



**Person County  
Request for Proposals (RFP)  
Broadband Grant Program**

**May 30, 2013**

## 1. Project Overview

On June 28, 2012, the General Assembly ratified an act that gives counties the authority to provide grants to promote high-speed internet access service in un-served areas for economic development. The act stipulates that grant money can be provided to qualified private providers, awarded on a technology neutral basis and may require matching funds from the private provider. The act requires counties to use the procedures outlined in § 160A-340.6 to solicit proposals.

Person County has elected to use this new authority to solicit proposals to provide highspeed internet service to unserved areas of Person County. The County may select multiple vendors and match up to 50% of the total project costs.

### 1.1 Eligible Service Area

Unserved areas of Person County make up the Eligible Service Area under this RFP. The Eligible Service Area is based on the map found in Appendix A. Respondents can provide service in already served areas, but funds can only be used to provide service in unserved areas. The green areas and the colored roads indicate the unserved areas. Data for the unserved areas comes from the state and a county-wide survey. The data included in this map is subject to change, as the county continues to collect survey data from residents. Any changes in the eligible service area map will be presented to the winning Applicant as part of the grant contract process. The priority for service provision is listed on the map as well.

### 1.2 Goals and objectives

Person County has the authority to grant funds to an existing private provider to supply unserved areas with high-speed internet access. In addition, Person County adopted a strategic plan in 2010, which includes goals for expanding broadband.

Below are the strategic plan references to broadband expansion:

- **“Encourage Learning for Life and Lifelong Learning”**  
Expand broadband access and computing technology so that all students in Person County can increase on-line instructional opportunities.
  - a. Implementers - Person County Commissioners, Traditional and Charter Public Schools, Piedmont Community College, business and industry.
  - b. Cost- Low to medium
  - c. Indicators – Increase the percentage of students accessing high-speed internet, increase the number of students in on-line classes, increase the utilization of the internet in traditional classes.
  
- Expanding broadband is referenced indirectly in the **“Prosper by Developing the New Economy Locally”** and the **“Re-imagine our County for A Better Future”** sections as well.

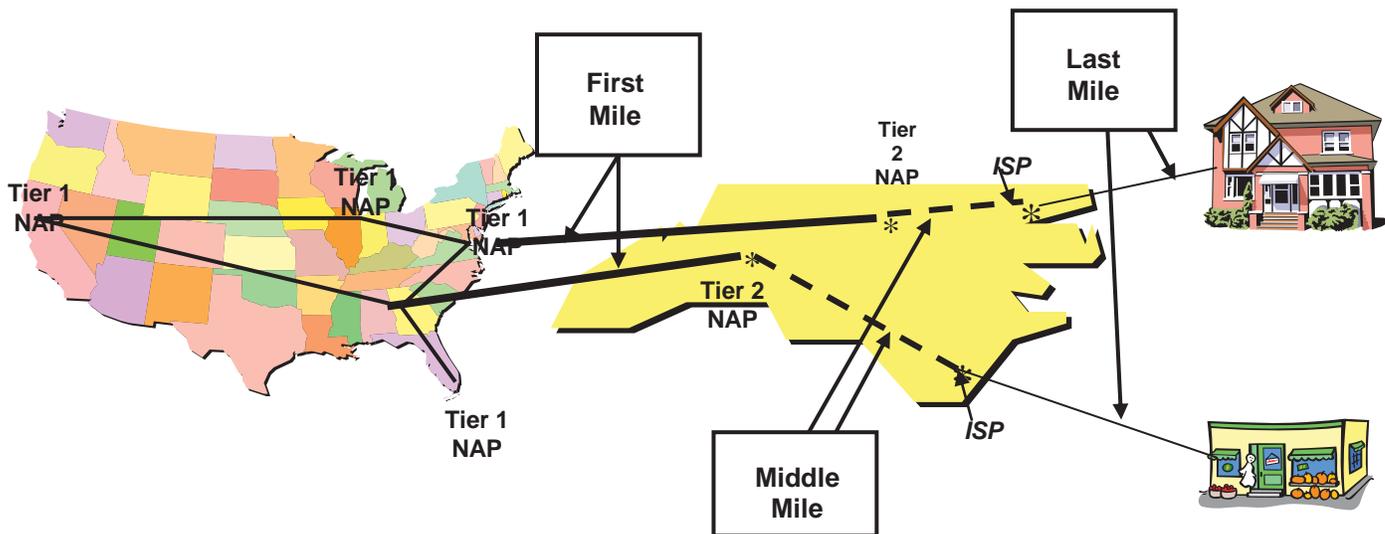
Any and all activities undertaken or supported by the applicant should address these goals. If there are additional objectives within the strategic plan that the applicant wishes to address, that information should be included in the application. A copy of the strategic plan can be found at <http://www.personcounty.net/Modules/ShowDocument.aspx?documentid=188>.

