



RFP No. 107152

**PROFESSIONAL, TECHNICAL AND EXPERT SERVICES**

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City of Portland, Oregon  
*March 21, 2007*

**REQUEST FOR PROPOSALS**

**PHASE 2 - BUSINESS CASE EVALUATION**  
**FIBER-TO-THE-PREMISES (FTTP) SYSTEM**

**for**  
**CITY of PORTLAND, OREGON**

**PROPOSALS DUE: April 23, 2007 by 4:00 p.m.**

**Envelope(s) shall be sealed and marked with RFP # and Project Title.**

**Submit one (1) original and ten (10) complete copies and 10 CD/DVDs of the Proposal to:**

City of Portland  
Purchases Bureau  
1120 SW Fifth Ave, Room 750  
Portland, OR 97204

**Refer questions to:**

Kevin Yin  
Phone: (503) 823-6858  
Fax: (503) 279-3994  
Email: [kyin@ci.portland.or.us](mailto:kyin@ci.portland.or.us)

***An optional PRE-SUBMITTAL MEETING has been scheduled for 2 pm, April 9, 2007, at Portland City Hall, Lovejoy Room, 1221 SW Fourth Ave, Portland, OR.***

## GENERAL INSTRUCTIONS AND CONDITIONS

**DIVERSITY IN EMPLOYMENT AND CONTRACTING REQUIREMENTS** – The City of Portland seeks to extend contracting opportunities to Minority Business Enterprises, Women Business Enterprises and Emerging Small Businesses (M/W/ESBs) in order to promote their economic growth and to provide additional competition for City contracts. Therefore, the City has established an overall 20% utilization goal in awarding PTE contracts to ESBs. No goal is set for the use of M/WBE firms, but the City is committed to ensuring that such firms receive opportunities and equal consideration to be awarded City PTE contracts.

**ENVIRONMENTALLY PREFERABLE PROCUREMENT** - In accordance with the City's Sustainable City Principles and the City's Sustainable Procurement Strategy, it is the policy of the City of Portland to encourage the use of products or services that help to minimize the human health and environmental impacts of City operations. Therefore, proposers are encouraged to incorporate environmentally preferable products or services into their responses wherever possible. "Environmentally preferable" means products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product or service. To view the above City policies go to [www.portlandonline.com](http://www.portlandonline.com) and navigate to "Charter, Code & Policies Documents".

**INVESTIGATION**- The proposer shall make all investigations necessary to inform it regarding the service(s) to be performed under this request for proposal.

**SPECIAL CONDITIONS** - Where special conditions are written in the Request for Proposal, these special conditions shall take precedence over any conditions listed under the Professional, Technical and Expert Service "General Instructions and Conditions".

**CLARIFICATION OF REQUEST FOR PROPOSAL**- Proposers who request a clarification of the RFP requirements must submit questions in writing to the person(s) shown in the REFER QUESTIONS TO section on the cover of this RFP, or present them verbally at a scheduled pre-submittal conference, if one has been scheduled. The City must receive written questions no later than the date stated herein. The City will issue a response in the form of an addendum to the RFP if a substantive clarification is in order.

Oral instructions or information concerning the request for proposal given out by Bureau or Office managers, employees or agents to prospective proposers shall not bind the City.

**ADDENDUM** – Any change to this RFP shall be made by written addendum issued no later than 72 hours prior to the proposal due date. The City is not responsible for any explanation, clarification or approval made or given in any manner except by addendum.

**COST OF PROPOSAL**- This Request for Proposal does not commit the City to pay any costs incurred by any proposer in the submission of a proposal or in making necessary studies or designs for the preparation thereof, or for procuring or contracting for the services to be furnished under the request for proposal.

**CANCELLATION** – The City reserves the right to modify, revise or cancel this RFP. Receipt and evaluation of proposals or the completion of interviews do not obligate the City to award a contract.

**LATE PROPOSALS**- Proposals received after the scheduled closing time for filing will be returned to the proposer unopened.

**REJECTION OF PROPOSALS**- The City reserves the right to reject any or all responses to the Request for Proposal if found in the City's

best interest to do so. In the City's discretion, litigation between the City and a proposer shall be cause for proposal rejection, regardless of when that litigation comes to the City's attention and regardless how the consultant's proposal may have been scored. Proposals may also be rejected if they use subcontractors or subconsultants who are involved in litigation with the City. Proposers concerned about possible rejection on this basis should contact the City before submission of a proposal for a preliminary determination of whether its proposal will be rejected.

**CITY OF PORTLAND BUSINESS LICENSE** - Successful consultant shall obtain a current City of Portland Business License prior to initiation of contract and commencement of the work.

**WORKERS' COMPENSATION INSURANCE** – the successful consultant shall be covered by Workers' Compensation Insurance or shall provide evidence that State law does not require such coverage.

**CERTIFICATION AS AN EEO AFFIRMATIVE ACTION EMPLOYER**- Proposers must be certified as Equal Employment Opportunity Affirmative Action Employers as prescribed by Chapter 3.100 of the Code of the City of Portland. The required documentation must be filed with the Bureau of Purchases, City of Portland, prior to contract execution.

**EQUAL BENEFITS PROGRAM** – Proposers must provide benefits to their employees with domestic partners equivalent to those provided to employees with spouses as prescribed by Chapter 3.100 of the Code of the City of Portland. The required documentation must be filed with the Bureau of Purchases, City of Portland, prior to contract execution.

**CONFLICT OF INTEREST** - A proposer filing a proposal thereby certifies that no officer, agent or employee of the City who has a pecuniary interest in this request for proposal has participated in the contract negotiations on the part of the City, that the proposal is made in good faith without fraud, collusion or connection of any kind with any other proposer of the same call for proposals, and that the proposer is competing solely in its own behalf without connection with or obligation to, any undisclosed person or firm.

**CONFIDENTIALITY** – All information submitted by proposers shall be public record and subject to disclosure pursuant to the Oregon Public Records Act (ORS 192.410 et seq.), except such portions of the proposals for which proposer requests exception from disclosure consistent with Oregon Law. Any portion of a proposal that the proposer claims constitutes a "trade secret" or is "confidential" must meet the requirements of ORS 192.501(2) and ORS 192.502(4). If the entire proposal is marked as constituting a "trade secret" or being "confidential," at the City's sole discretion, such a proposal may be rejected as non-responsive.

If a request to inspect the proposal is made, the City will notify the proposer of the request. If the City refuses to release the records, the proposer agrees to provide information sufficient to sustain its position to the District Attorney of Multnomah County, who currently considers such appeals. If the District Attorney orders that the records be disclosed, the City will notify the proposer in order for the proposer to take all appropriate legal action. The proposer further agrees to hold harmless, defend and indemnify the City for all costs, expenses and attorney fees that may be imposed on the City as a result of appealing any decision regarding the proposer's records.

The Purchasing Agent has the authority to waive minor irregularities and discrepancies that will not affect the competitiveness or fairness of the solicitation and selection process.

**These Professional, Technical and Expert Services Request for Proposal "General Terms and Conditions" are not to be construed as exclusive remedies or as a limitation upon rights or remedies that may be or may become available under ORS Chapter 279.**

# PART I

# CONTRACT REQUIREMENTS

## SECTION A

## GENERAL INFORMATION

### 1. INTRODUCTION

The City of Portland ("City") Office of Cable Communications and Franchise Management ("OCCFM"), in cooperation with the Portland Development Commission ("PDC"), the City's Bureau of Technology Services ("BTS") and Office of Management and Finance ("OMF") (collectively "Participating Bureaus"), is issuing an RFP to develop a business plan ("Plan") that will assess the feasibility of a citywide FTTP system in Portland.

This RFP is being issued pursuant to the direction of the Portland City Council (February 7, 2006), and subsequent funding by the Council (November 28, 2006), on the recommendation of Commissioner Dan Saltzman.

### 2. BACKGROUND

The OCCFM and Participating Bureaus periodically provide policy recommendations to the Portland City Council to further the Council's commitment to open access and the development of competitive alternatives for citizen and business access to state-of-the-art broadband communication services in Portland. This RFP is a continuation of a 2005 Phase 1 Feasibility Study ("Phase 1 Study") prepared by DynamicCity, which developed a preliminary business case for a municipally owned and financed Open Service Provider fiber-to-the-premises ("FTTP") system in Portland. (Note: The complete Phase I Study is attached as Attachment B to this RFP.)

