

**BOARD OF ALDERMEN**

**ITEM NO. F(4)**

**AGENDA ITEM ABSTRACT**  
MEETING DATE: January 15th, 2013

**TITLE: Gig.U - NCNGN RFP Release**

<b>DEPARTMENT:</b> Manager's Office – IT Division Economic & Community Development	<b>PUBLIC HEARING: NO</b>
<b>ATTACHMENTS:</b> A. Resolution B. Gig.U - NCNGN RFP	<b>FOR INFORMATION CONTACT:</b> Andrew Vogel - 919-918-7305 Annette Stone – 919-918-7319

**PURPOSE**

The purpose of this report is to present the Gig.U/North Carolina Next Generation Networks (NCNGN) RFP to the Carrboro Board of Aldermen and to authorize the Town Manager to participate in the NCNGN RFP release and in the evaluation of any responses from vendors. The authorization to participate in the release of the NCNGN RFP does not obligate or bind the Town to accept any vendor offer or to proceed further with the project. The Request for Proposals is tentatively scheduled to be released on February 1, 2013.

**INFORMATION**

Gig.U is a national effort of leading research universities and communities that have joined together to work with current and potential network service providers, as well as others, to accelerate the offering of next generation ultra-high speed communications network services in their communities. The Regional Gig.U initiative has been named the North Carolina Next Generation Networks (NCNGN). Regional members include Carrboro, Chapel Hill, Durham, Raleigh, Cary, Winston-Salem, UNC Chapel Hill, Duke University, Wake Forest, and NC State.

The NCNGN group has developed a regional RFP to attract vendors to build out the proposed network in each of the communities listed above. The Town will be able to evaluate the responders and determine whether they will be able to provide the services that the Town requires. Town assets, such as a lease of dark fiber, may be offered to the vendor. Pricing for such assets is set forth in the RFP as a benchmark for bidding purposes. These benchmark prices are based upon information gathered from other North Carolina towns, such as Wilson and Salisbury, and from MCNC the broadband carrier through which municipal governments, local school districts, and universities connect to the Internet. Actual pricing will be determined and approved by the Carrboro Board of Aldermen. The Town may elect to not participate if the Town determines that no vendor can provide for the Town's needs. The Town is not obligated or bound to accept any vendor offer or to proceed further with the project.

The major goals of NCNGN apply to all communities and universities participating in the regional effort and have been developed to move the project forward. A summary of these major goals follows:

- Leverage public-private assets to reduce the digital divide.
  - Objective - Free or heavily discounted services to specified low-income neighborhoods.
  - Objective – Collaborate with local government and non-profits to fund hardware and educational services for low-income residents, the elderly, and other underserved populations.
- Create a Gigabit fiber optic network to foster innovation and promote economic development.
- Provide high speed internet service at a substantial discount.
- Create a framework that maximizes competition and service delivery.

The NCNGN group is made up of communities and universities of different sizes with different needs and goals. To enable the group to function more effectively during the RFP phase of the project, NCNGN developed a set of principles to organize efforts of members to come to agreement. The principles are as follows:

1. Overall goals are to fuel economic development, empower the next generation of innovators and deliver superfast, low cost broadband services for North Carolina, beginning in the Research Triangle---Piedmont region.
2. The municipality and university stakeholders (“stakeholders”) will coordinate through a cooperative organizing structure to ensure all stakeholders and participants (including businesses and individual subscribers) receive the greatest possible benefit from the initiative.
3. Consensus will be used to bring maximum value to the stakeholders (consensus is general agreement to proceed and need not be unanimous). A Steering Committee will be the primary body for coordinating the effort and will include one representative for each stakeholder. For those working groups that may not include participation by all stakeholders, representatives will be selected by the Steering Committee and empowered to act on behalf of the broader group but within designated operating parameters established by the Steering Committee.
4. The stakeholders are “in this together” rather than acting independently, and so agree to be transparent and share information of any independent, additional offers or negotiations to ensure uniform treatment and best pricing by service providers.
5. We assume that all stakeholders will move forward after RFP issuance to vendor selection and implementation; however, being part of the initial RFP issuances does not in any way bind a municipality to accept any subsequent vendor offer or proceed further with the project. If a stakeholder chooses not to proceed with the group process, that stakeholder will seek to defer separate or individual vendor negotiations it may wish to pursue until after the NCNGN vendor selection process concludes.
6. We assume further growth beyond the initial stakeholders, so a phased approach will enable additional communities in the future. Deployment timelines will take into account the phase when a community joins (i.e., initial community deployed commitments are met before future phase communities are prioritized).

7. The group will develop terms that benefit the broadest possible regional community and avoid the inclusion of unique or special requirements that may derail the process.
8. The regional effort is likely to have maximal impact if it can balance the need for economies of scale with the benefits of competition. Given the diversity of geographies and local assets, this is likely to be accomplished through the selection of 2 or 3 service providers as opposed to only one or many.