### 1.3 Project details

Under this Request for Proposals, Person County is accepting proposals that address last mile transport solutions only.

For the purposes of this Request for Proposals (RFP):

- The **First Mile** is defined as the transport between the Tier 1 Network Access Provider (NAP) and the lower tier resellers.
- The **Middle Mile** is defined as the transport from the Internet reseller or Internet Access Provider (Tier 2 or lower in the hierarchy) to the Internet Service Provider (ISP).
- The **Last Mile** is defined as the telecommunications link between the Internet Service Provider and the subscriber. The subscribers are households, businesses, government offices, etc.



Person County is seeking proposals that provide Last Mile solutions to serve residential and business subscribers in the Eligible Service Areas.

## 2. Funding Available

**Person County may contribute up to 50% of the project cost. The remaining cost of the total project must be funded by the applicant.**

Applicants may be funded at the amount applied for, or at a lesser amount.

### 2.1 Funding restrictions

No grants will be awarded to applicants that expect to use these funds to issue their own grants. Person County will not award grants to substitute for lost government appropriations or cover pre-existing operating expenses for established organizations or pre-existing deployment to any of the Eligible Service Areas.

Providers will be responsible for costs associated with permitting, right of way acquisition, etc. Both the State and County may help vendors identify elevated assets that can be used to place technology.

### **3. Eligible Grant Applicants**

Eligible applicants will meet the following requirements:

- A Private For-Profit business licensed to operate in NC
- Applicants must have a minimum of five years of operations providing high-speed Internet service.
- Applicants must be in good financial standing. Applicants should have a positive cash flow, a positive credit history and must provide an audit. Financial documents that must be submitted along with this application are outlined in Section 11.4.

Person County reserves the right to reject all proposals and may select multiple vendors to provide service.

### **4. Technical Requirements**

#### **Definition of High-Speed**

The General Assembly defined high-speed broadband Internet access in N.C. General Statute 143B-437.45, as “Internet access with transmission speeds that are consistent with requirements for high-speed broadband Internet access as defined by the Federal Communications Commission from time to time.” Therefore, all proposals submitted in response to this Request for Proposals must, at a minimum, provide 4 Mbps download and 1 Mbps upload speeds.

Technologies could include, but not be limited to, wireline services such as xDSL or cable modem, and wireless such as 802.11 or MMDS. Providers must also guarantee a minimum up-time of 99%.

## 5. Grant Award Schedule

May 30, 2013	Request for Proposals Released by Person County
June 21, 2013	Questions from applicants due to Person County
July 31, 2013	Grant Proposals due to Person County
Aug. 2013	Review, recommendations, contract negotiations
Sept 2013	Projected Date for Grant Award Notification

## 6. Application Submission Process

One electronic copy of this application, and all relevant materials, must be received by 5:00 PM on the deadline date. Faxes are not acceptable. The electronic copy should be submitted by e-mail to [state@personcounty.net](mailto:state@personcounty.net). When submitting materials by e-mail, you must have a reply from Person County acknowledging receipt of materials.

## 7. Proprietary Information

Proprietary information may be submitted as part of the proposal. Please clearly mark pages that contain proprietary information with the word "CONFIDENTIAL".

Information and records submitted to Person County are governed by the N.C. Public Records Act, which is set forth in N.C. General Statutes 132-1, et. seq. Applicants are encouraged to review the applicable Statutes prior to submitting any information or documentation believed to be proprietary.

## 8. Grant Information and Questions

Person County will respond to questions submitted ONLY via e-mail to [state@personcounty.net](mailto:state@personcounty.net). The deadline for questions is 5:00 PM, June 21, 2013. The questions will be answered to the submitter and all questions and responses will be posted on the Person County website. Neither Person County staff nor commissioners will answer questions directly.