At a February 7, 2006 Work Session, the Portland City Council reviewed the Phase 1 Study prepared by DynamicCity. The Council received the information provided in the Phase I study, including:

- Initial documentation of a positive business case for publicly owned FTTP communications infrastructure in Portland;
- Business model assumptions for community-owned open fiber infrastructure;
- Projected revenues and costs;
- Technology requirements and network architecture; and
- Initial financing options

At the conclusion of its February 7, 2006 Work Session, the Council informally agreed that the Phase 1 Study, together with the Council's longstanding policy actions, provided the basis to pursue a more detailed feasibility analysis for a citywide FTTP system in Portland, including assessment of the market potential, analysis of various potential business models including the potential for public private partnerships, analysis of financial feasibility, and assessment of economic development and community benefits.

### 3. SCOPE OF WORK

OCCFM in cooperation with the Participating Bureaus now seeks proposals from individuals, firms, teams or consultants ("Proposer(s)") with demonstrated experience in planning citywide Fiber-to-the-Premises ("FTTP") broadband networks.

The Participating Bureaus seek to develop a business plan ("Plan") that will assess the feasibility of a citywide FTTP system in Portland. The successful Proposer will utilize the findings of the Phase 1 Study conducted in 2005 by DynamicCity in developing its analyses and formulating recommendations. The Phase 1 Study provides the baseline financial analysis and technical requirements for a citywide FTTP system. The successful Proposer will build on the Phase 1 Study by conducting the following activities:

1. Market Assessment
2. Strategic Analysis

3. Financial Feasibility Analysis
4. Economic and Community Development Benefits Assessment

In relation to the above activities, the Plan will analyze the costs and benefits of the following potential business model scenarios:

- A. City builds and owns wholesale FTTP network as a direct City-owned infrastructure providing City-managed wholesale network access for high speed voice, data, and/or video services to interested retail providers.
- B. City builds and owns wholesale FTTP network as a City asset but engages private manager to operate system and lease network access to providers on an "open access" basis.
- C. City partners with one or more private entities to build and own dark fiber network to the curb or to the premise as a public/private City asset, but City contracts with one (or more) partners or providers to install electronics and provide high speed voice, data, and/or video services.
- D. City offers incentives to private provider as partner to build and operate Open Access FTTP network and to provide high speed voice, data, and/or video services.
- E. City builds and owns the network and offers basic connectivity to residents and businesses, but will not offer any voice, video or any other applications to end users. The city may outsource management of the network to a private party. (Layers 1-4).

Based on its findings and in consultation with the Participating Bureaus and other stakeholders, the successful Proposer will recommend the best means for the City to facilitate the development of a citywide FTTP network. The successful Proposer will formulate its recommendations based on evaluation of the costs and benefits of the above business model scenarios or extrapolations thereof. Factors to consider in formulating the recommendation include maximizing the probability of success, minimizing direct and indirect costs to the City, minimizing time to deployment, and achieving the greatest possible community benefits.

Specific information about the activities required through this Scope of Work are contained in Section B: Technical or Required Services.

This Scope of Work is a minimum requirement. The Proposer may suggest and analyze other methods and means, without limitation, judged by the Proposer to be relevant or necessary in order to achieve Plan objectives, to the extent that these methods are specified in the proposal. The City welcomes counter proposals or proposals concerning additional or alternative ways of analyzing the feasibility of a citywide FTTP system.

The successful Proposer shall be expected to work closely with designated City personnel.

**4. PROJECT FUNDING**

The anticipated cost for the services described herein is expected not to exceed \$150,000. The Proposer's proposal shall include the Proposer's true estimated cost to perform the work irrespective of the City's budgeted funds for this work.

**5. TIMELINE FOR SELECTION and PROJECT DELIVERABLES**

The following dates represent the targeted timeline for this project:

Pre-submittal meeting at 2 p.m.	April 9, 2007
Proposal Due Date - Written proposals due at 4 p.m.	April 23, 2007
Announcement of short list of Proposers	May 7, 2007
Interviews, if deemed necessary	May 14, 2007
Selection committee recommendation	May 23, 2007
Notice of Intent to Award	June 6, 2007

Proposed schedule and work plan due from successful Proposer	June 18, 2007
Monthly progress reports	July 16, August 15, September 17, 2007
Draft Phase 2 Business Case Evaluation due	October 1, 2007
Final Phase 2 Business Case Evaluation due	October 29, 2007

**The City reserves the right to make adjustments to the above noted schedule as necessary.**

## SECTION B

### WORK REQUIREMENTS

#### 1. TECHNICAL OR REQUIRED SERVICES

The successful Proposer will analyze the tradeoffs of the potential business models, and synthesize its analyses into clear and succinct recommendations to the City of the best means to facilitate a citywide FTTP system. Factors to consider in formulating the recommendations include maximizing the probability of success, minimizing direct and indirect costs to the City, minimizing time to deployment, and achieving the greatest possible community benefits.

The successful Proposer will conduct the following analyses in formulating its recommendations:

1. Market Assessment
2. Strategic Analysis
3. Financial Feasibility Analysis
4. Economic and Community Development Benefits Assessment

The successful Proposer will use data and information specific to the Portland market wherever possible.

Specific requirements for each major activity are provided below:

#### 1. Market Assessment

The successful Proposer will assess the market demand for services enabled by an FTTP system. This demand analysis will utilize localized market research and will help inform the revenue projections for the Financial Feasibility Analysis. Specifically, the successful Proposer will address the following issues:

##### **Retail Service Offerings**

The OCCFM and its partners wish to more fully understand the potential service offerings made available and/or possible by an FTTP infrastructure. The successful Proposer should summarize potential service offerings from retail providers on an FTTP platform, including voice, video, data services, Internet access, and/or combinations (or bundles) thereof. Existing or potential retail service offerings should be summarized to include recommended target markets.

##### **Customer Segmentation**

Where applicable, the Proposer should segment such target markets into general categories of residential and commercial with further detail, if available, on specific types of residential and commercial customers. This detailed description should include, where possible, demographic profiles of residential and commercial customers targeted or potentially likely to purchase such services.

Where possible or applicable, the City seeks more focused demographic information regarding Portland's residential and commercial communications consumption patterns in order to better evaluate potential retail providers' service offering(s) and potential

target market(s).

### **Market Demand**

The successful Proposer should provide a reasonably detailed market demand analysis for potential retail services offered on an FTTP network for each respective target market. The analysis should develop data on current levels of satisfaction with various service bundles (voice, video, data), and demand elasticities with respect to service speeds (upstream and downstream) and prices. The analysis should address the potential of the FTTP platform in meeting consumer needs.

It is critical that localized market information is used to conduct the Market Demand analysis. The successful Proposer will estimate demand and potential Take Rates for the FTTP system retail services by conducting local market research. Ideally, the successful Proposer will base estimates on a statistically valid sample of the Portland market. At minimum, estimates should consist of surveys of residential and business customers and in-person interviews with large business customers and institutional users. As part of this task, the successful Proposer will:

- Assess consumer satisfaction with current prices and services provided by incumbent providers.
- Assess the market for communications services and the satisfaction with the current prices and services provided by communications companies serving the City's residents and businesses.
- Determine the markets' propensities to switch communications providers in relation to cost, service and other parameters.

The information gathered from the market research should include:

- Estimates of the current market for cable television services
- Estimates of the current market for Internet services
- Estimates of current market shares for local and long-distance telephone service
- Summary of price and service sensitivities for communications services
- Summary of relationships between services, satisfaction, and demographics

## **2. Strategic Analysis**

The successful Proposer will analyze the strengths, weaknesses, opportunities and threats within the telecommunications industry and local business climate that may facilitate or inhibit the success of an FTTP system in Portland. Specifically, the successful Proposer will address the following issues:

### **Industry Research**

The successful Proposer will inventory other similar initiatives and research best practices of other communities (comparable in size and other relevant factors to the Portland market wherever possible) or other entities deploying and/or operating FTTP systems.

Specifically, the OCCFM would like updated estimates of: 1) Internet & Broadband Penetration (U.S. vs. Portland); 2) Residential Service Penetration; 3) Municipal Telecom Take Rates (existing and over time); and 4) Average Revenue Per Unit ("ARPU") projections.

