

File Retention. After this project is concluded, our file on the project will be closed. All documents and information within the project file will be retained by Operator, and may be sent offsite for storage. Unless you make other arrangements with us, Operator reserves the right to destroy all file information seven (7) years after the project is closed.

The Operator shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of five (5) years. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the five-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-year period, whichever occurs later.

The Operator understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration

of the Group or Operator's responsibilities with respect to services provided under this contract, is prohibited by law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

Severability. If any portion of this Agreement is held invalid or inoperative, then so far as is reasonable and possible, the remainder of this Agreement shall be deemed valid and operative, and effect shall be given to the intent manifested by the portion held invalid or inoperative. The failure by either Party to enforce against the other Party any term or provision of this Agreement shall be deemed not to be a waiver of such Party's right to enforce against the other Party the same or any other such term or provision.

Governing Law. This Agreement and the legal relations of the Parties shall be governed by the laws of the State of Illinois.