

City of Monticello, Minnesota • www.MonticelloFiber.com
FIBER OPTIC FEASIBILITY STUDY
QUESTIONS AND ANSWERS FROM RESPONDENTS

Questions from Tim Root, Brilliant Cities: (Jan. 16)

1. To whom did Monticello distribute this RFP?
Answer: It was posted on appropriate national, state and local websites and to firms known to have responded to other local telecommunications projects.

2. What is the response due date?
Answer: February 13, 2006

3. What budgetary range has Monticello set for this feasibility study?
Answer: It has set a realistic budget level substantially more than \$10,000.

4. What is the proposed service area (city only, School District or city and township)?
Answer: Monticello municipality is the main study area. The township could be involved as a likely service area but authority for provision of video services lies with the township. Currently providers of telecommunications services to Monticello also provide services to significant areas of the township though not exclusively. If the township is included in the study response it should be clearly shown, for example ROI projections for Monticello alone versus ROI projections for Monticello and the township. The School District has installed fiber but the potential for leveraging and partnership with the City is one of the points to be examined.

5. What, if any, services does the city of Monticello currently provide for other towns and/or the county?
Answer: County – Sheriff’s Dept has a regional office in the city hall. They utilize a static IP for internet service outside of the city’s firewall. The city provides internet/email service to the Senior Center inside the community center complex. The City hopes to learn more about options and opportunities from this study.

6. Who is the contractor (mentioned in Section V, Item 2? Is the successful respondent responsible for the cost of this contractor? How does the mention of the responsibilities of that contractor—legal, regulatory, political and competitive requirements--affect the respondent’s responsibilities relative to those same responsibilities?
Answer: The contractor worked with the Monticello Fiber Optics Task Force. No the successful contractor is not responsible for the cost of this contractor. The contractor working for the City will be responsible for the Legal, regulatory, political and competitive requirements under Section V. RFP respondent’s responsibilities begin under Section VI. It is expected that the contractor working for the City and the winning RFP respondent will share information and coordinate study results as appropriate.

7. What future developments is Monticello anticipating?
Answer: This section does not refer to or depend upon Monticello's anticipation of future technologies. It references current and anticipated technologies in the service provider sector. It is expected that the RFP respondent will identify in its response what it understands to be relevant current and anticipated technologies and will identify the developmental time frame and basis on which the technology would be relevant for this potential deployment such as existing deployments, cost, market availability and similar factors.
8. Section VI, Item 2 subsection C refers to "anticipated future developments supplementing Fiber to the Home as a long term asset to the community". The request is to expand on this point.
Answer: An example would be wireless broadband.
9. Under Section VI, Item 3, what is meant by "other possible broadband opportunities"?
Answer: One possibility would be capacity and/or services to regional users. The City is looking to the expertise of the RFP consultants to identify and explore these possibilities.
10. Section VI, Item 3, refers to a "public services study". What is the objective? Is the public services study to be of Monticello alone or comparative? Do the words "understanding community benefits" refer to social or financial benefits to the community?
Answer: The objectives are named in item 3.b. The RFP respondent's expertise would dictate whether comparative analysis would be helpful to meeting the study objectives. The benefits to be analyzed refer to both social and financial benefits.
11. What business expansion and retention issues is Monticello having?
Answer: Monticello is a rapidly growing community and is seeking to balance residential and business development objectives. This RFP seeks better understanding of the potential benefits from possible FTTH deployment on business expansion and retention issues.
12. Request is for further clarification about the public sector study.
a. Does Monticello want a few questions added to the citizen survey to see from Citizens what public services they want to see have increased efficiency or improvement?
Answer: This is appropriate but not sufficient.
- b. Does Monticello want comparative surveys done on other communities which have done fiber to the premises to see what benefits they have experienced?
Answer: Monticello is not suggesting that comparative surveys in other communities be funded by Monticello but it would be appropriate for the RFP respondent to intend to assemble highly pertinent comparative information from relevant communities as a knowledge base for Monticello decision making.

c. Does Monticello want a scope of study encompassing the broad public sector including city government, police, fire, schools, public works, public health, public safety, roads, park and recreation and so on? This would include billing systems, websites, communication strategies and more to see how they would be positively impacted by an ubiquitous gigabit network & we believe this study would be huge.

Answer: The City is concerned that the report from the feasibility study provide insight into how a fiber to the premises network can benefit the longer term quality of life in the community as well as provide direct benefits to citizens as telecommunications users and boost the economic future of the community. This means providing some better understanding of the effects on parts of the public sector including governmental and educational activities in particular. The City looks to the Respondent to indicate what method or approach it prefers to help provide that insight bearing in mind the time frame of the study, its several goals and that it is based on a realistic budget.

Questions from Brenda Krueger, Springsted, Inc: (Jan 16)

1. Request is for clarification about degree of inventory detail desired by the City.

Answer: The City would envision RFP respondent effort to identify a telecommunications facilities map insofar as reasonable effort with city and current facilities/provider information will allow.

2. Request is for clarification about study purposes of Section VI, 3a.

Answer: The City purposes now include discovering potential purchasers of services provided via a fiber network and cost sensitivities. It could include discovery of stakeholder positions on a fiber initiative.

