



UC2B Policy Board Agenda

Regular Meeting

February 1, 2012 – 12:00 noon

Council Chambers, 102 N. Neil Street, Champaign, Illinois

- I. Call to order
- II. Roll Call – Determine Quorum
- III. Approve agenda
- IV. Approval of Minutes from January 18, 2012 Policy Board Meeting
- V. *Action/Discussion Items: (In this section, items will be presented to the Board and opened for technical questions, then we will go to the audience for comments – audience comments are limited to five minutes per person – then we will return to the Board for general discussion and questions)
 - a) *Resolution 2012-04 A Resolution Establishing the 2012 Annual Meeting Schedule for the UC2B Policy Board
 - b) NTIA/Grant Report (Smeltzer)
 - c) *Resolution 2012-05 A Resolution Endorsing the Use of Contingency Funds for Redesigned Neighborhood Cabinets (Battery Chamber/Heat Exchanger)
 - d) FTTP Procurement Process Update (Legner, Smeltzer)
 - e) Marketing and Outreach Subcommittee Report (Bowersox, Kersh)
- VI. Tasks to complete for next meeting
- VII. Items for next meeting's agenda
 - a) Presentation from Graduate School of Library and Information Science: Preliminary Study Results- UC2B Anchor Social Institutions & Ford Statewide Illinois Broadband Research (Alkalimat, Kate Williams)
 - b) UC2B Technical Committee Appointments – Voting member: Chris Hamb; Non-Voting Member: Brian Bell (Alkalimat)
 - c) Proposed Policy for Private Expansion for UC2B (Smeltzer)
 - d) UC2B Core Values Discussion
- VIII. Public Participation
- IX. Adjournment
- X. Next Meeting:
Wednesday, February 15, 2012, 12:00 p.m. to 1:30 p.m. Council Chambers, 102 N. Neil Street, Champaign, Illinois



UC2B Policy Board Minutes

January 18, 2012

Location:

City of Champaign Council Chambers
102 N. Neil Street
Champaign, IL 61820

Policy Board Members Present: Abdul Alkalimat, Brandon Bowersox, Michael DeLorenzo, Deb Feinen, Minor Jackson, Pete Resnick (via skype), Richard Schnuer, Tracy Smith (left early, proxy to Mike Smeltzer), Mike Smeltzer for Tracy Smith.

Members Absent: Rev. Zernial Bogan

- I. The meeting was called to order at 12:07 p.m. by Chair Feinen.
- II. Roll Call
- III. Approve Agenda: Alkalimat moved, Schnuer seconded the motion to approve the agenda. The motion was passed by voice vote.
- IV. Approve Minutes: Alkalimat moved, Schnuer seconded the motion to approve the minutes of the January 11, 2012 Joint Policy Board/Technical Committee meeting. Committee approved by voice vote.
- V. Action*/Discussion Items:
 - A. **Presentation of NEO Fiber’s “Evaluation and recommendations for Pricing and Positioning Strategies, Best Practices for Retail Service Offerings, Resident and Business Services”:** Legner noted that this item was on the agenda at the previous Board meeting and that the purpose of today’s discussion was to continue where that discussion left off. Diane Kruse from NEO Fiber is in attendance via phone to answer any questions. Board approval is also requested today on *Resolution #2012-01 A Resolution Endorsing an Initial Residential Service Tier Offering of 20Mbps for \$20.*

Technical Questions: Alkalimat asked what the other service tiers and pricing were planned to be. Kruse stated that they are working on pricing and service offerings for the additional tiers for both residential and Business/Commercial

Use. There was also a discussion about recommendations regarding subscriber contracts and the length of those contracts. There are many options to consider whether they are month to month or 1 year or 2 year minimums. Kruse noted that that issue is still being researched, and there will be a recommendation by the consultants in the next few weeks prior to the next round of canvassers going out in March. The most pressing issue was setting a price for the canvassers to present to potential subscribers. The recommendation is 20Mbps for \$20.

Audience participation: None

Board comments: Alkalimat stressed that UC2B should have a policy to strive to be the cheapest internet in town. Feinen noted that this should also take into account the proposed bandwidth and how that compares to the competition's pricing. Feinen said the City of Champaign at least may not be prepared to subsidize UC2B into the future to guarantee the cheapest rates, so there is a concern about how that might be achieved DeLorenzo stated he feels more comfortable seeing a business plan by the business consultants prior to making a policy decision on this subject. Resnick asked about Indefeasible Rights of Use (IRU's) documents and what the consultants were planning to recommend for those terms. Kruse and Smeltzer noted that the Report verifies that UC2B's proposed IRU terms and rates were consistent with others in the industry. It was noted that the first IRU's will be with current investors, i.e. those providing matching contributions, but that IRU's negotiated in the future might contain different rates and terms. Bowersox said he was supportive as of today of the Resolution. He stated he originally thought the service should be free but has now come around to the decision that there should be a fee. Setting rates too low with the risk of going out of business is not going to do the community any good in the long run. Bowersox hoped the Board would continue to look at UC2B services to decrease prices in the future or create different service/tier packages. Bowersox does agree to the caveat that this price package as proposed is only for the 11 census blocks areas and only for residential services. Businesses should be charged at a higher rate. UC2B should commit to stay at this price point as long as the University is subsidizing it and as agreed to in the Letter of Understanding for the next 5 years. Resnick asked Kruse if a lower price was sustainable. Kruse noted that at this point, she would not recommend a lower price point but that it may be something that can be addressed at a later time. It was noted that the grant application anticipates a 50% take rate and that she would not feel comfortable recommending lower pricing based on the potential of getting a higher take rate. Eventually, it may be possible to offer a lower tier, for example a wireless option for a lower rate but that will have to be evaluated in the broader context of the business plan. Board members discussed whether the price for this tier should be \$19.95 or \$19.99 rather than \$20. Kruse explained that UC2B can offer any price, however 20Mbps for \$20 is a marketing tool. Service can still be charged at \$19.95 or \$19.99.

- B. **Resolution 2012-01 A Resolution Endorsing an Initial Residential Service Tier Offering of 20Mbps for \$20:** Bowersox moved to approve this Resolution with changing the \$20 to \$19.95, seconded by Schnuer. Board approved by voice vote.
- C. **Resolution 2012-02 – A Resolution Recommending Approval of an Alternative Procurement Process for the Fiber to the Premise Construction and Installation Project to the Champaign City Council:** Legner presented information received from the meetings with contractors Saturday and again on Tuesday. She stated that there was great participation from contractors and that they were generally very supportive of the proposal. In particular, it was good to know that unbundling or breaking down the project into smaller pieces was helpful for the smaller companies. She noted staff and contractors specifically discussed performance bonding requirements. The input received was that they were particularly an issue for prime contractors and not subcontractors as those are private relationships between primes and subcontractors. The groups discussed suggested levels of performance bonding, but probably the most informative thing shared was when to require a performance bond. It was suggested that the City's \$17,500 threshold for requiring performance bonds at 100% of the contract value be increased. In other words, raise the threshold limit to \$100,000 before any performance bond is required. The risk of default is smaller at this level, and because there will be other contractors participating in the 6 projects, there will be resources immediately available to UC2B to recover from a default. This also provides smaller contractors with an increased financial ability to bid on the smaller component pieces of the larger project. The proposed procurement plan as drafted also suggests that there be an 80% performance bond required for contracts over the \$100,000 threshold. This was an amount that was meaningful in terms of getting bank financing according to one of the contractors. Also included in the draft plan is a rolling release of the contract retainage. For construction contracts, it is typical to withhold 10% of the monthly pay request for the duration of the project so that the contractor is motivated to successfully complete the work. In this proposal, there would be threshold levels of completion, yet to be determined, that would trigger an earlier release of those dollars to help contractors with cash flow. The other major suggestion that was made last night, was that the City proceed with bidding some of the equipment, including the ADC cables, so that the contractors are not delayed in starting work and they do not have to make that cash outlay up front.
- D.
- E. **Technical Questions:** Resnick asked if there was any input or contractor reaction to the proposal to evaluate both price and workforce diversity at the 75% - 25% ratio. Smeltzer stated that the contractors were positive and encouraging about the workforce diversity pledge, however no one spoke to the ratio. Schnuer asked what documents were proposed to be incorporated into the Resolution. Legner stated that the proposed plan, along with the goals and perceived barriers document, the project breakdown schematic, the sample bids and scoring document and the document that includes Section 12.5-38 Award Criteria of the

Municipal Code. Schnuer also asked about the term “ethnic minority” and how that was defined so that it is clear what is being measured. Are the protected classes well defined? Schnuer suggested that someone may be an ethnic minority but not in a protected class. Smeltzer stated he got the term from Craig Walker who Smeltzer believes was trying to designate racial minorities from females. It was suggested that the word “ethnic” should be deleted from the packet. Schnuer asked about Item 7 in the proposed plan, i.e. the 1% incentive payment. How much would this be on the entire project? Smeltzer stated that based on current project budget that amount should be about \$25,000. Resnick asked why the middle section of packet relating to construction issues is part of the Resolution. Legner stated that this piece is provided, as recommended by the Fiber to the Premise procurement team so that there is a clear context associated with the proposed plan. It is up to the Board if you want to include it. Schnuer said that this is helpful and that it should be retained as an integral piece of the approval.

Audience Comments: Folk stated he does not agree with the proposal to require an 80% performance bond for projects over \$100,000 nor does he agree with not having a performance bonding requirement for those that are less than \$100,000. Folk suggested that a lower bonding amount be required for the larger projects and that a higher amount than 0% be required for those under \$100,000 because it requires no “skin” for contractors with less resources and it may still be a prohibitive amount for the larger contractors on the larger projects. Banks want cash on-hand equal to the bid amount. Rob Shafer, Western Utility Contractors, stated that the bond protects subcontractors also. Jackson asked for Fred Coleman to speak to this situation. Coleman stated that, in his opinion, the performance bonding requirement for the larger contracts ought to be 50% as a reasonable compromise stating it is a good balance of risk. 50% will still be a challenge for some, but there is increased risk with no bonding given the schedule for this project. The performance bond is in place to protect the owner and the prime contractor. Stavins noted that State Statute currently requires, as does the City ordinance, 100% bonding for performance for these types of projects. Resnick asked if Coleman was aware of any projects where no performance bond was required. Coleman responded that there have been such projects from time to time.

Board Comments: Board members discussed the Resolution. Feinen asked if a vote was needed today. Legner urged the Board to take action because time is of the essence and the process still needs to be reviewed by the City Council, which is tentatively scheduled for February 14. Input can still be taken until then but Board action is still desirable so that staff can put the proposal into a Report for Council to meet that schedule. Every day that passes is a day that contractors are not working and the grant deadline is February 1, 2013. Shafer asked about the minority workforce pledge and how that would be described and articulated in the contract documents. What is the penalty for contractors that are unable to meet the pledge they made during the proposal process. It was recognized that there is little strength to the City’s process for declaring a contractor in default that can be

brought to bear due to the tight timeframe imposed by the grant but that the proposed process attempts to address this issue with the incentive payment concept. Smeltzer also recognized that it could be considered failure to perform by not meeting the pledge and the contractor could be declared in default but that is a difficult action to take and work still needs to be completed. . Board members urged staff to develop this part of the procurement process further to add “teeth” to the penalty for not following through on the pledge. Board members also discussed establishing a target amount for the diversity pledge. Legner encouraged the Board to let staff review this concept with the City Attorney before any decision is made. Shafer discussed the percentages and stated that in the City of Chicago there is a 24% minority, 4% female workforce. He feels that setting a percentage is social engineering. Feinen thanked for him for his input. She stated that the Board is trying something new here, so things are different. UC2B is trying to do things differently and intentionally so that there can be more minority inclusion in these contracts. Schnuer stated concern about the timeline if there is a breach of contract, UC2B needs to be able to move on quickly and get back on track. While UC2B wants to increase minority participation, what is really desired is diversity. Shafer asked about the smaller companies with 100% minority workforce of just a few employees as opposed to a larger company with many employees with only a 50% minority workforce. He noted that there is a possibility that the larger company may have the resources to bring more minority workers to the job overall and complete the work on time than the smaller company with only a few minority workers which may struggle to complete the work., Which company is actually employing more minority individuals and achieving the goal of meeting the deadlines?. Smeltzer stated that all pledges should be treated equally. Legner stated this issue warrants further discussion. The Policy Board will see the bids and will be able to make decisions about which company to hire. She thinks there is a reasonableness that can be applied to the process. Delorenzo stated that it needs some further work and should be reviewed by the attorneys so that all parties are protected in this process Alkalimat stated that, philosophically speaking, this country was created on social engineering. There have always been efforts to block black people from work. This process is trying to reverse that. UC2B needs to develop some “teeth” to this process, so that if contractors do not follow through on their commitment, there will be a consequence. Coleman agreed with Shafer, that there should probably be a cap placed on this so that there is a limit but without creating bias. Structuring of enforcement needs to be in place. This is new territory that UC2B is trying to create. Feinen asked the Board to vote on adding” teeth” to the wording. Alkalimat moved, Smith seconded this concept and the need to develop this further. Board members agreed but gave staff the flexibility to work on this before the Council discussion on the 14th. Board members also discussed the performance bonding proposal and suggested that staff develop this further with additional input from bonding companies. In an effort to move this item forward, Bowersox moved to amend paragraph #8 regarding bonding amounts, to change “80%” to “between 50% to 80%” and for contracts under \$100,000 change 0% to “between 0% to 25%”.Motion seconded by Schnuer. Board approved via voice

vote. Resnick moved, Schnuer seconded that the word “ethnic” also be dropped from item #6 and suggested language such as “higher workforce diversity” and “lower workforce diversity”. Board approved via voice vote.

