



Request for Proposals for the Operation of the MassBroadband123 Network

RFP No. 2023-MBI-01

**Massachusetts Technology Collaborative
75 North Drive
Westborough, MA 01581-3340
<http://www.masstech.org>**

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RFP Issued:	June 30, 2022
Bidders' Conference:	July 20, 2022
Initial Written Questions Due:	July 25, 2022
Responses Due:	August 31, 2022

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1. INTRODUCTION

1.1 Executive Summary

1.1.1 Background

Massachusetts Technology Collaborative (“MassTech”) is issuing this Request for Proposals (“RFP”) to solicit responses from broadband network operators (“Respondents”) to operate, manage, market, maintain, and extend the 1,200 mile MassBroadband 123 Network (“MassTech Network”). Following the selection of a preferred Respondent, MassTech will enter into a Network Operating Agreement (“NOA”) with the preferred Respondent (“Network Operator”).¹ Prospective Respondents should apply to MassTech at proposals@masstech.org to request access to the electronic data room (“Data Room”), which will contain additional background documents (See Section 6.3 below).

The MassTech Network’s core objectives include:

- Improving broadband access conditions in the MassTech Network footprint
- Ensuring that end-user customers are being offered affordable broadband service by the wholesale customers and by the Network Operator when providing retail services
- Promoting robust broadband access for essential state and local governmental services including, without limitation, public safety, health and education
- Promoting increased availability of, and competition for, broadband access and related services

1.1.2 Overview of the Network Operating Agreement

Throughout the term of NOA, the Network Operator will have the right to (i) operate a wholesale and retail business, and (ii) invest in and expand beyond the MassTech Network with its own Network Operator Fiber, which will be owned by the Network Operator. The provisions in the NOA that govern these rights are summarized below.

The NOA term will be 15-years with two five-year extensions subject to mutual agreement. The Network Operator will be granted the authority to provide wholesale and retail services to the market. The Network Operator’s services to wholesale customers shall be provided on a non-discriminatory basis, and retail services provided by the Network Operator shall be conducted through a Network Operator Affiliate.

MassTech intends to contribute capital up to a sum of \$7 million for eligible uses of a one-time MassTech Network equipment refresh early in the NOA term. The funds to be made available for this capital investment by MassTech are subject to authorization and contracting with the Commonwealth. MassTech may also fund the refresh of portions of the MassTech Network fiber over the term as deemed necessary by MassTech and as funds are appropriated to MassTech and available for such purposes. Aside from agreed upon MassTech funding of the equipment refresh and MassTech Network fiber refresh for portions of the MassTech Network as MassTech deems necessary, the Network Operator will be responsible for funding and executing all other capital improvements for the MassTech Network in order to meet the NOA’s performance requirements.

¹ Unless otherwise defined in this document, all capitalized terms shall have the same meaning as defined in the draft NOA, which is available on MassTech’s website.

In the event of persistent performance failures, the NOA provides for stepped-up MassTech rights, up to and including NOA termination.

The MassTech Network currently generates approximately \$ 4 million per annum in revenue, as more fully detailed in document(s) contained within the Data Room. MassTech will be responsible for the payment of pole attachment, Indefeasible Rights of Use (“IRU”), and similar infrastructure access agreement costs for the duration of the contract term – these costs are currently approximately \$1.3 million per annum.

In exchange for the rights granted to the Network Operator, and MassTech’s financial contributions to certain annual costs, equipment refresh, and, as necessary, fiber refresh, MassTech shall receive payments from the Network Operator in accordance with the fee structure set forth in the NOA, which shall be based upon the preferred Respondent’s bid proposal.

To the extent that MassTech decides to expand the MassTech Network to achieve public policy objectives, MassTech will fund MassTech Network Extensions, which will be owned by MassTech. MassTech will work with the Network Operator to develop and construct these MassTech Network Extensions subject to applicable MassTech procurement procedures. Once the MassTech Network Extensions are complete and connected to the MassTech Network, the Network Operator shall operate such extensions.²

While MassTech will own the MassTech Network, the Network Operator will have the opportunity to finance, develop, construct, and own Network Operator Fiber interconnected to the MassTech Network at Alternative Access Points. MassTech may also, in consultation with the Network Operator, partially fund such network extensions. The ownership and control rights for network extensions partially funded by MassTech will be negotiated by MassTech with the Network Operator on a case-by-case basis.

Each year, the Network Operator shall submit a financial performance report and an Annual Plan, which will detail the actual and forecast business performance of the MassTech Network and the Network Operator Fiber. If net revenue sharing applies, an independent, third-party certified public accountant shall attest that the actual results used to calculate the net revenue sharing payments to MassTech have been calculated in accordance with the provisions in the NOA. The certified public accountant shall also verify that the actual revenue sharing results are aligned with the audited financial statements of the Network Operator for the relevant period of review.

The Draft NOA is available on MassTech’s website.

1.2 Procurement Process Overview

MassTech is conducting an open, public, competitive procurement process to select a qualified Respondent to be the Network Operator for the term of the NOA. Respondents shall submit proposals which will be evaluated according to a combination of technical and financial criteria to determine Best Value³ to the Commonwealth. In addition to the proposals, Respondents must accept all terms of the Draft NOA or propose suggested edits. MassTech retains the right to enter into negotiations with one or more Respondents on any terms of the submitted proposals and select

² Subject to the MassTech Network Extension Change Order provisions in the NOA § 4.8.3.3.