3. Does the City have an existing list of entities/participants to contact for the market study? If not, does it have a quantity/count of participants that it wants included in the study?

Answer: The City can help identify the parameters for some segments, for example the business sector and will provide any lists it already has in hand. The count of participants for the community as a whole as a potential market would need to be based on sampling techniques with appropriate standards given the population as a whole. Study techniques need not be confined to survey techniques.

3. Does the City have a particular methodology it wishes the consultant team to follow in conducting the public services study?

Answer: No, it does not. The City is looking to the expertise of the RFP respondent to clarify the best approach.

Is there a desire for this study to include an educational/informational aspect?

Answer: This possibility would need to be clarified if this Respondent should be selected.

Questions from Tom Ollig, TDS TELECOM

1. What is the due date of the RFP response?

Answer: February 13, 2006

2. Would the City clarify its intended distinction between options II 3.b and 3.c on page four?
Answer: The City would not operate or maintain a network under options II 3.b. or c. Under Option 3.b the city would fund installation of fiber (build) and access would be open (leased access) to multiple providers to provide services. Under Option 3.c the city would fund installation of fiber (build) and lease access to a selected provider or providers.
3. In the timeline on page 13, what is to be delivered by July 28th, 2006.
Answer: The final report under this RFP.
4. What will be the subject of the interviews in March?
Answer: The detail of the proposals by RFP respondents.
5. Will all prospective responders see all questions? If so when will they be distributed?
Answer: Yes. Week of January 30th, 2006. Will be made available on www.monticellofiber.com the week of February 6th.

Questions from Matt Jolley: Dynamic City (Jan. 16)

1. What is the city's bonding capacity?
Answer: There should be sufficient bonding capacity should the City decide to fund a fiber project of this scope.
2. What is the city's dollar threshold for implementing a FTTH network?
Answer: The city is aware of the likely cost threshold and believes it has the financial capability to sustain the cost of a FTTH network
3. What is the city's budget for the feasibility study?
Answer: It has set a realistic budget level for the study.

From - - Anonymous (Jan 16)

1. Has the City and School District had success with referendums in the past few years?
Answer: The City has not held a referendum in the last 15 years or more – not aware of any failures or successes. ISD 882 has not held a referendum for a few years; however the last one was successful. The school board is contemplating an operating levy referendum later this year.
2. Do you see a potential conflict with incentives and revenue sharing when a private provider both builds and operates the network?
Answer: No more than usual when the city uses incentive policy to facilitate a business expansion in its area.

3. Can you tell us who and where the contractor is located? Will the successful respondent be required to meet with the contractor at the City of Monticello or at other locations?

Answer: The contractor worked with Monticello Fiber Optic Task Force and will be available to work with the successful respondent at the Monticello location or any other mutually arranged convenient location in the Twin Cities area.

4. Do existing facilities include any towers or structures greater than 200 feet above average terrain?

Answer: A communications tower located on the Monte Club hill is probably about that height. No further details are available as the permit was issued by the county.

5. Can you elaborate on your request on approach and philosophy for this project? How will this item be evaluated?

Answer: The City asks the Respondent to clarify whether it has any particular analytic or philosophical orientations about fiber to the premises networks, especially in regard to ownership, open access or a city owned utility.

6. Is fixed fee for each phase or entire project acceptable?

Answer: The bid should be clear about expertise, hours and costs. An entire project bid is acceptable but a phased cost approach would need to be agreed before final contract acceptance.

7. Can direct project costs (e.g. postage, mileage) etc. of the successful bidder be billed to the project or should these items be included in hourly rates?

Answer: They can be billed the project but should be anticipated within the entire project bid.

8. Will exceptions to the insurance requirements be granted as appropriate?

Answer: Yes

9. Will Audit/Public Information requirements apply regardless whether a proposal is on a fee rather than time and expense basis?

Answer: Yes

10. Will data in the response that is marked trade secret be unavailable to the public?

Answer: Yes

11. What is meant by the franchise fee for "equipment and improvements" in respect to cable video systems?

Answer: The franchise fee paid by video providers running services within a municipality is frequently allocated for equipment and improvements for PEG services in the community.

12. Will we be provided with a list of all questions submitted from all other interested parties along with your responses to those questions?

Answer: Yes.

Questions from Dick Nielsen, CBG Communications

1. Has the City conducted previous relevant broadband or fiber optic assessment studies? If so, how can we obtain them?

Answer: The City commissioned a citizen Task Force on Fiber Optics in 2005. It was an exploratory study but not a full assessment. Contact cathy.Shuman@ci.monticello.mn.us.

2. Does the city have information or maps showing areas of the City that are not currently served by broadband or DSL type service? How can we obtain this information?

Answer: Full specific maps do not exist though some information is available and will be provided to the successful respondent. Development of this information would be part of the inventory work called for under this RFP.

3. Is the City moving forward with the extension of contract referred to in this RFP? Who is the contractor?

Answer: Yes. The contractor worked with the Monticello Task Force on Fiber Optics.

4. Would the School District be a potential partner in this project?

Answer: That would be possible and the manager will be contactable at the appropriate time.

5. What is the budgetary funding for this study?

Answer: The budget has been set at an adequate and reasonable level for the scope and time line of the project.