Schnuer asked for confirmation of the date for the Council Study Session. Legner confirmed it is set for February 14. The Policy Board will meet the week of February 1st. Schnuer asked for staff to look at what is reasonable for items 5, 6 and 8 as discussed earlier. Bowersox moved, Schnuer seconded that *Resolution 2012-02 Recommending Approval of an Alternative Procurement Process for the Fiber to the Premise Construction and Installation Project to the Champaign City Council* be approved as amended. The Board approved by voice vote.

- F. **Resolution 2012-03 A Resolution Authorizing the Purchase of Core Network Equipment:** Motion to approve Smeltzer (Smith’s proxy), seconded by DeLorenzo.

Audience comment: Folk stated Bill DeJarnette voted against this at the Technical Committee. As an internet service provider, he feels this hardware is inappropriate and overly expensive.

Board comment: Bowersox stated that one of the main things he cannot discern from this document is where the capacity bottlenecks are. Smeltzer stated the current model is dual 10 gigs, but oversubscription is the model for ISP’s. Bowersox asked how UC2B will know when and how the system is maxing out and whether it will track when subscribers are hitting their limit. Smeltzer stated the equipment will track this data at least on an aggregate basis and, that information can be made public. Bowersox thinks that would be great transparency. Board approved *Resolution 2012-03 A Resolution Authorizing the Purchase of Core Network Equipment* by voice vote.

- G. **Resolution 2012-04 A Resolution Establishing the 2012 Annual Meeting Schedule for the UC2B Policy Board:** This Resolution is before the Board as a request from Rev. Bogan to change meeting dates to the first and third Thursday evenings of each month as the current meeting schedule does not allow him to participate with his current work schedule.

Board comment: The third Thursday at 5:30 p.m. does not work for Feinen. Legner stated that due to conflicts in Council Chambers, the meetings could not start before 5:30 p.m. on those evenings. DeLorenzo stated that evening meetings do not generally work for him due to family commitments. Feinen stated that while she feels evening meetings are better for public participation they just do not work with her schedule. Schnuer stated he has a conflict on the first Thursday of the month and asked if perhaps members should consider the second and fourth Thursday’s instead. Bogan has a conflict on the fourth Thursday of the month. Feinen stated that the change is being discussed primarily to accommodate Rev.

Bogan, so rather than move the meeting and have him be unable to attend half the meetings, Feinen will get in touch with him to confirm his schedule. The Board will go ahead and meet February 1st, 2012 as previously scheduled. Feinen asked Legner to put this schedule change on the agenda for the next meeting.

Alkalimat asked about the anchor institution presentation and when that might be scheduled. Legner will work with Alkalimat to find a date.

H. **NTIA/Grant Report:** There was a written report in the packet.

I. **Canvassing Update:** none

VI. **Tasks to complete for next meeting**

Core Values consideration email for committee to review. Feinen will forward email to Legner. Legner will put on agenda for next meeting.

VII. **Items for next meeting's agenda** – As addressed in the meeting.

VIII. **Public Participation:** NONE

J. **Adjournment:** Meeting was adjourned at 2:10 p.m. by Feinen.

K. **Next Meeting:** Wednesday, February 1, 2012 at 12:00 noon in the Council Chambers, City of Champaign, 102 N. Neil Street, Champaign, IL 61820

RESOLUTION NO. 2012-01

A RESOLUTION

ENDORING AN INITIAL RESIDENTIAL SERVICE TIER OFFERING OF 20 MBPS FOR
\$19.95

WHEREAS, NEO Fiber, LLC has provided UC2B with its “Evaluation and Recommendations for Pricing and Positioning Strategies, Best Practices for Retail Service Offerings, Residential and Business Services” Report; and

WHEREAS, this Report is attached hereto and incorporated herein; and

WHEREAS, the Federal Broadband Technology Opportunities Program grant received by the Board of Trustees at the University of Illinois provides funding for Fiber To The Premise installations for customers located in the “unserved” and “underserved” areas of Champaign-Urbana; and

WHEREAS, this Report provides the data and analysis to support an initial residential service tier offering of 20 Mbps of bandwidth for \$19.95.

NOW, THEREFORE, BE IT RESOLVED BY THE UC2B POLICY BOARD, as follows:

Section 1. The Policy Board endorses an initial residential service tier offering for customers located in the eligible “unserved” and “underserved” areas of Champaign-Urbana of 20 Mbps for \$19.95.

RESOLUTION NO. 2012-01

PASSED:

APPROVED: _____
Policy Board Chair

RESOLUTION NO. 2012-02

A RESOLUTION

RECOMMENDING APPROVAL OF AN ALTERNATIVE PROCUREMENT PROCESS FOR
THE FIBER TO THE PREMISE CONSTRUCTION AND INSTALLATION PROJECT
TO THE CHAMPAIGN CITY COUNCIL

WHEREAS, the UC2B Policy Board approved Resolution 2011-7 Adopting a General Policy on Minority Inclusion in Contracting; and

WHEREAS, Resolution 2011-7 states that UC2B will make concerted efforts to manage all procurement opportunities in a manner that offers increased opportunity for minority inclusion in contracting.

NOW, THEREFORE, BE IT RESOLVED BY THE UC2B POLICY BOARD, as follows:

Section 1. The UC2B Policy Board recommends an alternative procurement process for the fiber to the premise construction and installation project consistent with the plan that is attached hereto and incorporated herein.

RESOLUTION NO. 2012-02

PASSED:

APPROVED: _____
Policy Board Chair

Plan for the UC2B Fiber-to-the-Premise Construction/Installation RFP

In order to achieve the various goals enumerated on the attached list, the UC2B Policy Board seeks to accept competitive proposals for the next phase of UC2B construction in the following manner:

1. Split the work into the six horizontal/vertical packages as shown on the attached chart. Proposers are allowed to submit a competitive proposal on just one package, all packages or the most logical combinations of those packages that match up with their capabilities. Some of these packages may be worth less than \$100,000. Some may be worth more than \$1,000,000. The work is split logically, geographically as well as by type or division of work, i.e. inside work v. outside work.
2. UC2B will collect standardized information from companies that desire to work as subcontractors on this phase of UC2B construction. UC2B cannot vouch for any vendor, but will provide the information collected from potential sub-contractors to all prime contractors seeking bid information.
3. Prime contractors (proposers) will need to pre-qualify with the University of Illinois Facilities and Services office. This is not an arduous task, nor does it take months. Its purpose is to assure that qualified, experienced vendors are capable of doing this work.
4. A 15% MAFBE utilization goal will apply to prime contractors responding to this request. Of that MAFBE utilization, at least 10% of the total, or 2/3 of the MAFBE goal, must be achieved by minority-owned MAFBE firms. If unable to secure the MAFBE utilization as described here, proposers must demonstrate a good faith effort was made to meet the goal. The MAFBE process addresses minority and female business ownership but not the diversity of the workforce.
5. Prime contractors will be required to pledge in their proposal that "X" percentage of their workforce on this project will be minority workers. Contractors can chose any value for "X" that they feel is achievable and appropriate.
6. The scoring for the competitive proposals for this next phase of construction will be based on both price and the percentage pledged for a diverse workforce and other criteria. Proposals with lower prices and a higher workforce diversity will be scored higher than those with higher prices and a lower workforce diversity. The proposed split between scoring price and diversity is 75% price, 25% diversity. The City of Champaign, based upon the advice of the UC2B Policy Board, will award the work to the firm or firms based upon both price and diversity, in conjunction with other criteria contained in Section 12.5-38 (Award Criteria) of the City's Purchasing Ordinance.

7. From the UC2B start-up fund, a bonus will be awarded to the contractor or contractors that meet or exceed their pledged minority workforce participation through the length of the project. The exact mechanism for determining the level of the bonus is yet to be determined, but the Policy Board recommends 1% payment based upon the final contract amount.
8. Prime contractors will be required to provide a performance bond written for the duration of the contract in the amount of 50%-80% of the contract price for those contracts valued at \$100,000 or more. A performance bond in the amount of 0%-25% of the contract price for the duration of the contract will be required for contracts that are less than \$100,000 in value.
9. A 10% retainage of each pay request will be required. However, after defined project milestones, e.g. percentage of contract completion such as number of completed, working connections, the applicable retainage will be released.
10. City bids equipment/logistics purchase separate from construction and installation (labor) for the equipment that has significant lead time for delivery, such as ADC cables.

The UC2B Policy Board and its member agencies, i.e. the Cities of Urbana and Champaign and the University of Illinois, desire to increase local minority and female participation in the Fiber to the Premise (FTTP) construction project and are seeking input on ways to achieve this goal. The purpose of this document is to identify the Project, Customer, and Community Benefit Goals for the project along with the applicable Federal, State and Local requirements, regulations, limitations and barriers and to discuss ideas and opportunities to achieve these goals.

I. NTIA, DCEO and UC2B Project Goals

- A. Complete 2,700 FTTP installations within the NTIA grant's budget
- B. Complete 2,700 FTTP installations for the least possible cost
- C. Complete 2,700 FTTP installations before February 1, 2013
- D. Perform the work efficiently and correctly
- E. Increase broadband adoption by households, businesses and Anchor Institutions
- F. Increase broadband adoption by "vulnerable populations" as described by ARRA
- G. Minimize the oversight and coordination needed by city or UC2B staff

II. UC2B Customers' Goals

- A. Receive a robust low-cost, high-bandwidth Internet Service
- B. Receive competing telecommunication services over a shared fiber infrastructure
- C. Have the work performed efficiently and correctly
- D. Have the work performed promptly – once started, complete within 48 hours – as weather permits
- E. Minimize damage to property and properly restore all damage
- F. Minimize the number of times UC2B installers need to be in the home or business

III. Community Benefit Goals

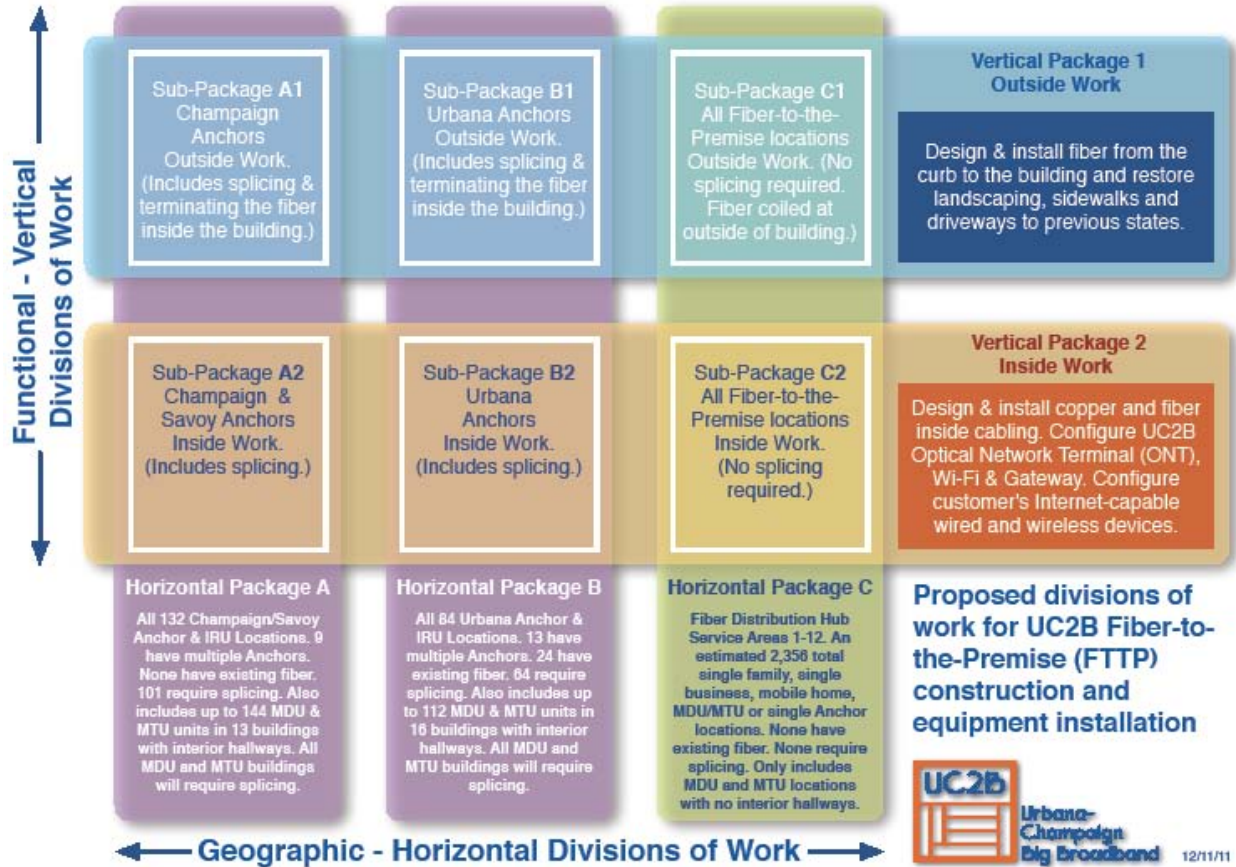
- A. Receive a robust, low-cost, high-bandwidth Internet service
- B. Receive competing telecommunication services over a shared fiber infrastructure
- C. Increase broadband adoption by households, businesses and Anchor Institutions
- D. Maximize the employment of minority and female workers
- E. Maximize the employment of minority- and female-owned companies
- F. Create long-term sustainable fiber construction and installation employment