³ Although this procurement is not governed by the Operational Services Division procurement rules, those regulations define “Best Value” as “[t]he result of common sense Procurement decision-making consistent with the State’s Procurement Principles, which are to balance and support the achievement of: required outcomes, best quality economic value, timely performance, minimizing the burdens on administrative resources, expediting simple or routine purchases, flexibility in developing alternative Procurement and business relationships, encouraging competition, encouraging the continuing participation of quality Contractors and supporting State and Department Procurement planning and implementation.” 801 CMR 21.02.

the final offer providing Best Value to the Commonwealth. All final offers are subject to reaching agreement on the NOA.

The Technical Proposal (detailed in Section 4.1 of this RFP) shall include Respondent's business qualifications, network service offerings, customer rate strategy, and a transition plan. Business qualifications and credentials will include the Respondent's operational experience, financial capacity, marketing and sales experience, depth of network support team (e.g. tier 1, tier 2 engineers), Juniper and Ciena certifications of staff, call center operation, finance, and sales. In addition, the Technical Proposal will include references from other customers of the Respondent. The Respondent's transition plan should address the recommended approach of the Respondent for transitioning the MassTech Network from its current operating regime to the new NOA (detailed in Section 4.1.3 of this RFP).

For the Price Proposal (detailed in Section 4.2 of this RFP), Respondents shall submit a Payments Proposal, a Financial Model, and a Business Plan. The Business Plan shall address the Respondent's assessment of the MassTech Network market, an action plan for target customer segments that also incorporates MassTech's core network objectives, use cases identified in the market assessment, and MassTech Network expansion plans. Respondents shall commit to a Payments Proposal with MassTech that is financially sustainable by the Respondent for the duration of the NOA. The Financial Model shall provide detailed calculations and assumptions behind each line item in the Payments Proposal. Importantly, the Business Plan and Financial Model must support and align with the Payments Proposal in the Price Proposal.

The objective of the Network Operator Payments component of the NOA is for MassTech to recover as much of its financial commitment to the MassTech Network as possible over the term of the NOA, in a manner that is deemed appropriate and sustainable by the Respondent while also furthering the goals and objectives of the MassTech Network. Once a Respondent is selected as the Network Operator, its Payments Proposal shall be incorporated into the Network Operator Payments obligation in the NOA. Network Operator Payments due to MassTech will be calculated on a cash basis, i.e. not accrual.

Respondents will be given flexibility with respect to the Payments Proposal. Respondents can select one or a combination of any of the following options: (i) an upfront guaranteed payment to MassTech at contract execution, (ii) guaranteed annual payments to MassTech or (iii) a share of net revenue (after operations and maintenance costs and capital expenditures)⁴ annually. The annual payments and share of net revenue does not have to be the same for the duration of the NOA term. The Payments Proposal will be evaluated on a present value basis utilizing discount rates set forth in the RFP. Speculative revenue bids will be evaluated with higher discount rates, given the speculative nature of such bids.

1.3 Term

The Term of the NOA will begin upon execution of the Agreement ("Effective Date") and will terminate upon the fifteenth (15th) anniversary of the date that the Network Operator commences its performance obligations related to the operations, maintenance and management of the MassTech Network and providing Services to customers ("Commencement Date"). The NOA may be renewed for up to two consecutive five (5) year terms by mutual written agreement of the Parties.

⁴ Should the Respondent bid on speculative revenue sharing (the Respondent is not obligated to do so), for the purposes of calculating the annual speculative revenue share payment to MassTech, the Network Operator may amortize its capital expenditure over the term of the NOA. Each year, up to half of the result of revenues less operations and maintenance costs may be used to amortize the unamortized capital expenditures balance. Please refer to the Draft NOA § 4.15 for the speculative revenue sharing provisions and the Bid Sheet for the calculation methodology.

The existing Network Operating Agreement (“Existing NOA”) expires on the close of August 23, 2023, subject to completion of transition assistance by the existing network operator (or MassTech’s waiver of completion), if applicable, and MassTech’s right to extend the Existing NOA for up to one year. For planning purposes, Respondents should assume the projected Effective Date of the NOA is January 1, 2023, and the Commencement Date is August 24, 2023.

1.4 MassTech and Massachusetts Broadband Institute

MassTech is an independent public instrumentality of the Commonwealth of Massachusetts chartered by the Commonwealth to serve as a catalyst for growing its innovation economy. MassTech brings together leaders from industry, academia, and government to advance technology-focused solutions that lead to economic growth, job creation, and public benefits in Massachusetts. MassTech has five primary divisions: The Innovation Institute at the MassTech Collaborative, the Massachusetts Broadband Institute (“MBI”), the Massachusetts e-Health Institute, the Massachusetts Cybersecurity Center, and the Center for Advanced Manufacturing. For additional information about MassTech and its programs and initiatives, please visit our website at www.masstech.org.

MBI was established on August 4, 2008, pursuant to Chapter 231 of the Acts of 2008, An Act Establishing and Funding the Massachusetts Broadband Institute. MBI is the central broadband program for the Commonwealth. The primary mission of MBI is to extend affordable, robust, high-speed internet access to homes, businesses, schools, libraries, medical facilities, government offices and other public places across Massachusetts, with an initial focus on the hard-to-serve rural areas of western and central Massachusetts. MBI received state and federal funding to build the MassTech Network. The federal grant required that MBI construct an open access, middle mile network that serves community anchor institutions. The approximately 1,200-mile fiber optic MassTech Network commenced operations in 2014. For more information about MBI and its programs and activities generally, please visit the MBI website at [Massachusetts Broadband Institute \(masstech.org\)](http://MassachusettsBroadbandInstitute(masstech.org)).