## 9. Application Requirements and Instructions

Applicants are required to complete and submit the following materials for their grant proposal application:

- (1) **Grant Application Form** (Section 10).
- (2) **The Project Proposal**, including the following components as outlined in Section 11.
  - Technical Plan (11.1)
    - Broadband Coverage map, identifying equipment and coverage (11.1.1)
    - Project Implementation Timeline and Performance Milestones (11.1.2)

- Project Narrative (11.2)
  - Project Impact (11.2.1)
  - Market Analysis (11.2.2)
  - Competition and Other Risks (11.2.3)
  - Marketing (11.2.4)
  - Management and Staffing (including job descriptions) (11.2.5)
  - Contractors – Procurement/Deployment (11.2.6)
  - Project Partners and Collaboration (11.2.7)
- Project Budget (11.3)
- Organizational Information (including 3 years of financial information) (11.4)
- (3) **Certification by Applicant** (Section 12)

# 10. Grant Application Form: Person County Broadband Grant Program

## General Information

Legal Name of Applicant Unit:

\_\_\_\_\_

Name and Title of Manager or CEO:

\_\_\_\_\_

Mailing Address: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Name and Title of Project Contact:

\_\_\_\_\_

*(This project contact should be the person who can best answer project questions)*

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Email: \_\_\_\_\_

Federal Tax ID Number: \_\_\_\_\_ Fiscal Year-End Date: \_\_\_\_\_

## Project Information

Project Start Date: \_\_\_\_\_ Project Completion Date: \_\_\_\_\_

### Cost per Household

	Area 1	Area 2	Area 3	Area 4	Area 5	Area 6	Area 7	All Areas
Applicant funds								
Person County funds (up to 50% match)								
Grant/Other funds								
<b>Total Funds Required</b>								
Households Served	283	74	20	76	93	70	122	738
Person County cost per household								
Total cost per Household								
Minimum Monthly Charge Per Household								

## 11. The Project Proposal

Person County has a fiduciary responsibility to be a good steward of the financial resources it manages. Accordingly, Person County will conduct a rigorous review of all requests for assistance that are submitted to this Broadband Grant Program. At a minimum, formal proposals will be required to present a cogent, articulate business/operating plan for the proposed project that offers a compelling argument as to the capacity of the project team to successfully undertake and manage the project, the technical, financial, and organizational feasibility of the proposed project, and the long-term sustainability of the effort. Documentation of partnerships, financial backing and other commitments, market research and analysis, and other binding agreements related to the proposed project need to be attached to the proposal. Preparation of this package of information will take a significant amount of time and effort, but responsible management of Person County resources requires that the County's investments be made with the same degree of due diligence utilized by the private sector in evaluating investment options.

The following list of required information is offered to facilitate the preparation of the comprehensive proposal package that Person County has to have in order to give each proposal fair and adequate consideration.

**All submitted proposals must include the following components as outlined below:**

### 11.1 Technical Plan for the Proposed Project

The technical plan must describe in detail how the proposed project will bring high-speed Internet services to currently unserved households and small businesses in the Eligible Service Area. Where relevant, provide accompanying documentation.

#### 11.1.1 Broadband Coverage map and technical system explanation

- The proposal must describe the service being proposed to address this Request for Proposals. The proposal must explain the plan to provide last mile services to unserved areas, including stating the number of unserved households and businesses for which high-speed Internet will be made available. If your demographic estimates differ from the ones stated in the RFP, please explain.
- The proposal must include a broadband coverage map that identifies equipment placement and coverage. The proposal should also describe the coverage area and the customer base.
- The proposal must define the type(s) of service(s) to be offered and the location, providing as much technical detail as necessary in order to demonstrate adequate understanding of the proposed solution.
- The applicant must be willing to provide detailed engineering designs for the project.
- The proposal must explain who will "light", or activate the network, and when.

- The proposal must explain what provision has been made to provide redundancy in case of route disruptions, including an explanation of how a minimum up-time of 99% will be achieved.
- For terrestrial infrastructure projects, the proposal must certify that all placement, access and construction methods comply with recognized standards.
- For terrestrial infrastructure projects, the proposal must indicate approximate routes (community-to-community end points).
- The proposal must explain the plan for maintenance of this new service, including an explanation of how customer service will be provided.

### **11.1.2 Project Implementation Timeline and Performance Milestones**

The technical proposal must be accompanied by a proposed implementation timeline.

- It is important that any submitted project show acceptable completion dates. It is expected that all projects will be completed between Sept 2013 and June 2014. The timeline should indicate the projected completion date as well as the projected percentage complete by 12/31/2013, 03/30/2014, and 6/30/14.\*
- The proposal must develop a detailed project schedule that indicates key events that are tied to the need for the release of funds by Person County.
- The proposal must suggest reasonable performance milestones tied to the budget and project schedule.
- The proposal must specify the projected date by which the project will be completed and the date service delivery will commence over the proposed infrastructure.
- If more than 10 months is needed to complete the project, a detailed explanation and additional timeline is required.