IV. Federal/State/Local Regulations, Limitations, Barriers

- A. Federal grant regulations prohibit geographically based hiring criteria
- B. Davis-Bacon wage rates and reporting obligations apply, adding to project cost and administrative burden (certified payrolls required with pay requests)
- C. Performance bonding requirements
- D. Lack of broad local expertise in this type of work

- E. Limited City/UC2B staff available to manage multiple contracts for work conducted on private property
- G. No engineering design completed for this work requiring qualified and experienced installation contractors
- H. Limited knowledge of the FTTP customer base (connections) at time of bidding
- I. The NTIA grant requires project completion by February 1, 2013

**Not all goals described above are compatible with each other. In instances where they conflict or are in competition with each other, decisions must be made in order to proceed with implementation of the project. For example, in an effort to maximize work opportunities for employees and/or companies, the project has been broken down into 6 component parts leading to the potential of having 6 contractors working on the project. Managing multiple contracts/contractors leads to less accountability, less efficiency and more demands on limited City/UC2B staff time.



Sec. 12.5-38. - Award criteria.

(a)

Purchases pursuant to the bid process shall be awarded to the lowest responsible bidder as determined at the sole discretion of the City Council, or the Purchasing Agent, whomever has authority to approve the contract.

(b)

Purchases pursuant to the competitive proposal process shall be awarded to the vendor with the best and most favorable proposal as determined at the sole discretion of the City Council, or the Purchasing Agent, whomever has authority to approve the contract.

(c)

In determining the lowest responsible bidder or the best and most favorable proposal, the City Council may consider the following, as well as other criteria:

(1)

The ability, capacity and skill of the vendor to perform the proposed contract or provide the service required;

(2)

The capacity of the vendor to perform the contract or provide the service promptly, or within the time specified, without delay or interference;

(3)

The character, integrity, reputation, judgment, experience and efficiency of the vendor including, but not limited to: 1) past performance record; 2) default under previous contracts; 3) whether or not such contracts were with the City; 4) competency; and 5) failure to pay or satisfactorily settle all bills due for labor and material on former contracts;

(4)

The quality of performance by the vendor of previous contracts;

(5)

The previous and existing compliance by the vendor with laws and ordinances relating to the contract;

(6)

The sufficiency of the financial resources and financial ability of the vendor to perform the contract;

(7)

The quality, availability and adaptability of the supplies, machinery, plant or other equipment or contractual services to the particular use required;

(8)

The ability of the vendor to provide future maintenance and service for the use of the subject of the contract, including guarantees;

(9)

Whether the bidder is entitled to local preference as set forth in this article.

(d)

When the award is not recommended to be given to the lowest bidder, a statement of the reasons for such award recommendation shall be prepared by the Purchasing Agent.

(e)

When two (2) or more responsible bidders submit the same low bid, the contract award shall be determined by drawing lots in public at a meeting of the City Council; unless one (1) bidder is a local bidder and one (1) is a non-local bidder, in which event the local bidder shall be awarded the contract.

(C.B. No. 2003-081, § 1, 5-6-03)

UC2B FTTP Bid Packages

Name of Bidder: Sample Vendor

Only bid the packages or combination of packages that you are willing to do.

Examples: If you are only willing to do Package A1, if you also can do Package A2, then enter bids in lines #1, #2 & #3 (A1 & A2) and do not bid on A1 & A2 individually.

If you are willing to do packages A1, or A2, or both of them and want to offer a better price for doing both, then bid #1, #2, #3, #4, #5, #6 & #7 accordingly.

Your must bid all of the sub-elements of any given package

Example: If you enter a bid for Line #1, you must also enter a bid for Lines #2 and #3.

Failure to bid all the sub-elements of a package will invalidate your bid on that package.

Packages	Number of Locations	Description	Your Bid	Bid Line #	Notes
Packages A1 & A2 (All Champaign Anchors, IRU & Internal Hallway MDU/MTU sites - both Outside and Inside)	132	Champaign Anchor & IRU Sites Inside and Outside		#1	All Anchor & IRU sites in Champaign both Inside and Outside. #2 and #3 must be bid with #1.
	up to 13	Champaign MDU/MTU sites per Building Outside work		#2	Must include to bid on #1.
	up to 144	Champaign MDU/MTU sites per Unit Inside work		#3	Must include to bid on #1.
Package A1 only (Champaign Anchor, internal hallway IRU & MTU/MDU sites - Outside only)	132	Champaign Anchor & IRU Sites Outside Only		#4	"Outside" Anchor & IRU work includes terminating the OSP drop fiber cable in the building. #5 must be bid with #4.
	up to 13	Champaign MDU/MTU sites per Building Outside work		#5	"Outside" MDU/MTU work includes terminating the OSP fiber drop cable in the building. Must include to bid on #4.
Package A2 only (Champaign Anchor, IRU & internal hallway MDU/MTU sites - Outside only)	132	Champaign Anchor & IRU Sites Inside Only		#6	OSP fiber drop cable will already be terminated in the building. #7 must be bid with #6.
	up to 144	Champaign MDU/MTUs sites per Unit Inside work		#7	OSP fiber drop cable will already be terminated in the building. Must include to bid on #6.
Packages B1 & B2 (All Urbana Anchor, internal hallway IRU & MDU/MTU sites - both Outside and Inside)	84	Urbana Anchor & IRU Sites Inside and Outside		#8	All Anchor & IRU sites in Urbana both inside and Outside. #9 and #10 must be bid with #8.
	up to 16	Urbana MDU/MTUs per Building Outside work		#9	"Outside" MDU/MTU work includes terminating the fiber in the building. Must include to bid on #8.
	up to 112	Urbana MDU/MTUs per Unit Inside work		#10	Must include to bid on #8.
Package B1 only (Urbana Anchors, IRU & internal hallway MTU/MDU sites - Outside only)	84	Urbana Anchor & IRU Sites Outside Only		#11	"Outside" anchor work includes terminating the fiber in the building. #12 must be bid with #11.
	up to 16	Urbana MDU/MTUs per Building Outside work		#12	"Outside" MDU/MTU work includes terminating the fiber in the building. Must include to bid on #12.
Package B2 only (Urbana Anchors, IRU & internal hallway MTU/MDU sites - Inside only)	84	Urbana Anchor & IRU Sites Inside Only		#13	Fiber will already be terminated in the building. #14 must be bid with #13.
	up to 112	Urbana MDU/MTUs per Unit Inside work		#14	Fiber will already be terminated in the building. Must include to bid on #13.
Packages A1, A2, B1 & B2 (All Anchor, IRU & MDU/MTUs sites - both Outside and Inside)	216	All Anchor & IRU sites Inside and Outside		#15	#16 and #17 must be bid with #15.
	up to 29	All MDU/MTU sites per Building Outside work		#16	Must include to bid on #15.
	up to 255	All MDU/MTU sites per Unit Inside work		#17	Must include to bid on #15.
Packages A1 & B1 (All Anchors & MDU/MTUs - Outside only)	216	All Anchors Outside only		#18	"Outside" anchor work includes terminating the OSP fiber drop cable in the building. #19 must be bid with #18.
	up to 29	All Champaign & Urbana MDU/MTU sites per Building Outside work		#19	"Outside" MDU/MTU work includes terminating the OSP fiber drop cable in the building. Must include to bid on packages A1 & B1
Packages A2 and B2 (All Anchors & MDU/MTUs - Inside only)	216	All Anchors Inside only		#20	OSP fiber drop cable will already be terminated in the building. #21 must be bid with #20
	up to 255	All Champaign & Urbana MDU/MTU sites per Unit Inside work		#21	OSP fiber drop cable will already be terminated in the building. Must include to bid on #20.

Packages C1 & C2 (All FTTP sites including MDU/MTU sites with no internal hallway - both Inside & Outside work)	up to 1794	Price per location Inside & Outside single location installation (single residential & single business.)		#22	#23 and #24 must be bid with #22.
	up to 267	Price per single Mobile Home Inside & Outside installation		#23	Must include to bid on packages C1 & C2.
	up to 859	Price per MDU/MTU sites per Unit for Inside and Outside Installation (in buildings with no internal hallway)		#24	Must include to bid on packages C1 & C2.
Package C1 (All Outside installations in the FTTP areas except Anchor, IRU and internal hallway MDU/MTU sites.)	up to 1794	Price per single installation location (single residential & single business.)		#25	"Outside" FTTP work leaves the OSP fiber drop cable coiled at the outside of building. Both #26 & #27 must be bid with #25.
	Up to 300	Price per single mobile home Outside installation		#26	Outside FTTP work leaves the OSP fiber drop cable coiled at the outside of building. Must include to bid on #25.
	Up to 100	Price per Outside install per MDU/MTU Unit (in buildings with no internal hallway)		#27	"Outside" FTTP work leaves the OSP fiber Drop cable coiled at the outside of Unit. Must include to bid on #25.
Package C2 (All Inside installations in the FTTP areas except Anchor, IRU and internal hallway MDU/MTU sites.)	up to 1794	Price per single location Inside installation (single residential & single business.)		#28	"Inside" work includes the building entrance. OSP fiber drop cable will be coiled outside the building. Both #29 & #30 must be bid with #28.
	up to 267	Price per single mobile home Inside installation		#29	Inside work includes the building entrance. OSP fiber drop cable will be coiled outside the mobile home. Must include to bid on #28.
	up to 859	Price per MDU/MTU Unit Inside installation (in buildings with no internal hallway)		#30	Inside work includes the building entrance. Fiber drop cable will be coiled outside. Must include to bid on #28.
Everything	2700	All Inside & Outside Installation for all FTTP, Anchor and IRU sites.		#31	Total bid for everything
Packages A1, B1 & C1 (All outside work)	216	All Anchor & IRU sites Outside only		#32	"Outside" Anchor and IRU work includes terminating the OSP fiber in the building. #37 - #41 must be bid together.
	up to 29	All Champaign & Urbana MDU/MTUs per Building Outside work in Buildings with internal hallways.		#33	"Outside" internal hallway MDU/MTU work includes terminating the OSP fiber drop cable in the building. #37 - #41 must be bid together.
	up to 1794	Price per single location Outside installation (single residential & single business sites.)		#34	"Outside" FTTP work leaves the OSP fiber drop cable coiled at the outside of building. #37 - #41 must be bid together.
	up to 267	Price per single mobile home Outside installation		#35	"Outside" FTTP work leaves the OSP fiber coiled at the outside of building. #37 - #41 must be bid together.
	up to 859	Price per MDU/MTU Unit Outside installation (in buildings with no internal hallway)		#36	"Outside" FTTP work leaves the OSP fiber drop cable coiled at the outside of Unit. #37 - #41 must be bid together.
Packages A2, B2 & C2 (All Inside work)	216	All Anchor and IRU sites Inside only		#37	Anchor & IRU OSP fiber drop cable will already be terminated in the building. #42 - #46 must be bid together.
	up to 144	All MDU/MTUs with Interior hallways per Unit Inside work		#38	MDU/MTU OSP fiber drop cable will already be terminated in the building. #42 - #46 must be bid together.
	up to 1794	Price per single inside installation location (single residential & single business.)		#39	"Inside" work includes the building entrance. OSP Fiber drop cable will be coiled outside building. #42 - #46 must be bid together.
	up to 267	Price per single mobile home Inside installation		#40	"Inside" work includes the building entrance. OSP fiber drop cable will be coiled outside. #42 - #46 must be bid together.
	up to 859	Price per MDU/MTU Unit Inside installation (in buildings with no internal hallway)		#41	Inside work includes the building entrance. OSP fiber drop cable will be coiled outside Unit. #42 - #46 must be bid together.
What percentage of diversity do you pledge to maintain in your workforce assigned to this project through the life of the project?				#42	See definitions in RFP instructions