MassTech, through MBI, has broad authority to enter into transactions involving the ownership and operation of the MassTech Network, as well as real property transactions. However, there are specific regulatory requirements with regard to real property leased from the Massachusetts Department of Transportation, which are subject to Massachusetts General Laws Chapter 40J section 6B. The location and operation of certain aspects of the MassTech Network that run through approximately 56.5 miles of conduit must conform to MassTech’s obligations under the Wireline Telecommunications Facilities Lease Agreement and the Wireline Telecommunications Facilities Operating Agreement. A link to the statute and the current lease and operating agreements are available in the Data Room.

MassTech will be the contracting entity on behalf of MBI for the purposes of this RFP, and (except where the specific context warrants otherwise), MBI and MassTech are collectively referred to as MassTech.

1.5 Profile of The Network

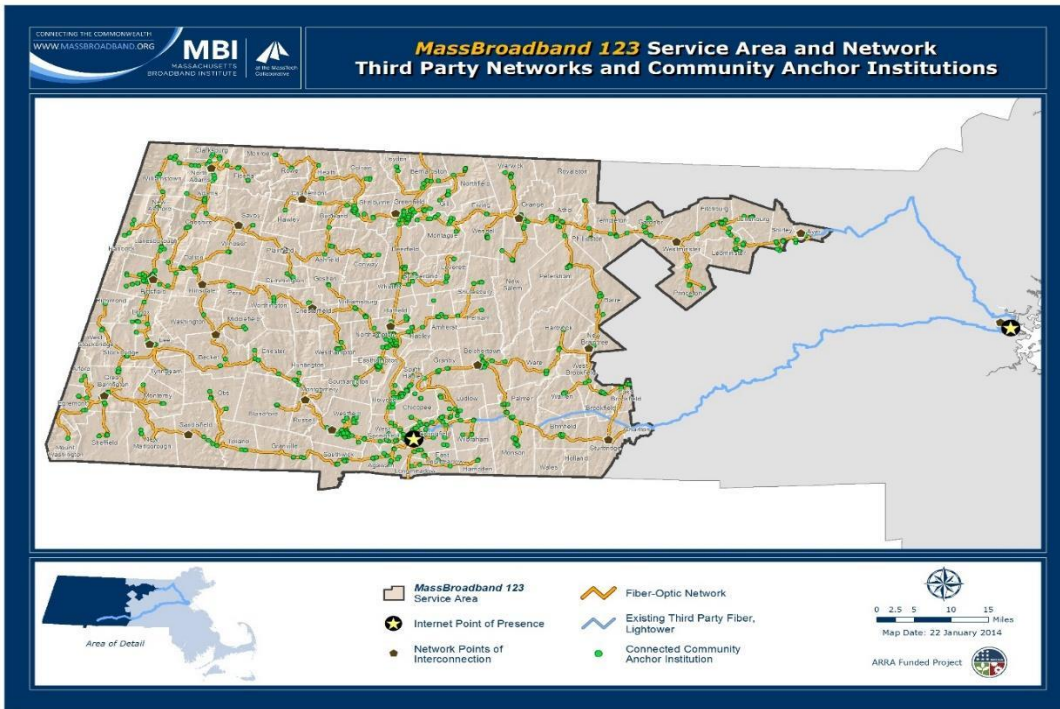
The MassTech Network is a state-owned, open-access, carrier-grade, middle-mile telecommunications network that became operational in early 2014. The Network is generally comprised of a main loop throughout western Massachusetts with smaller loops into key parts of the service area. An additional MassTech Network route runs along Route 2 to Ayer, where the MassTech Network connects to third-party leased fiber through to metro Boston. The MassTech Network also utilizes third-party leased fiber along I-90 to create a further link to the Boston metropolitan area. The MassTech Network has the following general characteristics:

- 952 miles of constructed fiber;

- 192 miles of leased fiber that enables path diverse transport to a second internet connection site in a Boston data center;
- 39 miles of leased fiber in 4 municipalities;
- Strand counts on the backbone that vary between 72 and 288 strands;
- Slack loops placed an average of every 0.6 miles;
- 26 Points of Interconnection (“POIs”) or network nodes distributed geographically throughout the service area;
- 97% of fiber installed in the communications space on more than 32,000 existing utility poles;
- 2% of fiber installed in existing conduit and approximately 6% of the 952 miles of fiber located in MassDOT conduit along I-91;
- One Federal Street in Springfield is the primary, carrier-neutral hotel for western Massachusetts and serves as a network gateway site;
- Internet Points of Presence facilities are located in Boston, MA, and Springfield, MA;
- MassTech Network runs on an open access basis (as required under the terms of the federal grant);
- MassTech Network was initially connected to approximately 1,100 Community Anchor Institutions (“CAIs”), which include federal, state, and local government buildings; schools and universities; libraries; hospitals and healthcare facilities; and public safety facilities.
 - Most connected locations are located within 10 miles of, but are never more than 30 miles away from a POI, allowing the use of low cost optics;
 - Public safety locations include police and fire stations, as well as e911 public safety answering points (“PSAPs”) and Emergency Operations Centers.
 - In some cases, such as hospital campuses, MassTech Network connected locations may use multiple circuits at the same address, although most use a single circuit at each address. Also there are some cases such as town halls or town offices, where there is one address that has multiple CAIs.
 - With the exception of some Commonwealth entities, end-user Customers at MassTech Network connected locations purchase services directly from retail Internet Service Providers (“ISPs”), which in turn purchase the underlying connections on a wholesale basis from the current Network Operator. Under the conditions set forth in the Draft NOA, the Network Operator’s Affiliate may also provide retail services.