\* The county may choose to implement the project in a phased approach, starting with a pilot. If this option is chosen, the county will work with the vendor to adjust the timeline accordingly during the grant agreement discussion.

## **11.2 Project Narrative**

This section is critical to the evaluation process and to the success of the project.

Respondents must provide comprehensive and verifiable information to enable a complete project review.

### **11.2.1 Project Impact**

Describe the impact that your project will have on underserved areas of Person County.

Include a discussion of how your project will help achieve the goals of the strategic plan.

### **11.2.2 Market Analysis**

The proposal must define the customer base (Area 1, Area 2, etc), quantifying the size of each segment to be served, the monthly amount they may be willing to pay and the level of customer service needed.

### 11.2.3 Competition and Other Risks

The proposal must provide an overview of the current telecommunications service levels in the County and their anticipated growth or other factors that will impact the demand for services.

- The proposal must describe any existing or proposed alternatives of which you are aware to the product or service you propose to provide.
- The proposal must state what impact this alternative option may have on your proposed solution/service.
- The proposal must explain what advantages your project has over the alternative solutions.
- The proposal must specify other risks you can foresee that might affect the potential success of your project.

### 11.2.4 Marketing

Explain what marketing efforts you will employ to inform citizens of new services available as a result of this project. **Provide an estimate of the number of households that will purchase your service, compared with the number of households in the designated area.** Also discuss any other relevant marketing campaigns your organization has conducted related to demand-building in unserved areas similar to the areas targeted by this RFP. If you have experience marketing broadband services in Person County, please describe those efforts, if they will be used to market to unserved areas targeted by this RFP.

### 11.2.5 Management and Staffing

The proposal must describe the role of key project personnel (including job descriptions) and provide documentation of the ability of current management and staff to fulfill those responsibilities. Please attach resumes of key project personnel.

The proposal should describe past or existing projects (including location and references) that relate to the proposed project. If the applicant is currently serving Person County, the applicant should provide qualitative and quantitative information about the existing service.

The proposal must disclose the relationships, if any, which exist between key personnel and investors in this project.

### 11.2.6 Contractors - Procurement/Deployment

- The proposal must explain what process will be followed in obtaining services required for the development of this project.
- The proposal must explain if small and historically underutilized firms will be given special consideration in the bid process.
- For the contractor of record, you will be asked to supply documentation of their history of successful completion of projects on time and on budget, their credit rating, etc.

- The proposal must explain if there is a performance bond executed with contractors and subcontractors.

### **11.2.7 Project Partners and Collaboration**

- Describe the specific collaborations that will increase the success or impact of this project, including existing grant programs.
- The proposal must list and detail the nature of existing partnerships or other relationships associated with this project.
- The proposal must explain the responsibility of each partner or associate to this project and their agreement to their collaboration must be documented appropriately.

## **11.3 Project Budget**

Provide a copy of the proposed project budget by line item, along with a budget narrative. Sources of other grant or loan funds in the project should be clearly identified.

### **Budget and Budget Narrative**

- **Person County may contribute up to 50% of the project cost. The remaining cost of the project must be funded by the applicant.**
- The proposal must provide a detailed project budget, broken down at least to the quarterly level from Sept. 2013 to June 2014 or up to and including the quarter that the project is fully operational. The project budget should include an annual operating and capital budget.
- The budget should clearly show the minimum monthly charge per household for service in each area.
- The proposal must indicate the total amount of money being sought for this project, both from Person County and from all other sources. For Person County funding, the proposal must explain what percentage of the total funding the Person County funding will represent, and at what point(s) in the project schedule money from Person County will be required.
- The proposal must identify each party that has contributed money to this project and provide documentation of this commitment.
- The proposal must name each source from which additional funds are currently being sought – federal, local and private - as well as those sources that are expected to be asked to provide financing for any aspect of the project, and indicate the timing and amount of investment that each party will be asked to make.
- In the case of federal or state funds that have been or are expected to contribute to this project, please specify each source of federal/state funds and the amount that will be asked of that source (e.g. Congress, legislative appropriation, Department of Commerce funds, etc.), and the expected commitment date.
- The budget narrative must provide statements of how the grantee will achieve long-term sustainability and pay any additional costs not included in the project budget over a 5 year period.