### **Competitive Analysis**

The successful Proposer will estimate structural elements of voice, video and data industries, and analyze their potential impact to the development and feasibility of an FTTP system. Structural elements may include market size, growth rates, major players and market shares, product differentiation, barriers to entry, or other issues. The analysis should be as specific as possible to the Portland market.

The successful Proposer will analyze forces driving competition and impacts on the market opportunity and feasibility of the FTTP system. Forces to consider include, but are not limited to: Rivalry among existing firms; Threat of new entrants; Bargaining power of suppliers; Bargaining power of buyers; Threat of substitute products and services.

The analysis should account for several competitive scenarios regarding voice, video, and data services that could impact the revenue potential and Take Rates for the FTTP network.

### **Impact of Alternative Technologies**

The Strategic Analysis should address the impact of existing and new competing and/or complementary technologies to the feasibility of the FTTP system. Such analysis includes but is not limited to the following:

- Strategic position, integrity of infrastructure, product/service pricing review, perception of service quality and price, and technology/infrastructure roadmap of existing CATV, Internet and telephone providers in Portland.
- Potential for new technologies to be rolled out in the Portland market that could compete with or complement an FTTP network or otherwise affect the Take Rate and/or ARPU. Successful Proposer should evaluate the impact of the following technologies, among others, on the Take Rates and ARPU for any retail voice, video, and/or data services or bundles offered on an Open Access FTTP network:
  - o Comcast cable modem service (DOCSIS 3.0)
  - o Qwest VDSL2 offering
  - o MetroFi WiFi (802.11n)
  - o Clearwire WiMAX (802.16e)
  - o Verizon & Sprint EV-DO Rev A
  - o Cingular HSPDA

### **Legal Analysis**

The successful Proposer will include an analysis of potential legal factors that may affect or constrain the City's ability to proceed with any recommended actions, including the threat of litigation or preemption, and any other known constraints arising from applicable federal or state laws or policies.

### **Multi-Unit Structure Barriers**

The City's understanding is that a variety of Multiple Dwelling Units ("MDU") have signed long term contracts with shared tenant service providers or directly with the incumbent operators (cable or satellite). The successful Proposer will collect and provide Portland-specific information on the scope of such MDU contracts to the extent practicable, including, among other things, their average length, and the scope of the market segment affected.

The successful Proposer will also identify and provide Portland-specific information about specific physical or other challenges that may inhibit connections to the FTTP system by tenants of multi-tenant commercial buildings and residents of MDUs.

The successful Proposer will estimate the effects of long-term contracts, physical barriers, and/or other barriers inhibiting the provision of services to residents of MDUs or tenants in multi-tenant commercial buildings in Portland. The successful Proposer will assess the impact on the market opportunity and feasibility of the FTTP system.

### **Impact of Network Provisions**

The analysis should address the impacts of the following potential network provisions on the market opportunity and feasibility of the FTTP system:

- An open platform network that requires the underlying transport provider to accommodate retail partners.
- A “net neutrality” provision that in concept would limit or restrict preferential treatment of data streams by network owners or service providers (for non-technical or non-standard reasons) in a manner that could adversely affect overall network and platform openness or accessibility;
- A “right to attach” provision that allows consumers to attach devices of their choice to the network.
- Privacy protection provisions where applicable that would restrict sharing of certain personal or confidential information with partner companies.

**Partnership Opportunities**

The successful Proposer will specify where applicable potential joint actions or direct or indirect partnership opportunities with other jurisdictions and entities proposing or constructing municipal open platform FTTP or related broadband projects (e.g. Seattle, San Francisco, or others).

The successful Proposer will assess potential alliances that may foster the development of telecommunications products and services, and/or that may improve an overall positive business case for the FTTP system.

**3. Financial Feasibility Analysis**

The successful Proposer will analyze the financial feasibility of a citywide FTTP system in Portland. The tradeoffs among various potential business model scenarios will be included in the analysis. The following specific issues will be addressed as part of the financial feasibility analysis:

**Take Rates and ARPU**

The successful Proposer will develop specific wholesale and retail Take Rates and ARPU projections delineated by market segments and based on the findings of the Market Assessment and Competitive Analysis.

**Updated Projections**

The successful Proposer will utilize findings from Market Assessment and Competitive Analysis, coupled with the Phase 1 Study, to develop an updated financial feasibility projection. The OCCFM recognizes that some cost estimates may need to be updated from the Phase 1 Study, but hopes to maintain major assumptions and data from the cost model and so prevent having to revisit this analysis in great detail.

**ROI and Break Even Analysis**

Using updated cost and revenue projections, the successful Proposer will develop a *pro forma* estimating Return on Investment (ROI) for the FTTP system over time. The successful Proposer will also demonstrate the period required to achieve profitability (i.e., Break Even Analysis) for each scenario under consideration.

**Subsidy Requirements**

The successful Proposer will develop estimates of public sector subsidy (if any) and recommendations for forms of subsidy for the recommended and any alternative, prioritized models or scenarios. This will include both direct and indirect cost to the City and other public partners.

Depending on the business model scenario recommended by the successful Proposer, the amount of public subsidy required should be presented as a financial gap, i.e., the minimum amount of public subsidy required to incent a private entity to undertake the development and operation of the FTTP system.

This analysis should quantify the financial impacts (or costs) of issues addressed in the Competitive Analysis (including Impact of Network Provisions), and illustrate how each such issue affects public sector subsidy requirements.

#### **Financing Options**

The successful Proposer will include an evaluation of financing options for various scenarios utilizing both public and private funding sources. The City is interested in understanding the potential impacts that various financing options would have on the financial resources of the City. As such, Proposers should indicate whether potential financing options are assumed to be fully self-sufficient revenue-based options or whether credit enhancement or other financial support from the City is assumed. As part of this evaluation, the successful Proposer will evaluate the feasibility and impact of using below-market-rate public financing to the extent such financing is available to the City.

#### **Sensitivity Analysis**

The successful Proposer will develop a sensitivity analysis that outlines the basis of significant assumptions, and measure how changes in significant assumptions affect the financial feasibility of the FTTP system.

### **4. Economic and Community Development Benefits Assessment**

To fully assess the costs and benefits of pursuing an FTTP system, the successful Proposer should utilize an analytical framework broader than that of a strictly financial model. In addition to the financial feasibility analysis, the successful Proposer will assess the impact of a citywide FTTP system on opportunities within the city of Portland for innovation, job growth, economic development, education, sustainability, transportation and energy savings, health care improvements, and community development. The successful Proposer may describe other potential benefits and beneficiaries of an FTTP system.

A more comprehensive framework should adequately account for potential Open Access wholesale FTTP ancillary benefits, including consumer savings from lower rates, cost savings, efficiencies and improved quality in the delivery of services by government agencies and utilities, and similar economic benefits.

### **2. WORK PERFORMED BY THE CITY**

The City has assigned a project manager to oversee the successful Proposer's work and provide support as needed. Specific duties the City will perform include:

- Provide demographic, geographic and business data and information regarding the City of Portland as necessary or relevant;
- Provide information and clarification regarding the City's available financial and legal mechanisms to assist in development of a citywide broadband FTTP system;
- Provide clarification or assistance in connection with the Proposer's work as available.

### **3. DELIVERABLES AND SCHEDULE**

Deliverables shall be considered those tangible resulting work products that are to be delivered to the City such as reports, draft documents, data, interim findings, drawings, schematics, training, meeting presentations, final drawings and reports. The successful Proposer is encouraged to provide any deliverables in accordance with the City's Sustainable Paper Use Policy. The policy can be viewed at: <http://www.portlandonline.com/omf/index.cfm?c=37732> .

Deliverables and schedule for this project shall include:

- a. A proposed schedule and work plan within 10 business days of issuance by the City of Notice to Proceed (tentatively projected to be June 18, 2007);
- b. A monthly progress report by the 15<sup>th</sup> of each month during the course of the

- engagement;
- c. A Monthly Subconsultant Payment and Utilization Report by the 15<sup>th</sup> of each month during the course of this engagement;
- d. A draft Phase 2 Business Plan as specified herein by October 1, 2007 following Notice to Proceed;
- e. A final Phase 2 Business Plan, with all deliverables, by October 29, 2007.