Scoring Demonstration Vendors
Per
Piece
Quotes

Diversity %	A1 & A2	A1	A2	B1 & B2	B1	B2	A1, A2, B1 & B2	A1 & B1	A2 & B2	C1 & C 2	C1	C2	Everything	A1, B1 & C1	A2, B2 & C2	
A Bids on Everything and 6 Pieces	15%	\$750	\$500	\$250	\$750	\$500	\$250	\$740	\$490	\$245	\$630	\$400	\$240	\$700	\$475	\$242
B Bids on Everything, no pieces	16%												\$725			
C Only Bids Outside work	10%		\$490			\$490		\$485				\$390		\$450		
D Only Bids Outside Work	20%		\$510			\$510		\$500				\$410		\$485		
E Only Bids Inside Work	12%			\$240			\$240		\$235			\$230			\$232	
F Only Bids Inside Work	21%			\$260			\$260		\$250			\$245			\$247	
G Only Bids Outside Anchors	15%		\$485			\$485		\$480								
H Only Bids Inside Anchors	19%			\$235			\$235		\$230							
I Only Bids Champ Anchors	17%	\$720	\$490	\$240												
J Only Bids Urbana Anchors	21%				\$710	\$480	\$235									
K Only Bids Anchors	18%	\$700	\$470	\$230	\$700	\$470	\$230	\$690	\$465	\$225						
L Only Bids A1 - Champ Anchors Outside	22%		\$515													
M Only Bids A2 - Champ Anchors Inside	17%			\$265												
N Ony Bids B1 - Urbana Anchors Outside	22%					\$515										
O Only Bids B2 - Urbana Anchors Inside	18%						\$265									
P Only Bids C1- All FTTP Outside	22%										\$405					
Q Ony Bids C2 - All FTTP Inside	19%											\$250				
R Only Bids FTTP (Both Inside and Outside)	20%									\$655						

Total \$

Diversity %	A1 & A2	A1	A2	B1 & B2	B1	B2	A1, A2, B1 & B2	A1 & B1	A2 & B2	C1 & C 2	C1	C2	Everything	A1, B1 & C1	A2, B2 & C2	
A Bids on Everything and 6 Pieces	15%	\$104,250	\$69,500	\$51,500	\$69,000	\$46,000	\$35,000	\$170,940	\$113,190	\$84,770	\$1,484,280	\$942,400	\$565,440	\$1,890,000	\$1,228,825	\$653,884
B Bids on Everything, no pieces	16%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,957,500	\$0	\$0	
C Only Bids Outside work	10%	\$0	\$68,110	\$0	\$0	\$45,080	\$0	\$0	\$112,035	\$0	\$0	\$918,840	\$0	\$0	\$1,164,150	\$0
D Only Bids Outside Work	20%	\$0	\$70,890	\$0	\$0	\$46,920	\$0	\$0	\$115,500	\$0	\$0	\$965,960	\$0	\$0	\$1,254,695	\$0
E Only Bids Inside Work	12%	\$0	\$0	\$49,440	\$0	\$0	\$33,600	\$0	\$0	\$81,310	\$0	\$0	\$541,880	\$0	\$0	\$626,864
F Only Bids Inside Work	21%	\$0	\$0	\$53,560	\$0	\$0	\$36,400	\$0	\$0	\$86,500	\$0	\$0	\$577,220	\$0	\$0	\$667,394
G Only Bids Outside Anchors	15%	\$0	\$67,415	\$0	\$0	\$44,620	\$0	\$0	\$110,880	\$0	\$0	\$0	\$0	\$0	\$0	\$0
H Only Bids Inside Anchors	19%	\$0	\$0	\$48,410	\$0	\$0	\$32,900	\$0	\$0	\$79,580	\$0	\$0	\$0	\$0	\$0	\$0
I Only Bids Champ Anchors	17%	\$100,080	\$68,110	\$49,440	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
J Only Bids Urbana Anchors	21%	\$0	\$0	\$0	\$65,320	\$44,160	\$32,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
K Only Bids Anchors	18%	\$97,300	\$65,330	\$47,380	\$64,400	\$43,240	\$32,200	\$159,390	\$107,415	\$77,850	\$0	\$0	\$0	\$0	\$0	\$0
L Only Bids A1	22%	\$0	\$71,585	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
M Only Bids A2	17%	\$0	\$0	\$54,590	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
N Ony Bids B1	22%	\$0	\$0	\$0	\$0	\$47,380	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O Only Bids B2	18%	\$0	\$0	\$0	\$0	\$0	\$37,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
P Only Bids C1	22%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$954,180	\$0	\$0	\$0	\$0	\$0
Q Ony Bids C2	19%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$589,000	\$0	\$0	\$0	\$0

Demo - UC2B FTTP RFP Scoring - Raw Vendor Numbers

Vendors' Raw Responses																		
Bid Line #	Vendor A	Vendor B	Vendor C	Vendor D	Vendor E	Vendor F	Vendor G	Vendor H	Vendor I	Vendor J	Vendor K	Vendor L	Vendor M	Vendor N	Vendor O	Vendor P	Vendor Q	Vendor R
#1	\$99,000.00								\$95,040.00		\$92,400.00							
#2	\$500.00								\$500.00		\$470.00							
#3	\$250.00								\$250.00		\$230.00							
#4	\$66,000.00		\$64,680.00	\$67,320.00			\$64,020.00		\$64,680.00		\$62,040.00	\$67,980.00						
#5	\$500.00		\$490.00	\$510.00			\$485.00		\$490.00		\$230.00	\$515.00						
#6	\$33,000.00				\$31,680.00	\$34,320.00		\$31,020.00	\$31,680.00		\$30,360.00		\$34,980.00					
#7	\$250.00				\$240.00	\$260.00		\$235.00	\$240.00		\$230.00		\$265.00					
#8	\$63,000.00									\$59,640.00	\$58,800.00							
#9	\$500.00									\$480.00	\$470.00							
#10	\$250.00									\$235.00	\$230.00							
#11	\$42,000.00		\$41,160.00	\$42,840.00			\$40,740.00			\$40,320.00	\$39,480.00			\$43,260.00				
#12	\$500.00		\$490.00	\$510.00			\$485.00			\$480.00	\$470.00			\$515.00				
#13	\$21,000.00				\$20,160.00	\$21,840.00		\$19,740.00		\$19,740.00	\$19,320.00				\$22,260.00			
#14	\$250.00				\$240.00	\$260.00		\$235.00		\$235.00	\$230.00				\$265.00			
#15	\$159,840.00										\$149,040.00							
#16	\$490.00										\$465.00							
#17	\$245.00										\$225.00							
#18	\$105,840.00		\$104,760.00	\$108,000.00			\$103,680.00				\$100,440.00							
#19	\$490.00		\$490.00	\$500.00			\$480.00				\$465.00							
#20	\$52,920.00				\$50,760.00	\$5,400.00		\$49,680.00			\$48,600.00							
#21	\$245.00				\$235.00	\$250.00		\$230.00			\$225.00							
#22	\$630.00																	\$655.00
#23	\$630.00																	\$655.00
#24	\$630.00																	\$655.00
#25	\$400.00		\$390.00	\$410.00													\$405.00	
#26	\$400.00		\$390.00	\$410.00													\$405.00	
#27	\$400.00		\$390.00	\$410.00													\$405.00	
#28	\$240.00				\$230.00	\$245.00											\$250.00	
#29	\$240.00				\$230.00	\$245.00											\$250.00	
#30	\$240.00				\$230.00	\$245.00											\$250.00	
#31	\$1,890,000.00	\$1,957,500.00																
#32	\$102,600.00		\$97,200.00	\$104,760.00														
#33	\$475.00		\$450.00	\$486.00														
#34	\$475.00		\$450.00	\$485.00														
#35	\$475.00		\$450.00	\$485.00														
#36	\$475.00		\$450.00	\$485.00														
#37	\$52,272.00				\$50,112.00	\$53,352.00												
#38	\$242.00				\$232.00	\$247.00												
#39	\$242.00				\$232.00	\$247.00												
#40	\$242.00				\$232.00	\$247.00												
#41	\$242.00				\$232.00	\$247.00												
#42	15%	16%	10%	20%	12%	21%	15%	19%	17%	21%	18%	22%	17%	22%	18%	22%	19%	20%

Demonstration - UC2B FTTP RFP Scoring - Calculated Vendor Numbers

Pink shaded cells are the lowest Price or the highest Diversity percentage

		Vendors' Calculated Numbers																		Lowest/ Highest
Description	Packages	Vendor A	Vendor B	Vendor C	Vendor D	Vendor E	Vendor F	Vendor G	Vendor H	Vendor I	Vendor J	Vendor K	Vendor L	Vendor M	Vendor N	Vendor O	Vendor P	Vendor Q	Vendor R	Bid's
Champaign Anchors & IRU	A1 & A2	\$ 120,206.25	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$116,246.25	N/A	\$111,975.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 111,975.00
Outside Champ Anchor & IRU	A1	\$ 69,262.50	N/A	\$ 67,877.25	\$ 70,647.75	N/A	N/A	\$ 67,184.63	N/A	\$ 67,877.25	N/A	\$ 63,540.75	\$ 71,340.38	N/A	N/A	N/A	N/A	N/A	N/A	\$ 63,540.75
Inside Champ Anchor & IRU	A2	\$ 50,943.75	N/A	N/A	N/A	\$ 48,906.00	\$ 52,981.50	N/A	\$ 47,887.13	\$ 48,906.00	N/A	\$ 46,868.25	N/A	\$ 54,000.38	N/A	N/A	N/A	N/A	N/A	\$ 46,868.25
Urbana Anchors & IRU	B1 & B2	\$ 80,943.75	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 76,586.88	\$ 75,388.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 75,388.00
Outside Urbana Anchor & IRU	B1	\$ 45,987.50	N/A	\$ 45,067.75	\$ 46,907.25	N/A	N/A	\$ 44,607.88	N/A	N/A	\$ 44,148.00	\$ 43,228.25	N/A	N/A	\$ 47,367.13	N/A	N/A	N/A	N/A	\$ 43,228.25
Inside Urbana Anchor & IRU	B2	\$ 34,956.25	N/A	N/A	N/A	\$ 33,558.00	\$ 36,354.50	N/A	\$ 32,858.88	N/A	\$ 32,858.88	\$ 32,159.75	N/A	N/A	N/A	\$ 37,053.63	N/A	N/A	N/A	\$ 32,159.75
All Anchor & IRU - both	A1, A2, B1 & B2	\$ 198,207.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$184,492.50	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 184,492.50
All Anchor & IRU - Outside	A1 & B1	\$ 112,945.00	N/A	\$111,865.00	\$115,250.00	N/A	N/A	\$110,640.00	N/A	N/A	N/A	\$107,182.50	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 107,182.50
All Anchor & IRU -Inside	A2 & B2	\$ 84,182.00	N/A	N/A	N/A	\$ 80,746.00	\$ 37,300.00	N/A	\$ 79,028.00	N/A	N/A	\$ 77,310.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 37,300.00
All FTTP Sites	C1 & C2	\$ 1,484,532.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 1,543,442.00	\$ 1,484,532.00
All FTTP Sites Outside	C1	\$ 942,560.00	N/A	\$918,996.00	\$966,124.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 954,342.00	N/A	N/A	\$ 918,996.00
All FTTP Sites Inside	C2	\$ 565,536.00	N/A	N/A	N/A	\$ 541,972.00	\$ 577,318.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 589,100.00	N/A	\$ 541,972.00
Everything Outside & Inside	Everything	\$ 1,890,000.00	\$ 1,957,500.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 1,890,000.00
Everything Outside	All Outside	\$ 1,228,777.50	N/A	\$1,164,105.00	\$1,254,661.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 1,164,105.00
Everything Inside	All Inside	\$ 653,400.00	N/A	N/A	N/A	\$ 626,400.00	\$ 666,900.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 626,400.00
Diversity Pledge	Diversity	15%	16%	10%	20%	12%	21%	15%	19%	17%	21%	18%	22%	17%	22%	18%	22%	19%	20%	22%