- The budget narrative must also provide a Cost per Household table, using the sample table below. If you do not propose to serve all of the areas, do not delete that area’s column. Instead, populate the column with “N/A.”

**EXAMPLE**

**Cost Per Household**

	Area 1	Area 2	Area 3	Area 4	Area 5	Area 6	Area 7	All Areas
Applicant funds	\$64,500	\$198,900	\$100,000	N/A	\$55,000	N/A	\$75,300	\$493,700
Person County funds (up to 50% match)	\$64,500	\$198,900	\$100,000	N/A	\$55,000	N/A	\$75,300	\$493,700
Grant/Other funds	\$0	\$0	\$0	N/A	\$0	N/A	\$0	\$0
<b>Total Funds Required</b>	<b>\$129,000</b>	<b>\$397,800</b>	<b>\$200,000</b>	<b>N/A</b>	<b>\$110,000</b>	<b>N/A</b>	<b>\$150,600</b>	<b>\$987,400</b>
Households Served	283	74	20	76	93	70	122	738
Person County cost per household	\$227.92	\$2,687.84	\$5,000.00	N/A	\$591.40	N/A	\$617.21	\$668.97
Total cost per Household	\$455.83	\$5,375.68	\$10,000.00	N/A	1182.7957	N/A	\$1,234.43	\$1,337.94
Minimum Monthly Charge Per Household	\$10	\$10	\$10	N/A	\$10	N/A	\$10	\$10

**11.4 Organizational Information**

**11.4.1 Organizational Structure**

- The applicant must be a Private For-Profit business licensed to operate in NC and must furnish proof of this designation.
- Briefly describe the ownership structure of your organization. Applicants must identify what type of business they are, where they are organized (what state) and where their principle office is located.
- Describe your organization’s experience as a provider of high-speed Internet access. Applicants must have a minimum of five years of operations providing high-speed Internet service.
- The proposal must identify the names and organizational affiliations of all members of the Applicant’s Board.

**11.4.2 Operating Finances**

Applicants must be in good financial standing. Applicants should have a positive cash flow, a positive credit history and must be willing to submit to an audit if requested by Person County. Applicants must also have a cost accounting system in place that can easily identify how grant funds will be, or have been, expended.

- The proposal must identify any committed or anticipated sources of revenue and provide documentation of said commitment.
- The proposal must provide pro-forma P&L statements for the organization for years 1 through 3, attaching a cash flow analysis for this period of time.
- The proposal must identify the bank that will service this project and attach any documentation of agreements/lines of credit that affect this project.
- The proposal must identify the financial contribution made by each partner or associate to the project.

- The proposal must provide a credit report for any organizations that are key partners in this project.
- The proposal must provide audited corporate financial statements for the last 3 years.
- The proposal must indicate that all payables are current. If not, explain.

#### **11.4.3 Ownership and Equity Conversion Issues**

- The proposal must describe the ownership structure of this project, detailing the nature of equity distribution and its basis.
- The proposal must detail any non-financial investment for which equity has been given.
- Applicants must include a proposal for the disposition of assets created or acquired through use of Person County funds in the event that the project dissolves or terminates. Person County requires that such dispositions, transfers or assignments preserve the goals of Person County and the purposes of this RFP.

## 12. Certification by Applicant

The attached statements and exhibits are hereby made part of this application and the undersigned representative of the applicant certifies that the information in this application and the attached statements and exhibits is true, correct and complete to the best of his/her knowledge and belief. He/She further certifies that:

1. As authorized representative, he/she has been authorized to file this application by formal action of the governing body;
2. That the governing body agrees that if a grant from the Person County Broadband Grant program is awarded, the applicant will provide proper and timely submittals of all documentation requested by the County;
3. That the governing body agrees to provide for proper operation and maintenance of the approved Supply Side Project after its completion;
4. That the applicant has substantially complied with or will comply with all federal, state and local laws, rules and regulations and ordinances as applicable to the project.

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**Signature of Grantee/Authorized Representative**

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**Typed Name and Title**

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**Date**

### **Checklist for Additional Forms:**

Please enclose the additional items before submitting:

Grant Application Form  Project Proposal (see guidelines)

### **13. Application Selection Process**

Applications will be reviewed to ensure that the application is received on time (July 31, 2013; 5:00 PM), is substantially complete and meets other eligibility requirements. If these standards are not met, the application will not receive further consideration. Applications will not be returned to the applicant.