The municipalities that the MassTech Network passes through contain approximately over one million residents, 380,000 households, 34,000 businesses, 2,500 CAIs, and 3,429 square miles. The service area, including the MassTech Network route, is depicted in Figure 1 below. MassTech Network maps are located on MBI’s website ([MassBroadband 123 Maps & Data | MBI \(masstech.org\)](https://www.massbroadband123.com)) and in the Data Room.

Figure 1: MassBroadband 123 Network



1.6 MassTech Network Financial Performance

According to the current Network Operator’s annual report for 2021 to Massachusetts Department of Telecommunications and Cable, its intrastate operating revenue for 2021 was \$4,336,289.41. There are approximately:

- 22 wholesale customers;
- 417 CAI locations taking service from Wholesale ISPs using the Network;
- 131 non-CAI locations taking service from Wholesale ISPs using the Network
- 1061 active services being provided by the Network Operator to Wholesale ISPs.

Additional historical financial and MassTech Network performance information can be found in the Data Room.

2. NETWORK OPERATOR SERVICES AND RESPONSIBILITIES

2.1 Overview

MassTech seeks to select a single Respondent to operate, manage, maintain, market, and extend the MassTech Network and to provide various services and ensure service without interruption to MassTech Network users. Article 4 of the Draft NOA sets forth the Network Operator’s obligations, which include the following:

- The Network Operator shall be responsible for the operation and maintenance of the MassTech Network as MassTech’s agent (NOA §§ 4.2, 4.18, 4.19, 4.20).
- The MassTech Network and the Network Operator’s performance will be subject to MassTech oversight, and the Network Operator shall provide real time access to certain

records, maintain accurate and up-to-date network documentation, and submit periodic reports about the MassTech Network (NOA § 4.3).

- The Network Operator shall maintain a complete audit trail of all financial and non-financial transactions arising from or in connection with the NOA (NOA § 4.22).
- The Network Operator shall be responsible for the administration and management of Infrastructure Access Agreements and shall maintain a database or repository of all existing and new Infrastructure Access Agreements (NOA § 4.4).
- The Network Operator shall, in consultation with MassTech, establish and periodically update Network Policies, which shall be subject to MassTech's approval (NOA § 4.5).
- The Network Operator shall prepare a Fiber Management Plan for MassTech's approval and shall periodically update the Fiber Management Plan (NOA § 4.6).
- The Network Operator is responsible for the cost of the required Capital Improvements to the MassTech Network in order to meet MassTech and customer needs and the MassTech Network Performance Requirements with the exception of improvements paid for as part of the MassTech Network Equipment Refresh and, if deemed necessary by MassTech, for the MassTech Network Fiber Refresh (NOA § 4.7).
- The Network Operator and MassTech will mutually and regularly consult with each other to coordinate the approval, financing and construction of the MassTech Network Extensions (NOA § 4.8).
- The Network Operator is solely and fully responsible for the marketing, provisioning, and support of all services to customers and shall comply with all regulatory requirements, applicable laws, applicable standards, Network Policies, authorizations, and specified performance requirements (NOA §§ 4.9, 4.23).
- The Network Operator shall provide Wholesale Services according to the form of contract approved by MassTech, priced according to pricing guidelines approved by MassTech. The Network Operator will serve as MassTech's agent to lease Dark Fiber on the MassTech Network as well as to provide service to Commonwealth Customers (NOA § 4.10).
- The Network Operator may only provide Retail Service through a Network Operator Affiliate, and shall not provide Wholesale Service to its Affiliate on terms that are more favorable than those offered to other Third Party Service Providers (NOA § 4.11).
- With certain specified exceptions, the Network Operator is responsible for the ongoing costs of operating the MassTech Network (NOA § 4.12).
- Network Operator shall provide a performance bond ("Performance Bond") in a penal sum equal to five million dollars (\$5,000,000.00), that shall remain in place for the Term of the Agreement (NOA § 13.17).
- On the first business day of each fourth quarter of the calendar year during the Term of the NOA, the Network Operator shall submit to MassTech an Annual Plan that includes its updated Business Plan and recommendations for updates and upgrades to the MassTech Network as well as the updated Financial Model, that provides the supporting calculations for all line items in the Annual Financial Performance Summary (NOA § 4.14).
- The Network Operator shall make payments to MassTech according to Respondent's

submitted Payments Proposal for a Guaranteed Upfront Payment, Annual Guaranteed Revenue Share Payment, and/or Annual Speculative Net Revenue Share Payment (NOA § 4.15).