UC2B FTTP RFP Scoring - Calculated Vendor Points

Pink shaded cells are the lowest price or the highest Diversity percentage

		Vendors' Calculated Points (Includes Diversity Points for each calculated point total.)																	
Description	Packages	Vendor A	Vendor B	Vendor C	Vendor D	Vendor E	Vendor F	Vendor G	Vendor H	Vendor I	Vendor J	Vendor K	Vendor L	Vendor M	Vendor N	Vendor O	Vendor P	Vendor Q	Vendor R
Champaign Anchors & IRU	A1 & A2	865.3	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	914.6	#VALUE!	954.5	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Outside Champ Anchor & IRU	A1	852.9	#VALUE!	812.5	893.4	#VALUE!	#VALUE!	877.4	#VALUE!	892.0	#VALUE!	954.5	907.9	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Inside Champ Anchor & IRU	A2	855.2	#VALUE!	#VALUE!	#VALUE!	853.8	890.8	#VALUE!	949.6	910.6	#VALUE!	954.5	#VALUE!	829.1	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Urbana Anchors & IRU	B1 & B2	865.2	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	976.7	954.5	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Outside Urbana Anchor & IRU	B1	872.6	#VALUE!	831.7	913.4	#VALUE!	#VALUE!	896.5	#VALUE!	#VALUE!	972.7	954.5	#VALUE!	#VALUE!	928.2	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Inside Urbana Anchor & IRU	B2	855.2	#VALUE!	#VALUE!	#VALUE!	853.8	890.8	#VALUE!	949.6	#VALUE!	972.3	954.5	#VALUE!	#VALUE!	#VALUE!	840.4	#VALUE!	#VALUE!	#VALUE!
All Anchor & IRU - both	A1, A2, B1 & B2	864.7	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	954.5	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
All Anchor & IRU - Outside	A1 & B1	880.1	#VALUE!	830.9	920.8	#VALUE!	#VALUE!	896.3	#VALUE!	#VALUE!	#VALUE!	954.5	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
All Anchor & IRU -Inside	A2 & B2	-22.2	#VALUE!	#VALUE!	#VALUE!	12.8	988.6	#VALUE!	126.9	#VALUE!	#VALUE!	150.1	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
All FTTP Sites	C1 & C2	920.5	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	947.5
All FTTP Sites Outside	C1	901.2	#VALUE!	863.6	938.8	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	971.2	#VALUE!
All FTTP Sites Inside	C2	887.8	#VALUE!	#VALUE!	#VALUE!	886.4	939.7	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	900.7	#VALUE!
Everything Outside & Inside	Everything	920.5	905.0	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Everything Outside	All Outside	878.8	#VALUE!	863.6	918.9	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Everything Inside	All Inside	888.1	#VALUE!	#VALUE!	#VALUE!	886.4	940.1	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Diversity Pledge	Diversity	170.5	181.8	113.6	227.3	136.4	238.6	170.5	215.9	193.2	238.6	204.5	250.0	193.2	250.0	204.5	250.0	215.9	227.3

UC2B FTTP RFP - Final Scoring of Combinations
(SAMPLE DATA)

Pink shaded cells are the lowest Price or the highest Diversity percentage

Combo #	Winning Sub Packages	Winning Vendor	Component Price	Total Price	Component Diversity %	Average Weighted Diversity %	Price Points	Diversity Points	Total Points
A	All of Everything	A	\$ 1,890,000	\$ 1,890,000	15%	15.00%	654.31	174.78	829.09
B	All Outside - Vert-1	D	\$ 1,254,661	\$ 1,921,561	20%	20.33%	640.19	236.93	877.11
	All Inside - Vert-2	F	\$ 666,900		21%				
C	All Champaign Anchors - Horiz-A	K	\$ 111,975	\$ 1,732,004	18%	19.93%	725.00	232.24	957.25
	All Urbana Anchors - Horiz-B	J	\$ 76,587		21%				
	All FTTP - Horiz-C	R	\$ 1,543,442		20%				
D	All Anchors Outside & Inside - Horiz-A & B	K	\$ 184,493	\$ 1,727,935	18%	19.83%	726.83	231.05	957.88
	All FTTP Outside & Inside - Horiz-C	R	\$ 1,543,442		20%				
E	All Anchors Outside - A1 & B1	K	\$ 107,183	\$ 1,676,143	18%	21.44%	750.00	249.81	999.81
	All Anchors Inside - A2 & B2	F	\$ 37,300		21%				
	All FTTP Outside - C1	P	\$ 954,342		22%				
	All FTTP Inside - C2	F	\$ 577,318		21%				
F	All Anchors Outside - A1 & B1	K	\$ 107,183	\$ 1,687,925	18%	19.91%	744.73	232.05	976.78
	All Anchors Inside - A2 & B2	F	\$ 37,300		21%				
	All FTTP Outside & Inside - Horiz-C	R	\$ 1,543,442		20%				
G	All Anchors Outside & Inside - Horiz-A & B	K	\$ 184,493	\$ 1,716,153	18%	21.35%	732.10	248.81	980.91
	All FTTP Outside - C1	P	\$ 954,342		22%				
	All FTTP Inside - C2	F	\$ 577,318		21%				
H	Champaign Anchors Outside - A1	K	\$ 63,541	\$ 1,719,076	18%	21.46%	730.79	250.00	980.79
	Champaign Anchors Inside - A2	K	\$ 46,868		18%				
	Urbana Anchors Outside - B1	J	\$ 44,148		21%				
	Urbana Anchors Outside - B2	J	\$ 32,859		21%				
	FTTP Outside - C1	P	\$ 954,342		22%				
	FTTP Inside - C2	F	\$ 577,318		21%				

Least Cost: \$ 1,676,143 Largest %: 21.46%

RESOLUTION NO. 2012-03

A RESOLUTION

AUTHORIZING THE PURCHASE OF CORE NETWORK EQUIPMENT
(University of Illinois)

WHEREAS, the University of Illinois has agreed to provide space for the UC2B core network equipment in its Telecommunications Nodes 8 and 9; and

WHEREAS, the University of Illinois has agreed to maintain the core network equipment for two years starting from the commencement of UC2B retail operations; and

WHEREAS, the University of Illinois staff has researched and obtained quotes for the necessary core network equipment and provided an associated report entitled "Overview and Recommendations for the UC2B Core Network Design" (Report); and

WHEREAS, the UC2B Technical Committee reviewed the Report at its meetings on December 27, 2011 and on January 10, 2012; and

WHEREAS, the UC2B Technical Committee voted to approve the Report and its recommendations at its meeting on January 10, 2012.

NOW, THEREFORE, BE IT RESOLVED BY THE UC2B POLICY BOARD, as follows:

Section 1. The Policy Board accepts the Report and incorporates it herein.

Section 2. The Policy Board authorizes the purchase of the core network equipment as contained in the Report and in an amount not to exceed \$627,988.

RESOLUTION NO. 2012-03

PASSED:

APPROVED: _____
Policy Board Chair

RESOLUTION NO. 2012-04

A RESOLUTION

ESTABLISHING THE 2012 ANNUAL MEETING SCHEDULE FOR THE UC2B POLICY BOARD

WHEREAS, the UC2B Policy Board meets at Noon on the first and third Wednesdays of each month; and

WHEREAS, this meeting schedule is not convenient for all of the current members of the Policy Board; and

WHEREAS, this meeting schedule may not be convenient for members of the public to attend because of work commitments.

NOW, THEREFORE, BE IT RESOLVED BY THE UC2B POLICY BOARD, as follows:

Section 1. The Policy Board establishes its 2012 meeting schedule beginning on this day forward as the first and third Thursdays of each month at 5:30 p.m. in the City of Champaign Council Chambers, 102 N. Neil Street, Champaign, IL 61820.

RESOLUTION NO. 2012-04
PASSED:

APPROVED: _____
Policy Board Chair



NTIA and Grant Update – 1/30/12

We had our regular call with NTIA last Wednesday. We now have clarity on the maintenance agreements issue. The BTOP grant will pay for maintenance agreements on equipment during the life of a the BTOP grant, but the University's policy is that nothing can be "prepaid" through any grant. Therefore if CITES is willing to be "the banker", and pay up front for maintenance agreements on the core network equipment through 1/31/13, and then bill the grant once a month at the end of the month for those costs, everybody is happy. I believe we can make that happen.

Grants and Contracts has now asked NTIA to approve Dr. Gant's work in some official way. Our program officer and our grant officer at NTIA are reviewing the final document Dr. Gant submitted to Grants and Contracts. If there is a lighter weight way (other than a full Action Award Request that requires lots of time and effort) to make Grants and Contracts feel comfortable with the scope of Dr. Gant's work, NTIA would prefer to go that route, as would I.

Construction – The campus conduit construction is complete. There remain some manholes to install and come concrete to repair in the campus area but the conduit is all in place. Assuming the mild weather holds, the repair work is scheduled for this week. Western has moved its crews back into Champaign, while John Burns continues in Urbana.

FTTP Bidding – Attached is a proposed formula for scoring the workforce diversity pledges. I believe this balances the desire to have a more diverse workforce with the realities of who is available to do this work. It is relatively clean and simple to score, and contractors would be required to "show their work" on the RFP response in terms of how they arrived at their pledges.

There will be a meeting with each of the "apparent" winners to evaluate whether their diversity pledge is realistic, whether they have the capacity to do the work they have signed up for, and to confirm their bonding and insurance before an award is made. Should a contractor fall short in any of those areas, they would not be awarded the bid, and it would go to the next best scoring contractor, who would also undergo the same review and so on. The scoring is on a curve, where contractors are rewarded for exceeding 15%, but 20% is the cap at which they will get full credit for pledging a diverse workforce.

We are meeting with the major downstate construction-bonding firm on Wednesday after the Policy Board meeting, so there is nothing new to report on that issue.

Consultants – Based on the volume of questions and clarifications, we are getting, Diane and Mark are making progress on their work.

FTTP Electronics Purchase – They have now been ordered. You have an agenda item to approve some additional funds (from contingency) for the neighborhood FTTP cabinets. Here is the background.

As you may know, both contractors are having KGP populate the neighborhood cabinets with the Adtran TA-5000 chassis, an AC-DC power rectifier, 4 batteries and typically two 288-port fiber patch panels. The “completed” cabinets can then be set into place with a small crane or backhoe. In theory, the cabinets that we identified last spring for that purpose would hold everything.

KGP has started work on assembling the first cabinet, and to make a long story short, everything will fit, but probably not in a very usable way. They have been working with cabinet manufacturer on a solution and they now have one. By adding a "battery chamber" below the original cabinet and locating the batteries there, that frees up enough room in the cabinet space to hold everything we need with a little extra breathing room.

The good news is that the battery chamber raises the fiber patch panels and the electronics up 16 inches, which will make them much easier to work with.

The bad news is that it makes the combined cabinet 16 inches taller than what we had before. The combined height would be right at 4 feet. The footprint of the cabinet does not change, which is good as some of these are carefully placed between the street and the sidewalk with just enough clearance on each side to allow bicycles to go by and not snag the handlebars.

There is a cost of roughly \$1,700 per cabinet to have the battery chambers added to the configuration at this time. That works out to \$20,400 additional.

A second issue with the cabinets - as they are currently configured - involves heat. We will be deploying 24-port single-slot Active Ethernet cards in the Adtran TA-5000 chassis. That is a new card and apparently it runs hotter than the dual-slot card it replaced. That makes sense, as they are getting twice the number of lasers and electronics in the same space. Our Fiber Distribution Areas were designed for the density of the single slot card. We can service a maximum of 504 customers (21 cards x 24 ports each) from a fully loaded TA-5000 chassis.

We had originally specified just an air-circulating fan for the cabinets, as the TA-5000 chassis and cards are hardened and can work in hot or cold conditions. There is now some concern that we may want to increase the cooling capabilities of the cabinets lest they get “too hot”. The next step up from the fans are heat exchangers. In addition to providing better cooling capabilities, heat exchangers also allow the cabinets to be sealed, and will not constantly be pulling dust or moisture into the cabinet. While we still have an opportunity to make this "upgrade", I believe we should. The cost per cabinet to switch to the heat exchangers would be roughly \$800 each for a total of \$9,600.

If we make both of these changes, the worst case would be \$30,000 in total extra costs.

My recommendation is that we spend the money now as an investment in the longevity and usability of the equipment. Technically it will require change orders with both contractors - \$12,500 with Burns and \$17,500 with Western. While this will be our second raid on the contingency funds this year, we are still being very frugal with them.

I would like the Policy Board to discuss and approve the taller cabinets and the additional expenditure. Had we known six months ago what we know now, we would have specified this configuration in our construction bids. I have attached a cut sheet for the expanded cabinets. It may be possible to reduce the height of the battery chamber a few inches. KGP is exploring that.