All deliverables and resulting work products from this contract will become the property of the City of Portland.

**4. PLACE OF PERFORMANCE**

It is expected that a substantial portion of the engagement will require work and research within the City of Portland.

**5. PERIOD OF PERFORMANCE**

The City anticipates having the successful Proposer begin work within 10 business days of Notice to Proceed (projected to be June 18, 2007), with submittal of a draft Phase 2 Business Plan by October 1, 2007, and submittal of final deliverables to the City by October 29, 2007.

Proposals containing earlier completion of the deliverables are acceptable and encouraged.

**6. PUBLIC SAFETY**

Public safety may require limiting access to public work sites, public facilities, and public offices, sometimes without advance notice. The Proposer shall anticipate delays in such places and include the cost of delay in the proposed cost. The successful Proposer's employees and agents shall carry sufficient identification to show by whom they are employed and display it upon request to security personnel. City project managers have discretion to require the successful Proposer's employees and agents to be escorted to and from any public office, facility or work site if national or local security appears to require it.

**7. INSURANCE**

The successful Proposer(s) shall agree to maintain continuous, uninterrupted coverage of all insurance as required by the City. There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without a 30-day written notice from the successful Proposer or its insurer(s) to the City.

**Workers' Compensation Insurance** in compliance with ORS 656.017, which requires subject employers to provide Oregon workers' compensation coverage for all their subject workers (firms with one or more employees, unless exempt under ORS 656.027).

**General Liability Insurance** with a combined single limit of not less than \$1,000,000 per occurrence for Bodily Injury and Property Damage. It shall include contractual liability coverage for the indemnity provided under this contract, and shall provide that the City of Portland, and its agents, officers, and employees are Additional Insureds but only with respect to the successful Proposer's services to be provided under this Contract.

**Automobile Liability Insurance** with a combined single limit of not less than \$1,000,000 per occurrence for Bodily Injury and Property Damage, including coverage for owned, hired, or non-owned vehicles, as applicable.

**Professional Liability Insurance** with a combined single limit of not less than \$1,000,000 per claim, incident, or occurrence. This is to cover damages caused by negligent acts, errors or omissions related to the professional services to be provided under this contract.

**Certificates of Insurance:** As evidence of the insurance coverages, the successful Proposer shall furnish acceptable insurance certificates to the City at the time signed contracts are returned to the City. The certificate will specify all of the parties who are Additional Insureds and will include the 30-day cancellation clause as identified above.

Insuring companies or entities are subject to City acceptance. If requested, complete policy copies shall be provided to the City. The successful Proposer shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.

**SECTION C**

**ATTACHMENTS & ADDITIONAL INFORMATION**

**1. ATTACHMENTS**

**ATTACHMENTS:**

- A** - Form 1: City of Portland PTE First Tier Subconsultant Disclosure Form
- B** - Portland Phase 1 Feasibility Study- July 2005 (DynamicCity)
- C** - Data-Gathering Model for Portland Open Service Provider Wholesale FTTP Market Research (Suggested)

**2. SAMPLE CONTRACT**

The Professional, Technical and Expert Services Contract is the City's standard contract and will be used as a result of this selection process. A sample contract can be viewed at: <http://www.portlandonline.com/shared/cfm/image.cfm?id=27067>.

**3. PROJECT DATA**

Project-Specific Data and a preliminary overview of City goals, baseline assumptions, and desired FTTP network characteristics are set forth (below).

**C.3.1. About the City of Portland**

<b>City Profile</b>	
<b>Area:</b>	134 square miles
<b>Elevation:</b>	173 feet above sea level
<b>Latitude:</b>	45.53707
<b>Longitude:</b>	-122.65009
<b>Population:</b>	537,000 Over 2,000,000 in the PMSA
<b>Housing Units</b>	241,000
<b>Income</b>	\$61,000 per household \$26,000 per capita

Portland is Oregon's largest city with an area of 134 square-miles. Portland is located in Multnomah County and has approximately 241,000 housing units. In 2004 Portland had a population of about 537,000 with a median age of 36.5 years. The 2004 average household income was \$61,310. In 2000 approximately 21% of residents over 25 years old had at least a bachelor's degree. Portland is ethnically diverse with a population that is 76% white, 8% Hispanic, 7% Black or African American, 7% Asian and 1% American Indian.

The population of the City of Portland has been progressively growing. The growth has come from the annexation of neighborhoods on the east side of the city, the growth of the electronics industry, and the attractive quality of life in the Portland area. In 1980 the population was about 366,000; by 2000 it had increased to about 529,000 and rose to approximately 537,000 by 2004. The population of the Portland Metropolitan Region also grew, from approximately 1,334,000 in 1980 to roughly 2,051,000 in 2004. The following table is a breakdown of the city of Portland's population by age group in 2004:

Age Group	Total Population	Percentage
0-9	62,324	11.6%
10-19	62,850	11.7%
20-29	88,200	16.4%
30-39	89,518	16.7%
40-49	82,831	15.4%
50-59	69,709	13.0%
60-69	35,305	6.6%
70-79	25,433	4.7%
80+	20,992	3.9%
<b>Total</b>	<b>537,162</b>	<b>100%</b>

According to a recently released study titled *The Young and the Restless: How Portland Competes for Talent* ([http://www.pdc.us/pdf/bus\\_serv/pubs/young\\_and\\_restless.pdf](http://www.pdc.us/pdf/bus_serv/pubs/young_and_restless.pdf)), Portland holds strong appeal for educated young adults. Young adults are looking to settle in cities that welcome newcomers, welcome new ideas and encourage diversity.

Portland is doing well with this market segment: the greater Metropolitan Region is ranked eighth (8<sup>th</sup>) fastest in the US in growth of 25-34 year olds and fourth (4<sup>th</sup>) fastest in growth of college-educated 25-34 year olds.

Portland has a positive business climate and a renowned quality of life. The following link includes various facts, rankings, and praises about Portland:

[http://www.pdc.us/pdf/bus\\_serv/portland-praises\\_4-05.pdf](http://www.pdc.us/pdf/bus_serv/portland-praises_4-05.pdf)

The Portland region boasts one of the most diversified economies on the West Coast and ended 2005 on an upbeat note with the addition of 27,600 jobs to the area. A study by the Oregon Employment Department shows that this region's reputation for a high quality of life is a major factor in its growth, and continues to affect future business location decisions. New investment, increased economic vitality and projected new jobs across all industry sectors point to the region's strong future.

<b>Employment by Sector in the Metropolitan Region</b>			
	<b>2003</b>	<b>2004</b>	<b>2005</b>
Construction	50,100	53,900	58,400
Manufacturing	118,100	120,100	123,700
Trade, Transportation and Utilities	190,900	193,400	197,700
Information	22,500	22,500	22,700
Financial Activities	66,400	66,100	67,600
Professional & Business Services	117,900	122,100	128,000
Educational and Health Services	113,600	115,700	119,500
Leisure and Hospitality	85,600	87,700	90,400
Government	134,000	136,700	138,100
Other	35,700	36,400	36,100
<b>Total</b>	<b>934,800</b>	<b>954,600</b>	<b>982,200</b>

Major manufactured products include paper, transportation equipment, metal products, sportswear, and electronic components and equipment. Portland is the business and transportation hub for much of the Pacific Northwest and a growing center for electronics manufacturing. The Portland Metropolitan Region remains the center of the region's high-tech industry, with 48,000 high-tech workers. The table below represents 2003 statistics for the quantity of businesses broken down by number of employees.

<b>Employees</b>	<b>Employer Count</b>	<b>Percentage</b>
0 – 4	13,216	57.4%
5 – 9	3,916	17.0%
10 – 14	1,750	7.6%
15 – 19	959	4.2%
20 – 24	630	2.7%
25 – 49	1,333	5.8%
50 – 74	470	2.0%
75 - 99	233	1.0%
100 – 199	319	1.4%
200 – 499	148	0.6%
500 – 999	36	0.2%
1000 or more	25	0.1%
<b>Total</b>	<b>23,035</b>	<b>100%</b>

For more information about Portland, including information on the economy, workforce, population, education, business costs, livability, etc., please refer to the Portland Metropolitan Region Factbook, available through the following link: <http://www.pdc.us/factbook>

Sources for these figures include the 2000 census, 2004 updates to the census provided by ESRI Business Information Solutions, and the State of Oregon Employment Department. For more information on Portland’s characteristics according to the 2000 census please see the following link: <http://www.movingtoportland.net/documents/2000census/PortlandMetro.pdf>.