- The Network Operator shall annually submit to MassTech audited financial reports and results of the attestation and examination of the Annual Financial Performance Summary as specified in the NOA (NOA §§ 4.17, 4.17.3).
- Network Operator shall operate and maintain or contract with a NOC that monitors the MassTech Network twenty-four (24) hours a day, seven (7) days a week and that is staffed with trained and qualified personnel (NOA § 4.19).
- The Network Operator shall agree to meet or exceed the Service Level Agreement performance standards set forth in the NOA (NOA § 4.21).
- The Network Operator shall establish, subject to MassTech approval, and comply with written policies and procedures for ensuring the physical and cybersecurity of the MassTech Network such as maintaining and following a Written Information Security Program (“WISP”), a Cybersecurity Policy for the Network that includes an information security plan and an incident response plan, that is compliant with NIST Cybersecurity Framework or similar industry cybersecurity framework.
- The Network Operator shall be responsible for ensuring that the MassTech Network is in full compliance with all applicable federal (FCC, FTC and other agencies), state, and local laws, including the terms and conditions of MassTech’s Broadband Technology Opportunities Program (“BTOP”) grant to MassTech (NOA §§ 2.3, 2.5, 4.2.1.4, 4.9.2).

3. RFP PROCESS

3.1 Response and Submission Instructions

Respondents shall read this RFP carefully and conform to its requirements. Failure to comply with the requirements of this RFP may serve as grounds for rejection of an Application.

- a. All Applications must be submitted as set forth below and in writing, on 8 ½ x 11 paper (including all required submissions), with six (6) bound copies and one electronic version.
- b. Required Submissions - All Applications must include the items listed below:
 - RFP Cover Sheet (Attachment A);
 - RFP Response including a Technical Proposal and a Price Proposal, which shall be organized by the categories as described in Section 4 below;
 - Authorized Application Signature and Acceptance Form (Attachment B). **By executing the Authorized Respondent’s Signature and Acceptance Form and submitting a response to this RFP, Respondents certify that they (1) are in compliance with the terms, conditions and specifications contained in this RFP, (2) acknowledge and understand the procedures for handling materials submitted to the MassTech as set forth in section 3.1.2 below, (3) agree to be bound by those procedures, and (4) agree that MassTech shall not be liable under any circumstances for the disclosure of any materials**

submitted to the MassTech pursuant to this RFP or upon the Respondent's selection.

- Exceptions to the Draft NOA, if applicable;
- Completed Bid Sheet (Attachment C) as required in the Respondent's Price Proposal as described in Section 4.2 below;
- Officer's Certificate (Attachment D); and
- Microsoft Excel format of the Respondent's Financial Model that details the Respondent's financial plan for the MassTech Network, including but not limited to, revenues, operating and maintenance costs, and proposed capital investments funded by the Network Operator over the duration of the term. Further information is provided in Section 4.2.2 below.

3.1.2 Applications must be delivered as follows:

Electronic applications submitted to-

proposals@masstech.org (please include the RFP number in the subject heading).

Bound copies submitted to-

Request for Proposals for the Operation of the MassBroadband123 Network
RFP No. 2023-MBI-01
Massachusetts Technology Collaborative
75 North Drive
Westborough, MA 01581

Any and all responses, applications, data, materials, information and documentation submitted to MassTech in response to this RFP shall become MassTech's property and shall be subject to public disclosure. As a public entity, MassTech is subject to the Massachusetts Public Records Law (set forth at Massachusetts General Laws Chapter 66). There are very limited and narrow exceptions to disclosure under the Public Records Law and as a general rule, the law considers materials submitted in connection with a public bid to be public after the bids are opened. See G.L. c. 4, Section 7, cl. 26(h). Please also note that the Public Records law's trade secret exemption, cl. 26(g) does not apply to "information submitted as required by law or as a condition of receiving a governmental contract or other benefit." Finally, Respondents should further note that Section 12(h) of Chapter 40J does not apply to a competitive procurement to provide services as bidders are not "an applicant for, or recipient of" assistance from MassTech.

If a Respondent seeks to have MassTech treat certain information or documentation as confidential, the Respondent must submit a request to MassTech's General Counsel, by emailing saubermann@masstech.org, no later than 5:00 p.m. ten (10) business days prior to the required date of application submission set forth in Section 3.2 below. The request must precisely identify the information and/or documentation that is the subject of the request and provide a detailed explanation supporting the application of the statutory exemption(s) from the public records cited by the Respondent. The General Counsel will issue a written determination within ten (10) business days of receipt of the written request. If MassTech's General Counsel approves the request, the Respondent shall clearly label the relevant information and/or documentation as "**CONFIDENTIAL**" in the Application. Any statements in an application reserving any confidentiality or privacy rights that are inconsistent with these requirements and procedures will be disregarded.

Respondents please note: By executing the Authorized Respondent’s Signature and Acceptance Form and submitting a Proposal in response to this RFP, Respondent certifies that it (1) acknowledges and understands the policies and procedures for handling materials submitted to MassTech, as described in this RFP, (2) agrees to be bound by those policies and procedures, (3) acknowledges that the statutory exemptions from the Massachusetts public records law are very limited; and (4) agrees that MassTech shall not be liable under any circumstances for any disclosure of materials submitted in connection with this RFP that is required by law.

3.2 Application Timeframe

The application process will proceed according to the following schedule. The target dates are subject to change. Therefore, Respondents are encouraged to check MassTech’s and COMMBUYS websites frequently for updates to the schedule.