Expanding UC2B's fiber plant – As an ancient English philosopher once said, “you can't always get what you want, but sometimes you get what you need.” While I have often suggested that we postpone the discussion of how to expand UC2B until the second half of this year, there are several reasons why we should start that discussion now – at least in terms of commercial areas.

Champaign Telephone Company (CTC) agreed to pay for lateral fiber connections into several multi-tenant commercial buildings as part of their IRU agreement. They have customers in those buildings that they want to serve via the UC2B fiber they will be leasing, and they agreed to pay on average \$30,000 for each of the lateral fiber connections they wanted built.

We were able to leverage those funds roughly 9:1 to get additional State and Federal dollars for our project, so that was good. Two of those locations are Trade Center (the Wolfram building) and Lincoln Square.

As soon as we build that lateral fiber for CTC into those two locations, there is a very good chance that other providers will ask about using other fiber strands on the laterals that CTC paid for to serve other entities in those buildings. We have had discussions in the past about how to do this and still be fair to CTC and it now time to formalize a plan.

At the same time, CTC and others are interested in expanding the UC2B fiber plant with laterals to reach additional business customers. Hopefully we can devise a policy that encourages expansion of the UC2B network and at the same time allows the privately funded laterals to be used as part of our open-access network. My bottom line is that we always want businesses (and residents) to have choices of providers over UC2B fiber.

I have attached a draft of such a plan for the Policy Board to start thinking about and commenting on – hopefully with the goal of adopting a policy to cover this issue in March. There are commercial entities that are clamoring to get connected to UC2B as soon as possible, and once the rings go live, there is no reason to delay CTC and others from connecting their customers. This issue may require a special study session to work out all the details.

Joseph Andrew Palla – my daughter Amanda had her second baby on the 21st. He tipped the scales at 8 pounds and one ounce, and was 21 inches long. Amanda may now hold the record for the least amount of time from check-in at the Carle Emergency Room to when her baby was born – 13 minutes. Both are doing well and are thankful that his middle name did not have to be “elevator”.

See you on Wednesday.

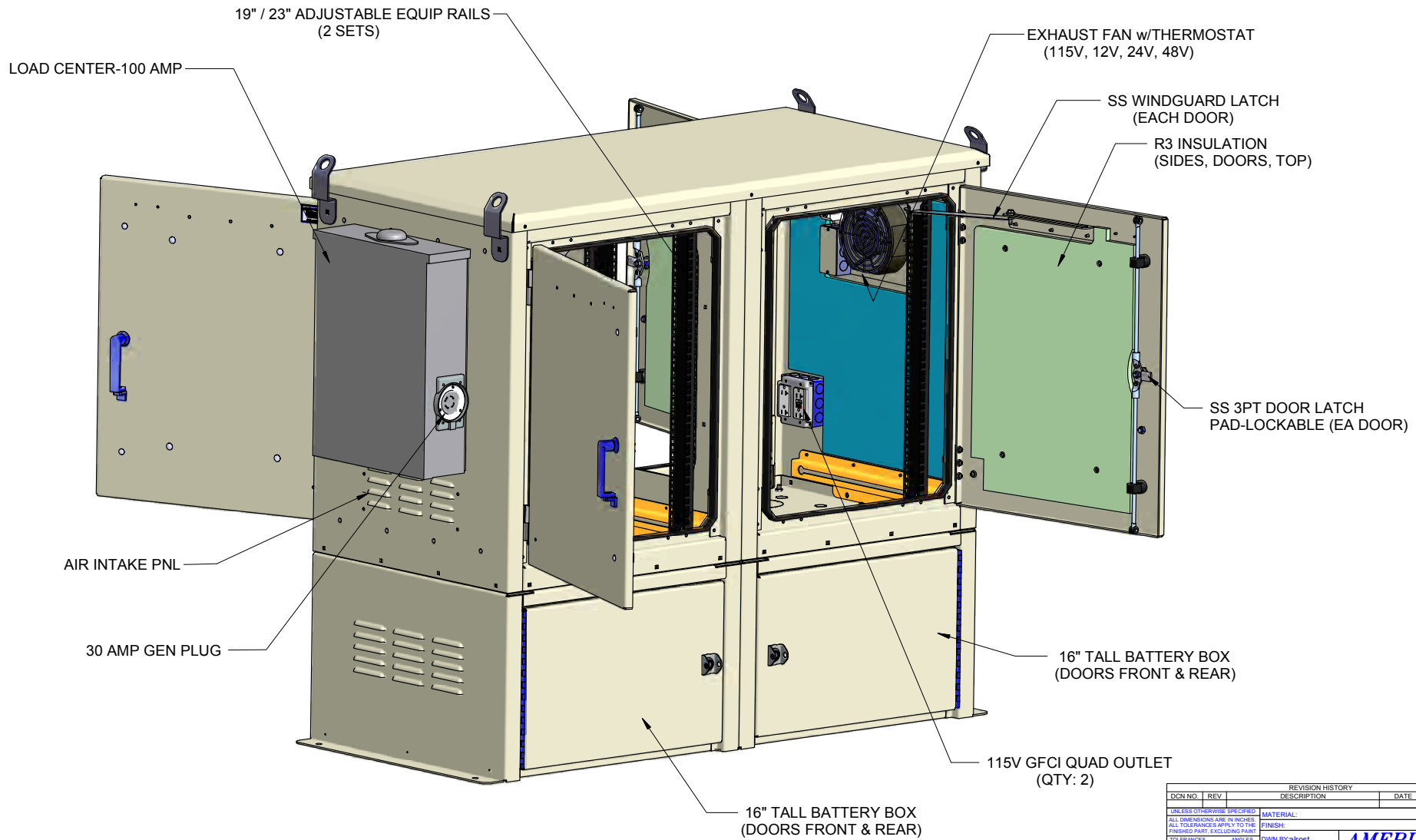
Mike



Proposed Scoring Grid for Workforce Diversity

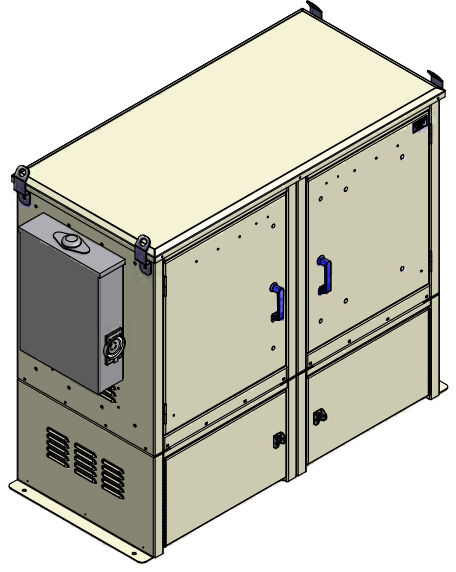
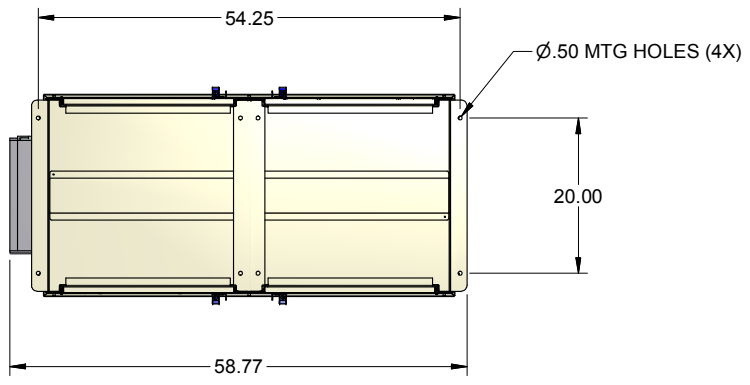
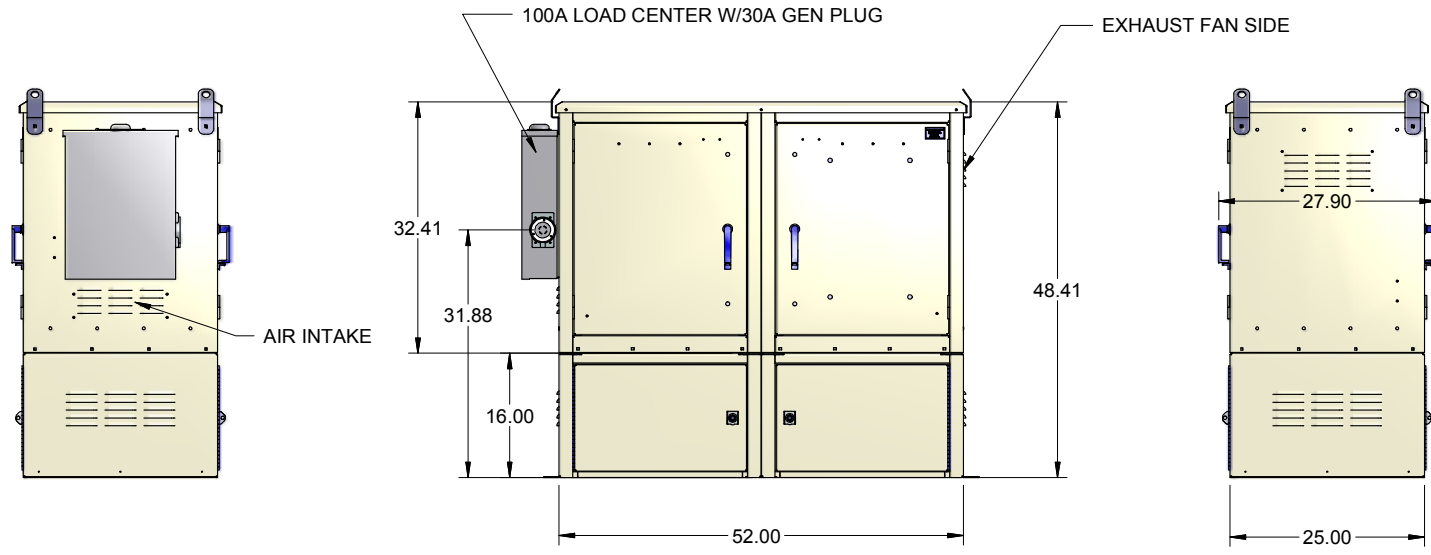
All pledges are rounded up or down according to traditional rounding rules.

Diversity Pledge Percentage	Percentage Awarded	Points Awarded
0%	0%	0
1%	0%	0
2%	0%	0
3%	0%	0
4%	0%	0
5%	0%	0
6%	5%	13
7%	10%	25
8%	15%	38
9%	20%	50
10%	25%	63
11%	30%	75
12%	35%	88
13%	40%	100
14%	45%	113
15%	50%	125
16%	60%	150
17%	70%	175
18%	80%	200
19%	90%	225
20%	100%	250
>20%	100%	250