### **C.3.2 Preliminary Goals, Baseline assumptions, and Desired Network Characteristics of FTTP system**

The City of Portland has long been committed to state-the-art communications technology and open platforms to such technology by citizens, government agencies, and Portland businesses.

#### **C.3.2.A. Preliminary City Goals**

Based on the Phase 1 Study and in conjunction with issuance of this RFP, OCCFM has advised the Council to consider adoption of the following preliminary goals in conjunction with concluding the Phase 2 Business Case evaluation and taking subsequent related actions:

- FTTP project and future action steps should remain grounded on the assumption of a standards-based, Open Service Provider Network;
- FTTP strategy and future steps should be designed to open job opportunities through investment in telecommunications infrastructure, provide the Portland region with greater broadband access to the Internet, and allow Portland to remain on the forefront of deployment and adoption of new technologies.
- Cutting-edge telecommunications infrastructure is presumed essential to the City’s economic development, ability to attract quality jobs and highly qualified people, keep pace with technology innovation, and spur job growth, economic development, environmental protection, education, sustainability, transportation and energy savings, health care improvements, delivery of efficient government services, and community development;
- City may require capability of minimum bandwidth of 100 Mbps symmetric service to customer, consistent with goals articulated by other cities (U.S.A. and worldwide) exploring similar projects;
- Phase 1 Study contemplated City ownership of physical fiber platform; Phase 2 Business Case is intended to develop additional detail, update aspects of Phase I study as specified, and model public/private scenarios as indicated or recommended;
- The business case for FTTP and future City actions should not be limited to or analyzed solely on the basis of cash flow and capital investment—rather, the business case and future City actions toward developing such a network should also address and adequately factor in critical areas such as economic development, small business empowerment, job creation, livability, education, increased City revenues, increased property values and

other factors that measure the overall economic, political and social benefits of a next generation communications infrastructure such as FTTP;

- Development of a successful FTTP System and future City actions in that regard should be designed, among other things, to:
  - *Stimulate competition and consumer choice by ensuring availability of an Open Service Provider Network.*
  - *Provide Portland with a scalable, future-focused data/communications infrastructure that directly supports knowledge-based industries and can help retain and grow companies locally.*
  - *Give Portland an edge for company site selection decisions.*
  - *Facilitate creation of home-based businesses and employment by stimulating entrepreneurs to develop new applications and provide services.*
  - *Facilitate telecommuting for certain worker segments, thereby reducing pressure on physical plant and transportation systems. The geographical dispersion can help business continuity and emergency preparedness.*
  - *Enable new applications and reduce the cost of existing applications.*
  - *Effectuate a secondary benefit of potentially lowering cost and increasing broadband services available from incumbent providers*

### **C.3.2.B. Preliminary City Baseline assumptions**

Based on the Phase 1 Study, OCCFM preliminarily has advised the Council:

- FTTP is the only access network capable of realizing the goal articulated in many current municipal broadband planning and RFP/RFI processes (e.g. Seattle, San Francisco) and under construction in other parts of the world (e.g. Amsterdam, Vienna) of minimum scalable bandwidth of 100 Mb per second symmetric service to customer within 5 years.
- Robust “future-focused” broadband connectivity may require sufficient upstream bandwidth, and may eventually require 100 Mbps and above to each user.
- It is not clear that incumbent communications providers presently operating or planning operations in Portland are intending to develop and make available FTTP to Portland businesses and residents in the near term, and therefore existing and planned networks of such incumbents may be inadequate for delivering to the City the bandwidth necessary for future applications, needs and growth;
- Of particular concern is the lack of any appreciable upstream bandwidth from incumbent providers.
- Portland continues to be adversely affected by a lack of competition in wired broadband services, if this situation remains unchanged, Portland could be relegated to lesser status in terms of its technological sophistication and lose its edge to cities that are better positioned to compete in the emerging global economy.
- Continued advances in multimedia services and two-way video may accelerate demand for bandwidth;
- Construction of an advanced broadband FTTP network will take time, therefore the City needs to take proactive steps now to ensure that Portland’s future broadband needs will be met.
- Under current Oregon law, the City has the authority to construct and operate communications networks serving the public.

### **C.3.2.C. Desired City FTTP Network Characteristics**

Based on the Phase 1 Study, and concurrent analysis by other cities and outside experts, OCCFM has preliminarily recommended the following desired FTTP network characteristics:

- **Competitive Services by Private Sector.** The City focus should remain addressed to the steps necessary to construct and make available an Open Service Provider wholesale FTTP platform; even in a public/private partnership scenario, the City should remain an infrastructure partner at most; the City should not consider entering the Portland market as a retail service provider to Portland businesses or residents. *It is the City’s intention and strong preference that those roles will be reserved exclusively for the private sector*
- **Very High Bandwidth with Maximum Scalability.** The City should presume that within 5 years 100 mbps symmetrical bandwidth may be required for future applications;
- **Citywide Coverage.** The City should expect to have the FTTP platform available to all residents and businesses within the city within a reasonable time, but should recognize that the necessary work may proceed in phases.
- **Net Neutrality.** A “net neutrality” provision may be desirable. Such a provision in concept should restrict preferential treatment of data streams by network owners or service providers (for non-technical or non-standard reasons) in any manner that might adversely affect overall FTTP network and platform openness or accessibility;

- **Network Devices.** Customers should be able to attach any devices to the network as long as such devices do not impair network performance. Network customers should also be able to post and access any lawful content on non-discriminatory terms.
- **Open infrastructure.** To the extent possible, the City should remain committed to a wholesale, open broadband network architecture that allows for multiple service providers, serves as a catalyst for new applications and services, and facilitates market circumstances in Portland which can lower prices and create more choices for consumers.
- **Services.** The network should be capable of providing any combination of voice, video and data services to residents, businesses, institutions and City government at data speeds which serve both existing and future needs.

## PART II

## PROPOSAL PREPARATION AND SUBMITTAL

### SECTION A

### PRE-SUBMITTAL MEETING/CLARIFICATION

#### 1. PRE-SUBMITTAL MEETING

There will be an optional pre-submittal, informational meeting scheduled for this project at 2 pm, April 9, 2007, at Portland City Hall, Lovejoy Room, 1221 SW Fourth Ave, Portland.

This is a **non-mandatory** meeting; therefore proposal submission will not be contingent upon attendance at this meeting.

#### 2. PROPOSAL CLARIFICATION

Questions and requests for clarification regarding this Request for Proposal must be directed in writing, via email or fax, to the person listed below. **The deadline for submitting such questions or requests for clarification is April 12, 2007.** An addendum will be issued no later than 72 hours prior to the proposal due date to all recorded holders of the RFP if, in the sole discretion of the City, a substantive clarification is in order.

All such questions shall be addressed to:

**Kevin Yin**  
City of Portland, Bureau of Purchases  
1120 S.W. 5<sup>th</sup> Avenue, Room 750  
Portland, OR 97204

Email: [kyin@ci.portland.or.us](mailto:kyin@ci.portland.or.us)  
Phone: 503.823.6856  
Fax: 503.279.3994

### SECTION B

### PROPOSAL SUBMISSION

#### 1. PROPOSALS DUE

Sealed proposals must be received no later than the date and time, and at the location, specified on the cover of this solicitation. The outside of the envelope shall plainly identify the subject of the proposal, the RFP number and the name and address of the Proposer. It is the Proposer's responsibility to ensure that proposals are received prior to the specified closing date and time, and at the location specified. Proposals received after the specified closing date and/or time shall not be considered and will be returned to the Proposer unopened. The City shall not be responsible for the proper identification and handling of any proposals submitted to an incorrect location.

#### 2. PROPOSAL

Proposals must be clear, succinct and not exceed **35** pages, excluding Attachment materials. Proposers who submit more than the pages indicated may not have the additional pages of the proposal read or considered.