Task	Date:
RFP Released	June 30, 2022
Bidders’ Conference	July 20, 2022 @ 1:00PM EST
Initial Questions Due	July 25, 2022 @ 5 PM EST
Applications Due	August 31, 2022 @ 3 PM EST
Anticipated Notification of Award	October 31, 2022

3.3 Questions

Questions regarding this RFP must be submitted by electronic mail by the due date above to proposals@masstech.org with the following Subject Line: “Questions – RFP No. 2023-MBI-01”. Questions will be received on a rolling basis until two weeks before proposals are due. Responses to all questions received will be posted to the MassTech and COMMBUYS websites.

3.4 Bidders’ Video conference / Webinar

A bidders’ video conference will be held on July 20, 2022 at 1:00 PM EST. All potential Respondents interested in participating in the bidders’ teleconference must register with MassTech by 5:00 p.m. on July 19, 2022 in order to obtain the conference call information. To register, please email proposals@masstech.org. MassTech will transmit the video conference information to all registered bidders 24 hours in advance of the date. MassTech will post summary responses to procedural questions and issues addressed at the bidders’ video conference on the MassTech and the COMMBUYS websites.

3.5 All Other Communication Prohibited

Respondents are prohibited from communicating directly with any employee of MassTech or its consultants, including but not limited to the RFP evaluation team, regarding this procurement, except as specifically provided for in this RFP. No other individual MassTech or Commonwealth employee or representative is authorized to provide any information or respond to any question or inquiry concerning this RFP. Bidders may contact the contact person for this RFP in the event this RFP is incomplete or the bidder is having trouble obtaining any required attachments electronically through the Data Room or COMMBUYS.

4. INFORMATION REQUIRED OF RESPONDENTS

4.1 Technical Proposal⁵

4.1.1 Business Qualifications

- a. Executive Summary. Respondents shall provide a summary of their organization and their proposed technical, financial, and operational approach. In the executive summary, Respondent shall indicate the basic components of its Proposal. This summary should be a maximum of five (5) pages in length.
- b. Corporate Organization. Respondents shall provide a corporate organizational chart that clearly identifies the corporate entity that will hold the contract with MassTech, its parent, intermediary, and affiliate corporate entities, if applicable. If the contracting entity is a Special Purpose Entity (“SPE”), Respondents shall provide corporate organizational charts for all entities holding an interest in the SPE.
- c. Company History. Respondents shall provide an overview of Respondent’s history, organizational structure, the number of full time employees, the number of full-time outside contractors utilized, and a description of its current operations.
- d. Operational Experience. Respondents shall provide information that demonstrates the Respondent’s experience in operating a large fiber network providing wholesale services to retail service providers serving businesses, residential customers, and governmental institutions. Respondent shall describe its experience in providing network operations for a multi-mile fiber network including broadband networks with similar size, scope, and characteristics as the MassTech Network including experience with Juniper and Ciena platforms, as well as Respondent’s experience in transitioning network operations from another operator. The description shall include client name; name and type of customers; number of years that the company has provided such operational services; services provided, including dark and lit fiber, and wholesale and retail services; miles of fiber; and current project status and performance.
- e. Operational Structure and Capacity. Respondent shall describe infrastructure and resources that Respondent proposes to make operational to perform the network service functions and services that it proposes to provide in response to this RFP. Respondent shall describe how the services will be provided, whether by internal or external contracted resources, the number of customer service employees, the hours that customer service will be available, and the location of such resources. Respondent should also clearly identify the extent to which internal or contracted resources will need to be expanded or augmented to take on the new responsibility of network operations.
- f. Key Personnel. Respondents shall provide detailed resumes indicating overall experience, professional registrations and certifications, and any specific experience relevant to the nature and scope of the Network Operator obligation for

⁵ The page length of the Respondents’ Technical Proposals shall not exceed 50 pages in length, exclusive of appendices for attachments as required below.

each of the key personnel of the Respondent and of the proposed team for delivering the services.

- g. Diversity and Inclusion. Respondent shall provide a description of its diversity and inclusion programs. Include a description of the participation of women, minorities, veterans, and persons with disabilities in Respondent's work force, ownership, executive leadership and management as well as any specific diversity programs or initiatives for staffing the Network NOC or Customer Service Center. Also include any program or initiative to maximize opportunities for the use of use of Minority Owned Business Enterprises ("MBEs"), Women Owned Business Enterprises ("WBEs"), Veteran-Owned Business Enterprises ("VBEs"), and Service Disabled Veteran Business Enterprises ("SDVBEs"), as consultants, contractors, sub consultants, subcontractors, and suppliers in connection with the operation of the Network.
- h. Financial Capacity. Respondents shall submit for review its audited financial statements for the three most recent fiscal years. If such records are confidential, Respondent will provide an FTP site where such information can be inspected. Should the Respondent not have its own audited financial statements, Respondent shall provide an explanation and submit three years of the most recent set of audited financial statements of its direct or indirect parent company, together with a description of Respondent's corporate structure that clearly demonstrates the relationship between the Respondent and its parent. All Respondents shall provide access to three years of audited financial statements of all entities holding greater than a 15% interest in the Respondent. If such records are confidential, Respondent will provide an FTP site where such information can be inspected.
- i. Network Operations and Customer Service Center. Respondents shall provide a description of its Network Operations Center ("NOC") and customer service center. The description of the NOC and customer service center shall include whether each is operated in-house or contracted, the location, the number of employees, the current hours of operation, and the number of end-users served. Respondents shall provide detailed description of functions and capabilities of the NOC that the Operator proposes to use in support of the MassTech Network.
- j. Continuation of Critical End-User Operations. Respondents shall provide a description of Respondent's experience with providing services to network operations for government institutions, public safety (including PSAPs and other 911 communications facilities, and state or local police and fire facilities), healthcare institutions, and schools.
- k. Marketing and Sales Experience. Respondents shall provide a description of its sales and marketing resources and experience in selling and marketing fiber network services (e.g., dark fiber IRUs and lit fiber) to various categories of customers including, for example, (i) long-haul services to enterprise customers, government users, and mobile carriers; (ii) wholesale services to broadband ISPs and wireless ISPs; (iii) services to public safety and law enforcement; (iv) services to municipal-owned Fiber-to-the-Premises (FTTP) networks; and (v) services to small business and residential customers. Include in the description the number of full-time salespersons employed, the number of years the Respondent has been selling and marketing fiber network services, the approximate number of customers the Respondent has sold the services to by category, and the methods of marketing and selling used by the Respondent.
- l. Compliance. Respondents shall provide a description of its compliance policies and practices to ensure compliance with state and federal regulatory requirements.