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X ± .1	° ± .1	DWN BY: alrost		SCALE: NTS		SHEET 1 OF 3	
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FREE DRAWING AND THE EXCLUSIVE PROPERTY OF AMERICAN PRODUCTS, LLC		DATE: 1/19/2012		SCALE: NTS		SHEET 1 OF 3	
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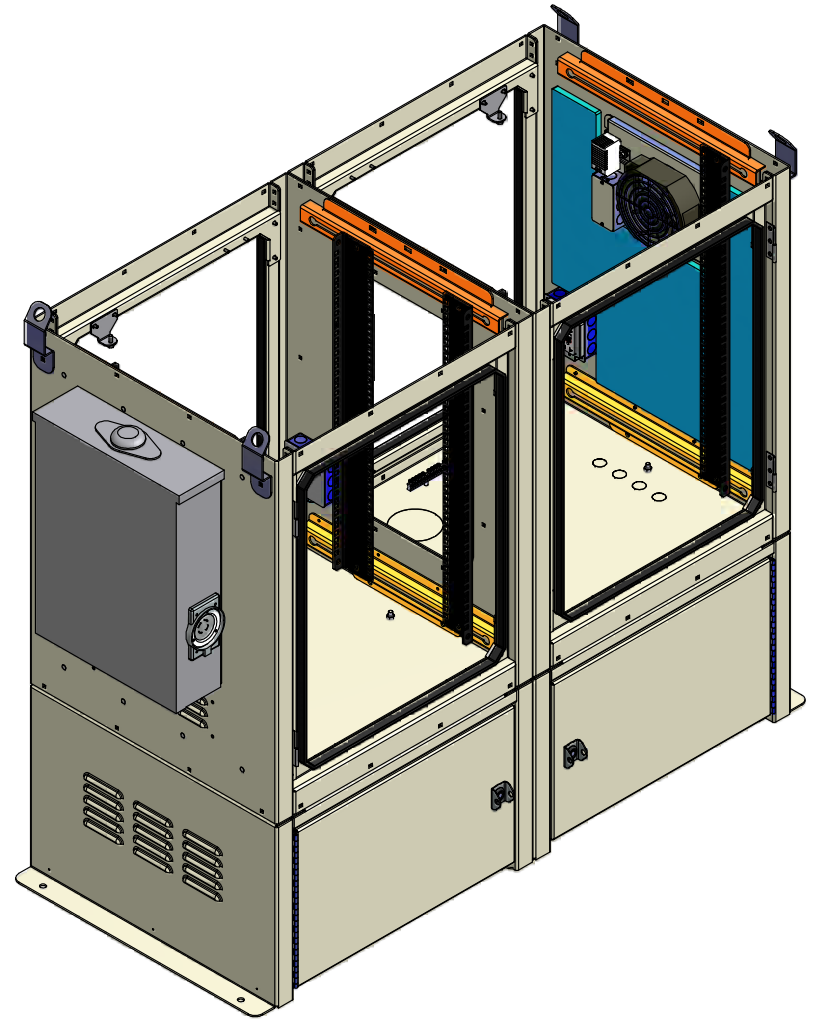
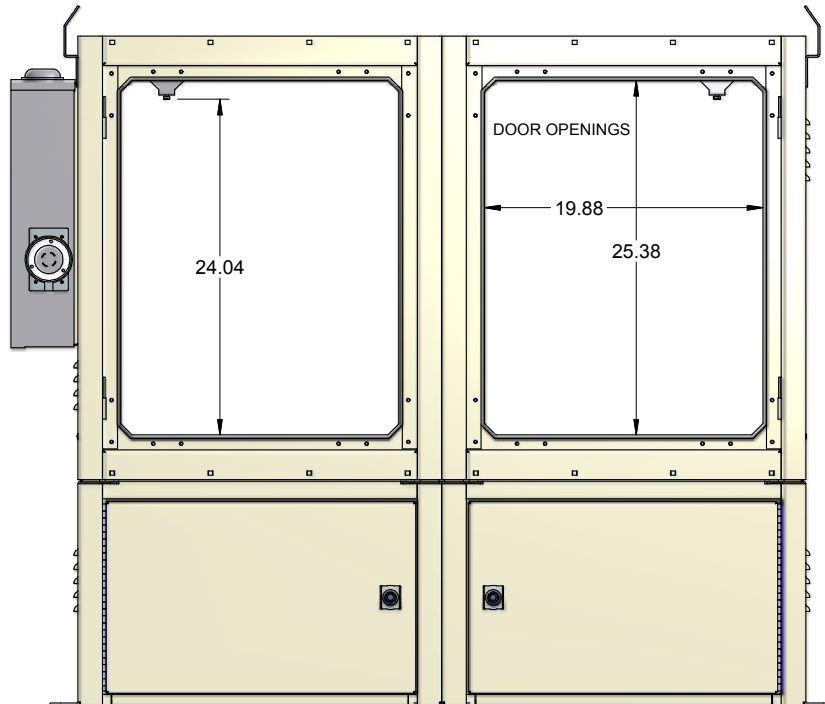
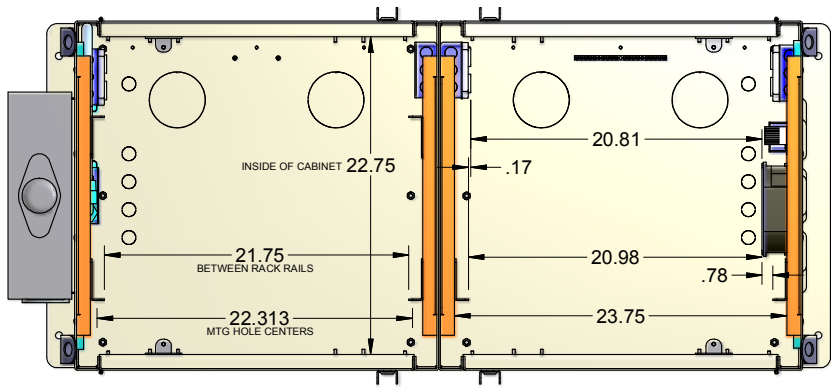
NOTES:

- 1) .125 ALUM CONST
- 2) POWDERCOAT BEIGE
- 3) ALL STAINLESS HARDWARE (BOLTS, LATCHES, HINGES, ETC)

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XXX ± .5	± .003°	SCALE:	SHEET 2 OF 3
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THIS DRAWING IS THE EXCLUSIVE PROPERTY OF AMERICAN PRODUCTS, LLC. IT IS NOT TO BE REPRODUCED, COPIED OR USED FOR ANY PURPOSE WITHOUT OUR WRITTEN PERMISSION.		SCALE:	SHEET 3 OF 3
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RESOLUTION NO. 2012-05

A RESOLUTION

ENDORISING THE USE OF CONTINGENCY FUNDS FOR REDESIGNED
NEIGHBORHOOD CABINETS
(Battery Chamber/Heat Exchanger)

WHEREAS, the Federal Subaward Agreement between the City of Urbana and the University of Illinois includes an available construction budget of \$5,020,000 plus contingency funds of \$401,600 for a total of \$5,421,600; and

WHEREAS, UC2B Policy Board approved Resolution 2011-09 Endorsing the Use of Contingency Funds for the purchase of splice cases in an approximate amount of \$30,000 reducing the available contingency funds from \$401,600 to \$371,600; and

WHEREAS, the Federal Subaward Agreement between the City of Champaign and the University of Illinois includes an available construction budget of \$9,346,000 plus contingency funds of \$747,680 for a total of \$10,093,680; and

WHEREAS, the City of Champaign has not utilized any of these available contingency funds to date; and

WHEREAS, the neighborhood cabinet design as originally specified in the Fiber to the Curb bid documents is not sufficient to accommodate all of the necessary equipment including the batteries and a new heat exchanger required to increase the cooling capabilities of the cabinets; and

WHEREAS, it is necessary to redesign the neighborhood cabinets to add a battery chamber to be located below the original cabinet which will increase the height of the unit 12" to 16" to approximately 48" total; and

WHEREAS, it is estimated that the cost of making this adjustment is approximately \$1,700 per unit for a total of \$20,400; and

WHEREAS, due to Adtran equipment upgrades, it is now necessary to utilize a 24-port single slot Active Ethernet card in the Adtran TA-5000 chassis which operates at a hotter temperature than the dual-slot card originally specified which likely demands better cooling capabilities than the air circulating fan originally specified; and

WHEREAS, a heat exchanger will provide the increased cooling capabilities and is estimated to cost \$800 per unit for a total of \$9,600; and

WHEREAS, the cost to implement these changes in Urbana is \$12,500 to 5 neighborhood cabinets and \$17,500 in Champaign to 7 neighborhood cabinets; and

WHEREAS, contingency funds are available in both Cities to accommodate these changes; and

WHEREAS, the Federal Subaward Agreements approved among the UC2B member agencies contains a clause as follows: “At the end of the Project construction phase, if one of the UC2B members has exceeded its construction budget, ILLINOIS will transfer to that UC2B member any unexpended funds that were originally assigned to the Construction Budgets of the other two UC2B members. If two of the UC2B members exceed their Construction Budgets, any unexpended funds in the Construction Budget of the third UC2B member shall be applied proportionately to the budget deficiencies of the two.”

NOW, THEREFORE, BE IT RESOLVED BY THE UC2B POLICY BOARD, as follows:

Section 1. The Policy Board endorses the use of contingency funds in the amount of \$12,500 for the City of Urbana reducing its contingency funds available for future changes from \$371,600 to \$359,100.

Section 2. The Policy Board endorses the use of contingency funds in the amount of \$17,500 for the City of Champaign reducing its contingency funds available for future changes from \$747,680 to \$730,180.

RESOLUTION NO. 2012-05
PASSED:

APPROVED: _____
Policy Board Chair



Proposed Policy for Private Expansion of UC2B – 1/30/12

Several private entities have expressed interest in connecting new or existing fiber infrastructure to UC2B backbone rings in order leverage those UC2B backbone rings to provide fiber-based services. As UC2B does not currently have a plan for funding for the expansion of fiber-to-the-premise in residential or business areas, the Policy Board should consider adopting policies that encourage private entities to invest their capital to extend the UC2B network. This expansion should always be under certain conditions that promote an open-access network as well as minimize the operational overhead for UC2B and the local municipalities in managing additional infrastructure in their rights-of-way.

There are a series of core principles that the suggested policy and process - which follows later - promotes:

- A. The City of Urbana and the City of Champaign through their Public Works Departments and the University of Illinois through its Utilities department have expressed a strong preference for having all additional fiber infrastructure that connects to UC2B fiber to be owned, managed and maintained by UC2B. The fewer organizations that each city and the University have to track and coordinate with concerning infrastructure in their rights-of way, the less burden it will be on the cities and University.
- B. UC2B should have total ownership and maintenance responsibility for all local fiber infrastructure that connects to its network in the local rights-of-way.
- C. All fiber infrastructure connecting to the UC2B Network in public rights-of-way shall be operated on an open-access network basis.
- D. Assuming ownership and maintenance responsibility for fiber infrastructure that is “donated” by private parties, should not put a financial strain on UC2B, but rather support UC2B’s sustainability.
- E. Any donated fiber infrastructure must be located within the city limits of the City of Urbana or the City of Champaign or on the property of the University of Illinois.

- F. The cities of Champaign and Urbana will charge right-of-way usage fees that amount to X% of gross local sales by UC2B and by all entities leasing UC2B fiber. UC2B will be responsible for paying its own right-of-way usage fees, while each entity leasing UC2B fiber will be responsible for paying its right-of-way usage fees.
- G. The University will charge an annual right-of-way fee to UC2B and to each entity leasing UC2B fiber that is based on the amount of University right-of-way that is used by UC2B and by each entity leasing UC2B fiber, calculated by route miles.

The elements of a policy for “donated” fiber infrastructure in commercial areas:

1. Before an entity can connect privately constructed fiber infrastructure to a UC2B backbone ring, that entity must first:
 - A.) Execute an IRU or lease agreement with UC2B for the UC2B backbone fiber ring to which the “donated” fiber infrastructure will connect. Each ring desired must be leased in its entirety to encourage diverse connections.
 - B.) Execute a donation agreement for the fiber infrastructure being donated that details the original cost of installing the donated fiber infrastructure.
 - C.) Execute a fiber maintenance agreement for the UC2B ring fiber that is being used and for the fiber infrastructure being donated.
2. The fiber maintenance contract for the ring and donated fiber shall be at the then-current UC2B fiber maintenance rates. UC2B will incur all expenses for JULIE locates and fiber infrastructure repairs and routine maintenance for the donated fiber infrastructure.
3. Any fiber infrastructure that is donated to UC2B must be documented in full, be in operational condition, be built to UC2B standards, and be clear of any ownership encumbrances. Manholes or conduits that are shared with multiple entities are not good candidates for UC2B ownership and maintenance. A fiber cable that has multiple owners is not a good candidate for UC2B ownership and maintenance. A fiber cable that has more than 10% of its strands fail OTDR testing is not a good candidate for UC2B ownership and maintenance. All donated fiber cables must be accompanied by individual end-to-end OTDR reports for each strand, which will be verified by UC2B before acceptance.
4. An entity donating fiber infrastructure to UC2B will have exclusive rights to use half of the fiber strands donated via a \$1 dollar 20-year IRU. That IRU shall be renewable for multiple similar terms at the \$1 rate. The remaining strands of fiber in that infrastructure will be available for other entities to “buy into”.

5. The donated fiber infrastructure must always provide at least 12 strands of fiber for fiber drop cables into single tenant commercial buildings and at least 6 strands of fiber on lateral cables for each potential commercial customer served by that lateral cable and 1 strand for each potential residential customer served by that lateral cable.
6. For multiple tenant commercial buildings, the original drop cable must have at least 6 strands of fiber per commercial space. Fiber cables that lack the desired number of strands are not good candidates for UC2B ownership and maintenance.
7. The first additional entity that elects to buy into “donated infrastructure” will pay to UC2B a one-time fee equal to 55% of the original installation cost of that infrastructure (as documented by the original entity at the time of donation and agreed to by UC2B in the donation agreement.) UC2B shall then provide 50% of the original installation cost to the original entity that donated the fiber infrastructure (retaining 5% for UC2B overhead.)
8. That second user of the “donated infrastructure” will be entitled to 2 strands on the fiber drop cable and to 2 strands on the lateral fiber cable for every drop cable to a commercial location purchased.
9. That second user will enter into an IRU or lease agreement for UC2B ring fiber (entire rings at a time) that connects to that lateral at then-current rates, and will be provided with a \$1 dollar 20-year IRU for the lateral and drop cable fiber. That \$1 dollar IRU shall be renewable for multiple similar terms.
10. That second user will enter into a fiber infrastructure maintenance agreement for the UC2B backbone ring fiber being used as well as for the lateral and drop cable fiber being used at the then-current UC2B annual maintenance rates. The original entity that donated the fiber will not receive any reduction in the rate of their fiber maintenance agreement should additional entities lease strands in the donated cables.
11. Should a second “additional” (third total) entity desire to use some of the donated fiber infrastructure, They will pay to UC2B a one-time fee equal to 40% of the original installation cost of that infrastructure as documented by the original entity at the time of donation and agreed to by UC2B in the donation agreement. UC2B shall then provide 15% of the original installation cost to the original entity that donated the fiber infrastructure and 15% of the original installation cost to the second entity that bought into that fiber infrastructure (retaining 10% for UC2B overhead.) At that point, the original entity that donated the fiber infrastructure to UC2B and the first entity that bought into the infrastructure will both be considered to have been “made whole” and will receive no additional compensation from any additional

users of that fiber infrastructure. The second entity that invested will also not receive any compensation from any additional users of the fiber.