For purposes of review and in the interest of the City's Sustainable Paper Use Policy and sustainable business practices in general, the City encourages the use of submittal materials (i.e. paper, dividers, binders, brochures, etc.) that contain post-consumer recycled content and are readily recyclable. The City discourages the use of materials that cannot be readily recycled such as PVC (vinyl) binders, spiral bindings, and plastic or glossy covers or dividers. Alternative bindings such as reusable/recyclable binding posts, reusable binder clips or binder rings, and recyclable cardboard/paperboard binders are examples of preferable submittal materials. Proposers are encouraged to print/copy on both sides of a single sheet of paper wherever applicable; if sheets are printed on both

sides, it is considered to be two pages. Color is acceptable, but content should not be lost by black-and-white printing or copying.

All submittals will be evaluated on the completeness and quality of the content. Only those Proposers providing complete information as required will be considered for evaluation. The ability to follow these instructions demonstrates attention to detail.

### 3. ORGANIZATION OF PROPOSAL

Proposers must provide all information as requested in this Request for Proposal (RFP). Responses must follow the format outlined in this RFP. Additional materials in other formats or pages beyond the stated page limit may not be considered. The City may reject as non-responsive at its sole discretion any proposal or any part thereof, which is incomplete, inadequate in its response, or departs in any substantive way from the required format. Proposal responses shall be organized in the following manner:

1. Cover Letter
2. Project Team
3. Respondent's Capabilities
4. Project Approach and Understanding
5. Diversity in Employment and Contracting Requirements
6. Proposed Cost
7. Supporting Information
8. A completed First Tier Disclosure Form (refer to Attachment A)

As part of the proposal response, the Proposer will provide the number of proposal copies as requested on the cover page of this RFP.

## SECTION C

### EVALUATION CRITERIA

#### 1. COVER LETTER

By submitting a response, the Proposer is accepting the General Instructions and Conditions of this Request for Proposal (reference second page of the RFP) and the Standard Contract Provisions of the Professional, Technical and Expert Services contract. The Cover Letter must include the following:

- RFP number and project title
- name(s) of the person(s) authorized to represent the Proposer in any negotiations
- name(s) of the person(s) authorized to sign any contract that may result
- contact person's name, mailing or street addresses, phone and fax numbers and email addresses

A legal representative of the Proposer, authorized to bind the Proposer in contractual matters must sign the Cover Letter.

#### BUSINESS COMPLIANCE

The Proposer must be in compliance with the laws regarding conducting business in the City of Portland before an award may be made. The Proposer shall be responsible for the following:

##### **Certification as an EEO Affirmative Action Employer**

All Proposers must be certified as Equal Employment Opportunity Employers as prescribed by Chapter 3.100 of the Code of the City of Portland. Failure to receive EEO certification prior to the date and time of bid opening may result in delaying the award of the contract. Details of certification requirements are available from the Bureau of Purchases, 1120 SW Fifth Avenue, Room 750, Portland, Oregon 97204, (503) 823-6855, website: <http://www.portlandonline.com/omf/purchasing>

##### **Non-Discrimination in Employee Benefits (Equal Benefits)**

Proposers are encouraged to submit the Equal Benefits Compliance

Worksheet/Declaration Form with their response. If not submitted, you will be contacted and required to provide this form prior to contract award; otherwise your proposal may be rejected. If your company does not comply with Equal Benefits and does not intend to do so, you must still submit the Form. The Equal Benefits Compliance Worksheet/Declaration Form can be obtained from the following web site: <http://www.portlandonline.com/omf/purchasing>

- Fill out the form properly. You may call the Bureau of Purchases at 503-823-6855 to ensure you correctly complete the form. You may also call the contact listed on the front page of this solicitation document for assistance.
- There are five options on the Worksheet/Declaration Form to pick among. They range from full compliance (Options A, B, C), to one that requires advance authorization by the City (Option D – Delayed Compliance), to Non Compliance. Select the option that is true of your company’s standing at the time you submit your proposal. You cannot change your answer after you submit the Worksheet/Declaration Form.
- Option D is only used if you have an official waiver from the City. Waivers are only issued by the Bureau of Purchases.
- The Form provides the City your declared Equal Benefit status. However, the City issues the final determination of your Equal Benefit status for purposes of contract award.

If information on your form is conflicting or not clearly supported by the documentation that the City receives, the City may seek clarification to ensure we properly classify your compliance.

#### **Business License**

All Proposers must be in compliance with the City of Portland Business License requirements as prescribed by Chapter 7.02 of the Code of the City of Portland. Details of compliance requirements are available from the Revenue Bureau License and Tax Division, 111 SW Columbia Street, Suite 600, Portland, Oregon 97201, (503) 823-5157, website: <http://www.portlandonline.com/omf/index.cfm?c=29320>

If your firm currently has a business license and is EEO certified, include in the Cover Letter your firm’s City of Portland Business License number as well as the Equal Employment Opportunity (EEO) expiration date.

## **2. PROJECT TEAM**

Proposers shall specify:

- Approximate number of people to be assigned to the project.
- Extent of company’s principal member’s involvement.
- Team qualifications and experience on similar or related projects:
  - qualifications and relevant experience of prime consultant
  - qualifications and relevant experience of sub-consultants, if any
  - project manager’s experience with similar projects
- Names of key members who will be performing the work on this project, and:
  - their responsibilities on this project
  - current assignments and location
  - experience on similar or related projects
  - unique qualifications
  - percentage of their time that will be devoted to the project

## **3. RESPONDENT’S CAPABILITIES**

Proposer shall describe:

- Describe similar projects performed within the last 5 years, which best characterize firm’s capabilities, work quality and cost control.
- Describe similar projects with other government agencies.
- Describe firm’s resources available to perform the work for the duration of the project and other on-going projects.

- Describe firm's internal procedures and/or policies associated or related to work quality and cost control.
- Describe firm's management and organizational capabilities.

**4. PROJECT APPROACH AND UNDERSTANDING**

The Proposer should provide clear and concise understanding of the project by describing and clarifying any major issues based upon project information provided in this RFP, including attachment materials identified in Part I, Section C. For each phase of work, the project approach should:

- Describe the proposed work tasks and activities, the methodology that will be used to accomplish them, and the sources of information and methods of data gathering where appropriate,
- Describe the proposed work products that will result from each task or activity.
- Identify the team members who will work on each task.
- Identify the time frame estimated to complete each task.
- Identify points of input and review with City staff.

**5. DIVERSITY IN EMPLOYMENT AND CONTRACTING REQUIREMENTS**

The City is committed to increasing contracting opportunities for State of Oregon certified minority, women and emerging small business (M/W/ESB) enterprises. The City values, supports and nurtures diversity, and encourages any firm contracting with the City to do the same, maximizing M/W/ESB business participation with regard to all City contracts. As such, the City has established an overall 20% utilization goal in awarding PTE contracts to State of Oregon certified emerging small business (ESB) enterprises and has assigned at least 15% of the total points available on this solicitation to determine the award of this contract. No goal is set for the use of minority (MBE) and women business (WBE) enterprises, but the City is committed to ensuring that such firms receive opportunities and equal consideration to be awarded City PTE contracts.

All Proposers shall address the following in their proposals:

- Indicate if your firm is currently certified in the State of Oregon as an MBE, WBE and/or ESB, or if your firm has applied for certification with the State of Oregon's Office of Minority, Women and Emerging Small Business (OMWESB).
- Identify your current diversity of workforce and describe your firm's commitments to providing equal employment opportunities. Include in your response:
  - Number of total employees and description of type of work performed.
  - Number of minorities and women within your current workforce, broken out by ethnicity and positions held.
  - Any underutilization of minorities or women within your workforce and your firm's efforts to remedy such underutilization.
  - Any plans to provide innovative mentoring, technical training or professional development opportunities to minorities and women in your workforce in relation to this project, or plans to employ minorities and women to work on this project.
  - Description of the process your firm uses to recruit minorities and women.
- Have you subcontracted or partnered with State of Oregon certified M/W/ESB firms on any project within the last 12 months? If so, please describe the history of the firm's subcontracting and partnering with certified M/W/ESB firms. Include in your response:
  - List of State of Oregon certified M/W/ESB firms with which your firm has had a contractual relationship during the last 12 months.
  - Any innovative or successful measures that your firm has undertaken to work with M/W/ESB firms on previous projects.
  - Any mentoring, technical or other business development services your firm has provided to previous or current M/W/ESB subconsultants or partners, or will provide in relation to this project.