Respondents shall provide its most recent FCC filings, if any, such as Form 477, Form 499a, and CPNI Certification. Respondent shall state whether it has been the subject of any governmental inquiry or enforcement action, has knowledge of the issuance or proposed issuance of any notice by any governmental authority of its violation or any alleged violation of any law or order, or has been the subject of any adverse order or other governmental action related to its compliance with law. If so, Respondent shall provide an exhibit with its response providing complete information relevant to such matter.

- m. Cybersecurity. Respondents shall provide a description of the cybersecurity practices it follows, such as the NIST Cybersecurity Framework, ISO 27001 or SOC 2. Respondents shall explain their proposed cybersecurity program and plan for protecting the MassTech Network from malicious cyber-attacks and ransomware. Respondent shall explain the cybersecurity standards or frameworks it proposes to implement on the Commencement Date.
- n. References. Respondents shall provide reference letters from three (3) organizations for which the Respondent has provided network operator functions and services similar to those described in this RFP. If the Respondent owns the network(s) that it operates and would therefore be unable to provide such reference letters, Respondent shall alternately provide references from three (3) of its largest customers. All reference letters must include a contact name, address, telephone number, and email address.

4.1.2 MassTech Network Service Offerings and Customer Rate Strategy

- a. Fiber Network Service Offerings. Respondents shall describe the methods it will use to market and sell the following services, including how the Respondent would pursue new market opportunities:
 - i) Dark Fiber IRU Services. Respondents shall describe the methods it will use to market and sell dark fiber services.
 - ii) Wholesale Services. Respondents shall describe the methods it will use to market and sell wholesale lit fiber services to entities, such as retail ISPs; Massachusetts public safety entities, including Executive Office of Public Safety and Security (“EOPSS”), the Massachusetts State Police, and the Massachusetts 911 Department; and other Massachusetts state agencies.
 - iii) Retail Services. Respondents shall describe the methods it will use to market and sell retail services to end-user customers.
- b. BTOP Non-Discrimination Requirements. Respondents shall describe and explain the methods it will use to market and sell the MassTech Network service offerings in conformity with the NTIA BTOP requirements that the “rates and terms for interconnection shall be reasonable and nondiscriminatory.”⁶
 - i) Nondiscriminatory Rates. Explain the Respondent’s proposed method of providing “nondiscriminatory rates” for wholesale services offered to broadband ISP providers seeking or that already have interconnection access to the MassTech Network.

⁶“Broadband Technology Opportunities Program Nondiscrimination and Interconnection Obligation”
https://www2.ntia.doc.gov/files/Interconnection_Nondiscrimination_11_10_10_FINAL.pdf

- ii) *Reasonable Rates.* Explain the Respondent's proposed method of providing "reasonable rates" for wholesale services offered to wholesale broadband ISP providers seeking or that already have interconnection access to the MassTech Network.
 - iii) *Quality of Service.* Explain the Respondent's proposed method of providing quality of service levels guaranteed as part of their wholesale agreements and what methods the Respondent proposes to deploy to maintain the service level agreements, service level guarantees, and standards, including service guarantees and standards related to jitter, latency, delivery ratio, and service availability for wholesale services offered to wholesale broadband ISP providers and Commonwealth Customers seeking or that already have interconnection access to the MassTech Network.
 - iv) *Provisioning and Installation.* Explain the Respondent's proposed method of providing provisioning and installation timeframes as part of the Respondent's wholesale agreements that are reasonable and nondiscriminatory and that are consistent with current industry standards and practice.
 - v) *Repair and Maintenance.* Explain the Respondent's proposed method of providing repair and maintenance, as well as out of service credits as part of their wholesale agreements that are consistent with the SLAs in the NOA.
 - vi) *Requests for Service.* Explain the Respondent's proposed method of establishing a standard policy for responding to requests for service within a reasonable period of time.
- c. Repairs, Outages and Performance Criteria. Respondents shall explain their proposed criteria for and methods of performance for operating the MassTech Network which includes criteria and methods of performance for i) the MassTech Core Network and ii) MassTech Network Access Lines. The proposed criteria and performance methods should address KPIs and SLAs, in compliance with the requirements of the NOA for the service levels (e.g., latency, packet loss, jitter, bit error rates), Customer response time, time to arrive at trouble service locations, mean time to restore, trouble ticket performance, service activation, Core network availability, Access Line availability, service outage measurements, and service degradation measurements. Explain the Respondent's proposed methods and technology of tracking and reporting performance results to MassTech (e.g., in real time, daily, weekly, and monthly reporting). Explain the number of service personnel that Respondent proposes to be available and how, during adverse weather events, the Respondent will deploy additional personnel and vehicles to supplement its workforce.
- d. Public Safety Repairs, Outages and Performance. Respondents shall explain the proposed method for meeting time to respond, time to arrive onsite, and time to repair outages relating to a Massachusetts public safety customers (state police, municipal police, fire, and State 911), time to arrive onsite, and time to repair outages, in alignment with the requirements of the NOA. Explain the Respondent's proposed methods of reporting public safety performance results to MassTech (e.g., in real time, daily, weekly, or monthly reporting) and Respondent's proposed method of compensating customers for failing to meet the stated performance criteria.