- (1) Timeliness. Applications will be reviewed to verify submission by the submission deadline. Person County will reject applications that do not meet the submission deadline.
- (2) Completeness. Applications will be reviewed to verify completeness. All items in Sections 10.0 – 12.0 must be addressed. Person County will reject applications that do not address all items in these sections and are thus materially incomplete.
- (3) Eligible Service Area. Applications will be reviewed to ensure that proposed infrastructure projects will deliver services to areas designated in Section 1.
- (4) Eligible Applicant. Applications will be reviewed to verify the eligibility of the applicant. The applicant must be a private for-profit corporation.
- (5) Eligible Activities. Applications will be reviewed to ensure that the activities for which assistance is requested are eligible for funding. Person County will fund Last Mile Supply Side projects only.
- (6) Sustainability. Applicants' plans will be reviewed to ensure that the business plan for the proposed Supply Side projects will be sustainable over the long term.
- (7) Appeals Process: There will be no appeals process.

### **14. Corrections to Deficient Applications**

After the application due date, no unsolicited information will be considered. However, Person County staff may contact the applicant to correct non-substantive deficiencies. In each case of a completeness deficiency, the applicant will be notified by telephone or email documenting the deficiency. All supplemental information requested by the County must be received within five business days of the date of notice or the proposal will not be considered for funding.

## 15. Scoring for Grant Proposals

Applications deemed complete will be reviewed, and scored in the following areas.

Scoring Factor	Criteria	Max Points
Ability to complete the project	<ul style="list-style-type: none"> <li>A. Includes a well thought-out and realistic project implementation timeline</li> <li>B. Describes specific design and implementation methods and activities to be carried out as part of this project</li> <li>C. Ability to obtain financing</li> </ul>	20
Capacity to complete the project	<ul style="list-style-type: none"> <li>A. Depth of past/current experience</li> <li>B. Staff capacity and experience, relevant job descriptions</li> <li>C. Financial documents are in good standing</li> </ul>	20
Collaboration	<ul style="list-style-type: none"> <li>A. Quality partnerships that may increase the success or impact of this project</li> </ul>	5
Marketing	<ul style="list-style-type: none"> <li>A. Marketing plan and experience ensure that target audience will be reached</li> </ul>	5
Long-term Sustainability	<ul style="list-style-type: none"> <li>A. Includes a well thought-out and realistic explanation of how the provider will continue this project after this grant money has been expended</li> <li>B. Quality customer service offerings</li> <li>C. The solution will provide long-term upgradeability, business sustainability, and quality of service</li> </ul>	20
Cost	<ul style="list-style-type: none"> <li>A. Includes a well thought-out and realistic quarterly operating and capital budget</li> <li>B. Total project costs</li> <li>C. Total grant/other funds</li> <li>D. Match required from Person County</li> <li>E. Monthly cost to the consumer</li> </ul>	25
Project Impact	<ul style="list-style-type: none"> <li>A. Describe the impact that your project will have on un-served areas of Person County and the Strategic Plan</li> </ul>	5

## **17. Ranking**

Scores for each rating factor will be added together for each application to obtain a total score for each proposal. Proposals will then be ranked from highest to lowest according to the total combined score.

Person County may choose a single vendor or multiple vendors. Person County reserves the right to reject all proposals.

## **18. Award Requirements**

Any grants selected for funding will be awarded conditioned upon execution of a funding agreement. Each grantee will be required to enter into a grant agreement with Person County before it can receive grant funds or begin project activity. Person County may include requirements for job creation, CRM location, etc. in the grant agreement.

Some of the grant award requirements and conditions are outlined below.

- Person County Broadband Grant funds can only be used for the purposes set forth in the grant agreement.
- All recipients must submit regular progress and financial reports. Specific reporting requirements will be described in the grant agreement.
- The project may be implemented on a phase-by-phase basis, providing service to Priority Area 1 initially and resuming serving provision to the other Areas, after an evaluation period. The option of using a phased approach will be discussed as part of the grant agreement process.
- Person County staff will monitor the progress made as compared to the submitted project milestones. These milestone dates will be a part of the grant agreement. This monitoring will include regularly scheduled staff reviews. Grant payments will be released based on these reviews and the assessment of progress against project milestones.
- Grant funding may be paid out on a reimbursement basis, with the payment schedule to be outlined in the grant agreement.
- Unless negotiated otherwise, intellectual property rights developed or created with Grant funds, if relevant, will be proportionately shared with Person County.

## **19. Further Information**

For further information about this program, please visit the Person County website at <http://www.personcounty.net>, e-mail us at [state@personcounty.net](mailto:state@personcounty.net).