- d. Are you subcontracting any element of your proposal? Describe your firm's plan for obtaining maximum utilization of certified M/W/ESB firms on this project. Include in your response:
- Subcontracting opportunities your firm has identified in the scope of this project.
  - Efforts made relating to outreach and recruitment of certified M/W/ESB firms. Did your firm advertise contracting opportunities in the *Daily Journal of Commerce*, *Skanner*, *Oregonian*, *Observer*, *El Hispanic News*, *Asian Reporter*, and/or other trade publications? Did your firm conduct any outreach meetings? Did your firm use the State's OMWESB certification list, or other source, as a basis for direct outreach? What were the actual results of any of the above efforts?
  - Any proposals received from certified M/W/ESB firms. If any such proposals were rejected, provide reasons for rejection.
  - Other efforts your firm used or proposes to use in relation to this project.
- e. If your firm will be utilizing certified M/W/ESB firms on this project, please list those firms and detail their role within your proposal. In addition, **all Proposers must submit Exhibit A - First Tier Subconsultant Disclosure Form 1** in their proposal, which requires Proposers to identify the following:
- The names of **all** subconsultants to be used on this project with subcontracts greater than or equal to \$10,000.
  - The names of all State of Oregon certified MBE, WBE and ESB firms. If firms have more than one certification (i.e., ESB and MBE, and/or ESB and WBE) note that on the form so that proper credit can be given for the ESB goal and for tracking MBE and WBE utilization.
  - The proposed scope or category of work for each subconsultant.
- If Proposers will not be using any subconsultants that are subject to the above disclosure requirements, Proposers are required to indicate "**NONE**" on the First Tier Subconsultant Disclosure Form 1.

The City expects thoughtful consideration of all of the above Diversity in Employment and Contracting criteria in the preparation of proposals. The City will enforce all diversity in workforce and M/W/ESB commitments submitted by the successful Proposer, and the successful Proposer will be required to submit a completed Monthly Subconsultant Payment and Utilization Report to ensure that subconsultants are utilized to the extent originally proposed and submitted in its proposal. The successful Proposer will not be permitted at any time to substitute or add a subconsultant without the prior written approval of the Purchasing Agent. ALL subconsultants, including M/W/ESB firms, and first tier subconsultants shall be reported on the Monthly Subconsultant Payment and Utilization Report as well as contract amounts and payments. For reference, a copy of this form may be obtained at: <http://www.portlandonline.com/shared/cfm/image.cfm?id=122171>

## 6. PROPOSED COST

The proposal shall include the Proposer's true estimated cost or fixed-price estimate for the proposed project approach irrespective of the City's anticipated cost. Additionally, this cost shall include the hourly rates of each person associated with the project as well as the estimated number of hours each staff member will be expected to work on each task.

## 7. SUPPORTING INFORMATION

Supporting material must include references, and may include other information pertinent to the project or work to be performed. References must include the contact person's name, agency, address, phone number, their role in the project (e.g., project manager, etc.), name of the project and when the work was done.

# PART III

# PROPOSAL EVALUATION

## SECTION A

## PROPOSAL REVIEW AND SELECTION

### 1. EVALUATION CRITERIA SCORING

Each proposal shall be evaluated on the following evaluation criteria, weighting and maximum points, as follows:

	<b>Criteria</b>	<b>Maximum Score</b>
a.	Cover Letter	0
b.	Project Team	20
c.	Respondent's Capabilities	20
d.	Project Approach and Understanding	25
e.	Diversity in Employment and Contracting	15
f.	Proposed Cost	15
g.	Supporting Information	5
	<b>Total Points Available</b>	<b>100</b>

### 2. PROPOSAL REVIEW

An evaluation review committee will be appointed to evaluate the proposals received. For the purpose of scoring proposals each of the committee members will evaluate each proposal in accordance with the criteria and point factors listed above. The evaluation committee may seek outside expertise, including but not limited to input from technical advisors, to assist in evaluating proposals.

The successful Proposer shall be selected by the following process:

- a. An evaluation committee will be appointed to evaluate submitted written proposals.
- b. The committee will score the written proposals based on the information submitted according to the evaluation criteria and point factors.
- c. The committee will require a minimum of 5 working days to evaluate and score the written proposals.
- d. A short list of Proposers, based on the highest scores, may be selected for oral interviews if deemed necessary. The City reserves the right to increase or decrease the number of Proposers on the short list depending on the scoring and whether the Proposers have a reasonable chance of being awarded a contract.
- e. If oral interviews are determined to be necessary, the initial scoring will be considered preliminary. Final scores, based on the same evaluation criteria, will be determined following the interviews.
- f. Negotiations will follow with the highest scoring Proposer, and if successful, the highest scoring Proposer and City will enter into a professional services contract for the work.

All communications shall be through the contact(s) referenced in Part II, Section A.2 of the RFP. At the City's sole discretion, communications with members of the evaluation committee, other City staff or elected City officials for the purpose of unfairly influencing the outcome of this RFP may be cause for the Proposer's proposal to be rejected and disqualified from further consideration.

For contracts over \$100,000, the evaluation committee's recommendation for contract award will be submitted to the Portland City Council for approval. The City has the right to reject any or all proposals for good cause, in the public interest.

**NOTE: In the City's discretion, litigation between the City and a Proposer shall be**

cause for proposal rejection, regardless of when that litigation comes to the City's attention and regardless how the Proposer's proposal may have been scored. Proposals may also be rejected if they use subcontractors or subconsultants who are involved in litigation with the City. Proposers concerned about possible rejection on this basis should contact the City before submission of a proposal for a preliminary determination of whether its proposal will be rejected.

**3. CLARIFYING PROPOSAL DURING EVALUATION**

During the evaluation process, the City has the right to require any clarification or change its needs in order to understand the Proposer's view and approach to the project and scope of the work.

**SECTION B**

**CONTRACT AWARD**

**1. CONSULTANT SELECTION**

The City will award a contract to the highest scoring Proposer. Should the City not reach a favorable agreement with the highest scoring Proposer, the City shall terminate negotiations and commence negotiations with the second highest scoring Proposer and so on until a favorable agreement is reached. A consultant selection process will be carried out under Portland City Code Chapter 5.68.

**2. CONTRACT DEVELOPMENT**

The proposal and all responses provided by the successful Proposer may become a part of the final contract. The form of contract shall be the City's Contract for PTE Services.

**3. AWARD REVIEW AND PROTESTS**

REVIEW:

Following the Notice of Intent to Award, the public may view proposal documents. However, any proprietary information so designated by the Proposer as a trade secret and meeting the requirements of ORS 192.501(2) will not be disclosed unless the Multnomah County District Attorney determines that disclosure is required. At this time, Proposers not awarded the contract may seek additional clarification or debriefing, request time to review the selection procedures or discuss the scoring methods utilized by the evaluation committee.

PROTESTS OF CONTRACT AWARDS:

Protests may be submitted to the Purchasing Agent only for contracts in excess of the formal limit established by the City Auditor (reference <http://www.portlandonline.com/omf/index.cfm?a=74585&c=27353>), and only from those Proposers who would receive the contract if their protest were successful.

Protests must be received by the Purchasing Agent within seven (7) calendar days UNLESS OTHERWISE NOTED following the date of the City's Notice of Intent to Award was issued. The protest must specifically state the reason for the protest and show how its proposal or the winning proposal was mis-scored or show how the selection process deviated from that described in the solicitation document. The contract award process will be put on hold until the protest has been resolved.

Timely protests must include all legal and factual information regarding the protest, and a statement of the form of relief requested. Protests received later than specified or from other than the Proposer who would receive the contract if the protest was successful will not be considered. The exercise of judgment used by the evaluators in scoring the written proposals and interviews, including the use of outside expertise, is not grounds for appeal.

The Purchasing Agent may waive any procedural irregularities that had no material affect on the selection of the proposed contractor, invalidate the proposed award, amend the

award decision, request the evaluation committee re-evaluate any proposal or require the bureau to cancel the solicitation and begin again to solicit new proposals. In the event the matter is returned to the evaluation committee, the Purchasing Agent shall issue a notice canceling the Notice of Intent to Award.

Decisions of the Purchasing Agent are final and conclude the administrative appeals process.