The NCNGN group is forming a Steering Committee that will manage the project through procurement and acquisition. Each community and university will have a member on the Steering Committee (SC), who will provide input in the negotiations phase of the project. The Town of Carrboro will have final decision on all aspects of negotiation and implementation that occurs within or pertains to the Town of Carrboro. The formal structure mentioned above is defined in the table below:

### **Coordination Framework Components:**

<b>Group</b>	<b>Purpose</b>	<b>Members and Life of Group</b>
Steering Committee (SC)	Serve as the primary and sustaining organizing group among the stakeholders. Select and provide guidance to Vendor Interfacing/Negotiating Group (VING), including defining the parameters within which the VING will have flexibility. Select Technical Evaluation/Advisory Group (TEAG). Approve vendors for negotiation. Conduit to governing boards.	About 12 people; one “standing” representative from each municipality (City/Town Manager or designee) and university (CIO or designee); additional 1 to 2 “at large” advisors as warranted and based on particular expertise. Convened by a chair, serving on a rotational basis. SC is expected to be a permanent body.
Technical Evaluation/Advisory Group (TEAG)	Serve as the primary work group in support of the SC. Provide input and guidance to VING, as needed. Review vendor submissions and provide comparison. Recommend vendors SC for negotiation.	About 12 people, selected by SC: one representative from each stakeholder; additional members as expertise warrants (legal, project management). Lifetime of 6 to 18 months, beginning in February 2013.
Vendor Interfacing/Negotiating Group (VING)	Provide a single, common interface to vendors through which all communications occur. Negotiate common agreement language, services, coverage areas and more with selected vendors. Recommend contract language to governing boards/decision makers (with the understanding that certain specific T&Cs required of local	About 4 people selected by SC; may include “at large” advisors or others on VING, as needs and expertise dictate: <ul style="list-style-type: none"> <li>– Business/city (muni managers select)</li> <li>– Legal (e.g., Springer)</li> <li>– Technical (e.g., CEO Joe Freddoso of MCNC)</li> <li>– CIO/university (e.g., Hoit)</li> </ul> Expected lifetime for VING is 4

	municipal contracts may need to be incorporated separately)	to 6 months, beginning in February 2013.
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A definition of project phases and the schedule for each is included in the table below:

### **Coordination Framework – Anticipated Project Phases**

<b>PROJECT PHASE</b>	<b>EXPLANATION</b>	<b>COMMITTEES/TIMELINE</b>
<b>RFP/Q&amp;A</b>	1) Develop/distribute RFP (Request to Negotiate) 2) Conduct Respondent Q&A/diligence inquiries	1) RFP Taskforce/Steering Committee (SC) (thru 2/13) 2) Technical Evaluation/Advisory Group (TEAG) (2/13 to 4/13)
<b>EVALUATION</b>	1) Develop evaluation criteria for internal purposes only 2) Review bids and select subset of bidders to proceed to negotiations	1) TEAG recommends and SC approves (By 2/13) 2) TEAG recommends and SC selects subset of bidders (4/13)
<b>NEGOTIATION</b>	1) SC appoints Vendor Interfacing/Negotiating Group (VING) and gives them negotiating guidelines 2) VING interfaces with all respondents and negotiates with one or more bidders (while bidders finalize diligence). Could be multiple negotiating groups if bidders cover different stakeholder groups, but groups would meet to unify results 3) VING in consultation with TEAG recommends one or more bidders	1) Steering Committee (By 2/13) 2) VING w/ TEAG assistance (2/13 to 7/13) 3) VING, to SC (By 7/13)
<b>IMPLEMENTATION</b>	1) City Councils & University CIOs approve individual contracts 2) SC assesses need for future staffing plan or outsourced project management 3) Project management implementation plan and timeline agreed to SC and winning Service Provider(s)	1) City Council & University CIOs (By 9/13) 2) Steering Committee (By 9/13) 3) SC, TEAG & Service Provider(s) (By 10/13) 4) Ongoing but each initial member community is expected to have first light dates in 2014 & subsequent

	4) Service Provider project construction and first light/residential customer service dates	rollouts over a 3 to-5 year period
<b>MAINTENANCE</b>	1) SC and winning Service Provider(s) commit to and implement ongoing network maintenance.	1) SC with TEAG assistance, as needed. (Ongoing)
<b>EVOLUTION/ONGOING MANAGEMENT</b>	1) Periodic reviews of service level agreement, build out compliance and contract adherence by SC 2) Decisions made regarding new members/markets; necessary legal action; etc. as warranted by SC	1 to 3) SC, with TEAG assistance as needed. (Ongoing)

The NCNGN final RFP is planned to be released February 1, 2013.

**FISCAL IMPACT:**

To be determined.

**RECOMMENDATION:**

Staff recommends that the Board consider the NCNGN RFP and take action on the resolution.