12. That third user of the “donated infrastructure” will be entitled to 2 strands on the fiber drop cable and to 2 strands on the lateral fiber cable for every drop cable to a commercial location purchased.
13. That third user will enter into an IRU or lease agreement for UC2B ring fiber (entire rings at a time) at then-current rates, and will be provided with a \$1 dollar 20-year IRU agreement for the lateral and drop cable fiber. That \$1 dollar IRU shall be renewable for multiple similar terms.
14. That third user will enter into a fiber infrastructure maintenance agreement for the UC2B backbone ring fiber being used as well as for the lateral and drop cable fiber being used at the then-current annual maintenance rates. The original entity that donated the fiber, and the second entity that “bought into” the fiber will not receive any reduction in the rate of their fiber maintenance agreements as a result of this third entity “buying into” the donated fiber infrastructure.
15. Once two additional entities have bought into the fiber serving a given location, or into a fiber lateral cable, UC2B shall be free to use the remaining fiber strands to provide its retail or wholesale services, which could include lambda-based services to accommodate additional entities that wish dedicated access to the locations served by the donated fiber infrastructure. Should UC2B have funds and the need to do so, UC2B could be the first or second entity to “buy into” a lateral or drop cable. Unless there have been two other entities buy into a lateral or drop cable, UC2B can only use the additional strands on those cables for its own purposes by buying into them like any other provider.
16. All splicing at all times to the UC2B fiber backbone rings or to existing UC2B lateral cables will be performed by UC2B staff or contractors working for UC2B.
17. Before donating fiber infrastructure to UC2B, any splicing other than to the UC2B backbone ring or to an existing lateral cable will be performed by the entity donating the fiber infrastructure. Once the fiber infrastructure has been donated, UC2B staff or contractors working for UC2B will perform all splicing.
18. This policy applies only to donated or shared infrastructure connecting to commercial locations. If necessary, a policy covering residential locations will be created later.

From: Richard Schnuer
To: teri
Date: 1/18/2012 11:40 AM
Subject: Fwd: UC2B core values
Attachments: Design-Goals-for-UC2B-fiber-rings-081310.pdf; signature.asc

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>>> Peter Folk <peter@volo.net> 1/18/2012 11:01 AM >>>
[I asked earlier this morning for Pam to forward this (minus one minor change) to the UC2B Policy Committee and Cc me but I didn't see it go through yet, so I'm sending it myself to the PC members I have addresses for. I already sent it to a few others including Diane Kruse.

I know that getting it now provides you little time to review and dialog, but hopefully it gives you a starting point for discussion. -- Peter]

What are the core values of UC2B?

Do they include being honest in marketing?
Do they include providing low-cost service?
Do they include fair pricing for services?
Do they include charging based on cost, not profit motive?
Do they include ensuring that services provided are sustainable?
Do they include providing a level playing field for all users and providers?
Do they include being frugal with taxpayer money?
Do they include providing as many job opportunities as possible given other constraints?

Based on years of discussions about UC2B from its earliest stages, with people from many walks of life, I believe ALL of those are critical, core values of UC2B. They are what the public hopes UC2B will stand for, and I believe it can.

The Policy Committee has approved some Operational Objectives, attached, but that document is old, focused on construction, not very comprehensive, nor clear on what is a core value and what is a soft objective. I would recommend the Policy Committee develop a set of Core Values based on public feedback, and staunchly refuse to accept directions that compromise your values. I encourage you to have a discussion at your next meeting--or at a special joint Policy and Tech Committee session--about what UC2B's core, unassailable values are, and adopt them officially or re-affirm them.

WThe pricing proposal in front of you is a very good start in the direction of exploring what services the market will buy, at what prices, but the results--the proposed pricing--force you to choose between some of the values above.

Offering 20mbps for \$20/mo is either dishonest marketing or unsustainable because the absolute cheapest bandwidth available today in

Chicago costs \$1/mbps.* You can not afford for people to actually use what you are selling them, so you will have to choose between losing money on their service and limiting their use.

This also impacts how level the playing field will be. As a potential service provider I believe it is unfair, contrary to what the public wants, bad business, and possibly illegal for UC2B to offer a service at below cost while charging at or above cost to external service providers (this is, I believe, the current plan: charge service providers thousands of dollars per month to connect to the core plus \$20/mo to use the network, where UC2B's ISP part is not charged for either connecting to the core or using the network). Every service provider and user, including the UC2B service provider and UC2B customers, should be charged the same for a given service.

Offering gigabit internal connections for free with \$20/mo service but charging businesses \$1200/mo for them is another example of unsustainable, unfair or dishonest pricing. The free connectivity is unsustainable in that you can't afford for people to actually use it: 10 users (20 if back-loops are live, a technical detail TBD) off of one node (a node serves up to 384) can saturate that node's connectivity, at which point all the node's users' internet and intranet traffic will compete for bandwidth available, ie get slower. It's unfair or dishonest because you're either promising end users something they won't practically get, or charging business users way, way more than residences (this is true even if users would only get 1/10th of the promised bandwidth--the pricing proposed charges businesses \$400/mo for 100mbps interconnections).

The equipment purchase plan also compromises the values above. While the equipment is technically sound, it is certainly not the most frugal use of funds (as much as \$300,000 more expensive than other options due to buying, without clear practical justification, new hardware without a low-cost upgrade path instead of used but warranted hardware with an inexpensive upgrade path, buying switches that are far more expensive than practicality would require, and buying appliances for \$95000 instead of using free software like most ISPs use). It misses out on the opportunity to provide local employment without adding cost by buying appliances instead of specifying jobs.

I have long maintained that putting UC2B ISP operation and core management up for RFP--asking all comers to respond with the solutions they can offer that best satisfy UC2B's core values--is the right way to create a sustainable, value-based, operational, responsive UC2B. I believe that you today have the basis for evaluating that RFP.

If the responses do not satisfy your core values, or are more expensive or otherwise worse than the options you have on the table, then you can simply move forward with the options before you. But I can assure you, at least one provider will propose a solution that improves on your current proposal in many, many ways.

Peter

* Note that bandwidth prices do fall over time but not nearly as fast as electronics costs fall (Moore's law). We have seen regular \$1/mbps specials on bandwidth for three years--ie no reduction in the lowest-cost bandwidth over three years. (The non-special-offer cost is 100-400% higher than that depending on time of year and provider, and has been decreasing.) Bandwidth usage increases at almost the same rate as price decreases, so the solution doesn't lie in just waiting for the problem to go away...if anything trends seem to be making the problem worse over time.



Design, Construction and Operational Goals for the UC2B's Fiber Infrastructure

Note: The items in bold are the actual goals and objectives. The non-bold text is additional information that is intended to add more clarity to the goal or objective.

1. **Conduit paths for the network backbone and fiber to the curb should be, to the extent possible, below ground construction** – The purpose of this goal is to minimize public concern regarding personal and neighborhood aesthetics and create a network that removes security and operational concerns that exist with above ground infrastructure.
2. **Minimize the future operating expenses of the UC2B network** – Intended to create an infrastructure that will allow for the greatest centralization of network electronics, which could result in lower operating costs.
3. **Minimize or eliminate the number of huts, cabinets, and pedestals in the rights-of-way and in publically granted easements** – Intended to reduce both the impact on neighborhood aesthetics and power requirements. Fewer sites housing powered FTTH electronics equates to reduced HVAC needs and lower one-time and recurring costs associated with these needs.
4. **Maximize the flexibility of the infrastructure for future expansion (eventually to the entire community)** - The design approved by NTIA supports fiber rings community-wide by incorporating both high fiber strand counts and a spare conduit on every conduit segment.
5. **Minimize the time required to restore service to FTTH customers in the event of a fiber break** - Service restoration is available through warm alternate fiber paths at Layer 1. All fiber service rings should be less than 30 kilometers in length.
6. **Maximize the ability of the physical infrastructure to support the redundancy, reliability, and cost efficiency needs of varied public and private providers to deliver cost and performance competitive services.** - The more advanced customers that are served via connections that have a reverse path (either hot or warm) the fewer customers will be significantly impacted by a fiber cut.
7. **Minimize the distances of laterals for public safety, medical and governmental Anchor Institutions and potential multi-site customers (listed on a spreadsheet) to the fiber service rings** - The closer the fiber service rings are to each public safety, medical and government Anchor Institution and potential multi-site customer, the shorter the “vulnerable” lateral connections need to be and the more desirable the connections will be.
8. **Facilitate point-to-point connectivity (i.e. fusion splicing) between rings to create the shortest path to fiber assignments when end locations reside across multiple fiber ring paths** - Meet the fiber interconnection needs of the cities, the University, IRU (Indefeasible

Right to Use Agreements) customers, UC2B customers and ISP locations as listed on the attached spreadsheet. On the design approved by NTIA, any strand of any ring can be cross connected to any strand of any other fiber ring in at least two locations, often more. In addition, several agencies purchased IRU's and need to be able to operate their own networks on one or more rings with no dependencies on any UC2B-owned and operated electronics.

9. **Design a transport network that allows the delivery of multiple IP-based services (i.e. the ability to offer IP-based phone, TV, Internet services, etc.) and that allows multiple public and private providers to provide services.**
10. **Create a flexible, standards-based network topology that might last for the next 50+ years and address the following items for Urbana, Champaign and the surrounding area:**
 - a. **Provide a long-term solution to support fiber to the premises (FTTP - homes and businesses)**
 - b. **Provide dark fiber to the locations identified by each organization that purchased an IRU (list attached)**
 - c. **Provide service delivery solutions to the anchor institutions (list attached)**
 - d. **Provide multiple transport tiers that allow both business and residential subscribers to select a bandwidth subscription rate and services they desire**
 - e. **Provide a path for the evolution to future technologies while retaining long-term support for the recommended FTTP technology.**
 - f. **Provide delivery solutions for ICN (Illinois Century Network) and IDOT (Illinois Department of Transportation) (list attached)**
11. **Provide for balance of core infrastructure so that the governance agencies of UC2B (City of Urbana, City of Champaign, and University of Illinois) all have equal access to all aspects of the network in case the agencies consider offering their own public services over the network** – The purpose of this is to provide options to each agency if the created consortium fails to meet operational objectives and requires each agency to offer its own services.
12. **Effectively use existing local government conduit and fiber and use private conduit and fiber where construction and design standards and economics create measurable advantages that support all other goals and expectations.**
13. **Prioritize construction to maximize available services as soon as is reasonably possible.**
14. **Minimize damage to public and private property** – The purpose of this goal is to minimize the cost of building the network and reduce the time needed to patch relations with citizens and businesses.
15. **Use local labor and contractors whenever possible** – The project funding, in part, is intended to be an economic stimulus, so UC2B would want work to go to as many local contractors and providers as possible. UC2B would also like to see local firms hiring trainees and apprentices to help fill their workforce needs by hiring from the 11 census blocks where FTTH will occur.

Operational Objectives:

- 1. Position the Champaign-Urbana area as a leader in the U.S. and the world for broadband availability and adoption**
- 2. At a minimum, create the ability to provide IP-based triple-play services on the network**
- 3. Position the Champaign-Urbana community to take advantage of the benefits of big broadband**
- 4. Attract world-leading research opportunities for the University of Illinois**
- 5. Provide great home and business internet service at a low/competitive cost, especially in the targeted service area identified as a vulnerable population**
- 6. Provide the network foundation to enable community organizations to provide training, helpdesk support, computer equipment outreach, and customer adoption.**
- 7. Create a meaningful impact on people's lives to promote jobs, economic opportunity, and ability to use big broadband to help bridge the digital divide.**
- 8. Support local entrepreneurship within the community**