## EXHIBIT A

### CITY OF PORTLAND PROFESSIONAL TECHNICAL & EXPERT (PTE) SERVICES FIRST TIER SUBCONSULTANT DISCLOSURE FORM

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#### **CITY PTE DISCLOSURE REQUIREMENTS**

The City's disclosure program was adopted to document the use of subconsultants on City projects over \$100,000, particularly Oregon certified Minority, Women and Emerging Small Businesses (M/W/ESBs).

This Request for Proposal requires submission by the Proposer of the First Tier Subconsultant Disclosure Form. When the contract amount of a first-tier subconsultant furnishing services, labor or labor and materials would be greater than or equal to \$10,000, the Proposer must disclose the following information about such subconsultants:

- 1) The subconsultant's contact information
- 2) State of Oregon M/W/ESB designation  
*(Verify certification status with the Office of Minority, Women and Emerging Small Business at <http://egov.oregon.gov/DCBS/OMWESB/index.shtml>)*
- 3) The proposed scope or category of work that the subconsultant will be performing
- 4) The amount of the subconsultant's contract

If the Proposer will not be using any subconsultants that are subject to the above disclosure requirements, the Proposer is required to indicate "**NONE**" on the accompanying form.

#### **ATTACHMENTS:**

**A** - Form 1: City of Portland PTE First Tier Subconsultant Disclosure Form

**B** - Portland Phase 1 Feasibility Study- July 2005 (DynamicCity)

**C** - Data-Gathering Model for Portland Open Service Provider Wholesale FTTP Market Research (Suggested)

**ATTACHMENT A  
CITY OF PORTLAND  
PTE FIRST TIER SUBCONSULTANT DISCLOSURE FORM  
(FORM 1)**

This Request for Proposal requires submission by the Proposer of the First Tier Subconsultant Disclosure Form. When the contract amount of a first-tier subconsultant furnishing services, labor or labor and materials would be greater than or equal to \$10,000, the Proposer must disclose the following information about that subconsultant.

**Proposer Name:** \_\_\_\_\_ **Total Amount:** \_\_\_\_\_

**RFP Number:** \_\_\_\_\_ **Project Name:** \_\_\_\_\_

SUBCONSULTANT NAME (Please Print)	M/W/ESB	SCOPE/TYPE OF WORK	SUBCONTRACT AMOUNT
Firm Name: Firm Phone #: Firm Fax #:			\$
Firm Name: Firm Phone #: Firm Fax #:			\$
Firm Name: Firm Phone #: Firm Fax #:			\$
Firm Name: Firm Phone #: Firm Fax #:			\$
Firm Name: Firm Phone #: Firm Fax #:			\$
Firm Name: Firm Phone #: Firm Fax #:			\$

**NOTE:**

- 1) If the Proposer will not be using any subconsultants that are subject to the above disclosure requirements, the Proposer is required to indicate "NONE" on this form.
- 2) All subconsultants with contracts \$10,000 or over must be listed on this form. Leave M/W/ESB column blank if firm is not confirmed certified through the *State of Oregon Office of Minority, Women and Emerging Small Business*: <http://egov.oregon.gov/DCBS/OMWESB/index.shtml>.

## **ATTACHMENT B**

FEASIBILITY STUDY, PORTLAND OREGON  
(JULY, 2005)

PREPARED BY DYNAMICCITY

(see attached)

**ATTACHMENT C**  
**Data-Gathering Model for Portland Open Service Provider Wholesale FTTP**  
**Market Research (suggested)**

The following are models which may be useful for gathering Portland market data in connection with the Work Requirements set forth in Section B (including the Market Assessment, Competitive Analysis, Financial Feasibility Analysis, and/or Benefits Assessment) . The City is open to other models from the successful Proposer for gathering the necessary data.

**1. Identification of potential Service Offerings from retail providers**

**A. Residential Market Tables (Examples)**

**Voice, Internet Access, and Video Subscription Patterns**

The following table may be useful to assist in delineating differences in technology use by income, race, age, and education.

	% Landline Phone	% Mobile Phone	% Internet User	% Lives in a Broadband Household	% Owns a Computer	% Owns a Laptop
Total Population						
Race/Ethnicity						
Employment Status						
Family Income						
Age Group						
Educational Attainment						
Household Type (MDU, etc.)						

	% Subscribes to Cable or Satellite TV
Total Population	
Race/Ethnicity	
Employment Status	
Family Income	
Age Group	
Educational Attainment	
Household Type (MDU, etc.)	

**B. Commercial Market Tables (Examples)**

**Voice, Internet Access, and Data Services Subscription Patterns**

	% Landline Phone	% Mobile Phone	% Internet Access- DSL/Cable/Other	% Data Services- DSL/Cable/Other
Total Businesses				
Business Size				
Business Type				
Business Location				

**2. MDU Analysis (Examples)**

. Data on the following should be collected for the Portland market where available:

- Number and Location of MDUs (15+ units)
- Number of Units per MDU
- Existence of Contract with incumbent service provider
- Average Contract Length, Expiration, and penalties for early termination.

**3. Commercial Voice -Data –Internet Services patterns & demand analysis**

**Voice.** A market overview of total voice services spending for Portland businesses may help define the market for voice services. Example tables are as follows:

	Local- Monthly Spend	LD- Monthly Spend	Local & LD Bundled	Qwest is Local Voice Provider
Total Businesses				
Business Size				
Business Type				
Business Location				

**Data Services- Monthly Costs.** Additional information regarding current prices paid by businesses for data services may be useful. A suggested table is as follows:

	Local Loop			
	DS-1	DS-3	2 DS-3s	> 2 DS-3
Total Businesses				
Business Size				
Business Type				
Business Location				

	Port			
	DS-1	DS-3	2 DS-3s	> 2 DS-3
Total Businesses				
Business Size				
Business Type				
Business Location				

**Data Services & Internet Access- Contract Commitments.** The market for data and Internet access services may be constrained by long-term commitments that businesses have to their current vendor. Understanding the extent of long term contracts will inform an FTTP system of the actual market opportunity that is not contract constrained. A suggested table is as follows:

	Demand				Contract Length			
	1 T-1	1 DS-3	2 DS-3s	> 2 DS-3s	No Contract	1 Year	2 Year	3+ Years
Total Businesses								
Business Size								
Business Type								
Business Location								

**Data Services- Bandwidth Demand and Type.** Some businesses require private network connectivity that is enabled by ATM, Frame Relay, Ethernet, and other protocols. An FTTH system could provide the last mile for these private network connections. Identifying current bandwidth demand and type could assist in the construction of an FTTH revenue model that accounts for the location and total bandwidth demands of Portland businesses. A suggested table is as follows:

	Demand				Type		
	1 T-1	1 DS-3	2 DS-3s	> 2 DS-3s	ATM/FR	Ethernet	Other
Total Businesses							
Business Size							
Business Type							
Business Location							

**Internet Access- Bandwidth Demand and Type.** Similar to an analysis of data services, an analysis of current bandwidth demands for Internet access may help define the market opportunity for Internet access.

	Demand			
	1 DS-1	1 DS-3	2 DS-3s	> 2 DS-3s
Total Businesses				
Business Size				
Business Type				
Business Location				

**7. Sensitivity Analysis**

**A. Impact of Wireless and VoIP on Take Rates and ARPU Tables (Examples)**

Recent data suggest that some households and businesses are beginning to use mobile phones as their exclusive means of conducting phone calls. Understanding the extent of people’s current and future desire to use mobile telephony and VoIP to conduct their phone calls may help further define the potential for retail voice service bundles on the Open Service Provider FTTH network. A suggested table is as follows:

	Mobile Phone Substitution		VoIP Substitution		
	% Only Uses a Mobile Phone	% Likely to Switch to Mobile Only in Next 5 Years	% Currently Use Internet to Make Phone Calls	% Currently Use Internet to Make all Home Phone Calls	% Likely to Switch to Using Internet to Make all Phone Calls in Next 3 Years
<b>Residential</b>					
Total Population					
Race/Ethnicity					
Employment Status					
Family Income					
Age Group					
Educational Attainment					
Household Type (MDU, etc.)					
<b>Commercial</b>					
Total Businesses					
Business Size					
Business Type					
Business Location					

For purposes of this business case, successful Proposer should assume that all of the above listed technologies will be commercially available in Portland within 5 years.