- e. Providing Affordable Service. As outlined above, one of MassTech's primary objectives is to ensure the delivery of affordable broadband service to western and central Massachusetts. Respondents shall explain their proposed methods for helping to ensure that end-user customers using the MassTech Network are being provided affordable broadband by the Retail Service providers using the MassTech Network, including structure of monthly service charges and nonrecurring fees.
- f. Network Operator Fiber. Respondents shall explain their proposed plans for constructing Respondent's own Network Operator Fiber that will be interconnected with the MassTech Network, including targeted end-user customers and capital funding sources available to Respondent and the construction teams that will be constructing the Respondent's Network Operator Fiber.
- g. Sharing Financial Detail with MassTech. Respondents shall explain their proposed methods for sharing and verifying the Network Operator's financials related to the NOA with MassTech under the Network Operator's financial reporting obligations under NOA § 4.17 and inspection and audit obligations under NOA § 4.22. Respondent shall explain the level of detail that Respondent proposes sharing, how the financials will be shared (e.g. the software system and/or online system). Assume that such information will be a public record and will be disclosed in public forums including at MassTech and MBI board meetings.

4.1.3 Transition Plan

The Existing Network Operating Agreement ("Existing NOA") expires on August 23, 2023, subject to completion of transition assistance by the existing network operator (or MassTech's waiver of completion), if applicable, and MassTech's right to extend the Existing NOA for up to one year. A copy of the Existing Network Operating Agreement is located in the Data Room. See Existing NOA Section 8.4.

As part of the Respondent's Technical Proposal, the Respondent shall submit a Proposed Transition Plan addressing how the Respondent shall assume responsibility for operating the MassTech Network and providing services to existing and customers, referred to as Commencement in the NOA. The Proposed Transition Plan shall cover the period from the Effective Date until Commencement and shall address, at a minimum, the core transition requirements outlined below. In addition, MassTech's specific transition commitments (the "MTC Transition Commitments"), are set out below. The NOA also sets out the process by which Commencement occurs.

Once a preferred Respondent is selected, the Transition Plan provisions, which shall be included in the NOA, shall be negotiated and agreed to between the preferred Respondent and MassTech.

Within 60 days of the Effective Date, the Network Operator and MassTech shall finalize details and timelines and adopt a final Transition Plan that incorporates the core terms to be included in the NOA.

Core Transition Requirements

The Respondent should assume a January 1, 2023 Effective Date and start date for the transition. At a minimum, the Respondent must address the following core transition requirements as part of Respondent's Proposed Transition Plan in coordination with MassTech's Transition Commitments:

- Transition staffing

- Continuity of Services
- Transition of existing customers
- Onboarding of new customers
- Transition of current contracts
- Integration and transition of Operation Support Systems (OSS) and Business Support Systems (BSS) Systems
- Transition of billing and collections
- NOC transition
- Transitioning of service fulfillment and provisioning
- Transition of field operations
- Transition of sales and marketing
- Transition of network engineering
- Stakeholder and customer outreach
- Importing existing network infrastructure and equipment documentation
- Establishing a system for management of the fiber plant

MassTech Transition Commitments

- Facilitating Network Operator access to information necessary for a successful transition
- Providing physical access to the MassTech Network
- Cooperating with Network Operator to facilitate and effectuate transition of agreements and customers
- As needed, naming Network Operator as agent of MassTech in material current contracts (such list of material contracts as agreed to by MassTech and Network Operator)
- Coordinating the transfer of uncompleted projects associated with third party make-ready, MassDOT relocations, and any customer service activations/deactivations
- Overall communications related to the transition, such as notices to vendors and the public

In the event that Transition Plan Substantial Completion has not been achieved by the Commencement Target Date and MassTech has not met one or more of its Transition Commitments, and the delay is not the result of the Network Operator failure to execute the transition plan with diligence and in good faith, MassTech will pay a refund or a credit

(in its discretion) for each 90-day period of delay beyond the Commencement Target Date. See NOA § 5.3.2. Respondent shall submit proposed amounts for the refund or credit in the Bid Sheet (Attachment C of this RFP).

4.2 Price Proposal

As part of the Price Proposal, Respondents shall submit the following:

4.2.1 Payments Proposal

Completed Bid Sheet (Attachment C of this RFP). Respondents shall pay special attention to the instructions provided in the Bid Sheet and ensure that no changes to the format/template/formulae are made to the Bid Sheet.

4.2.2 Financial Model

The Financial Model provides supporting assumptions and calculations to its projections provided in the Payments Proposal. While the model mechanics are at the Respondent's discretion, it should clearly outline the Respondent's assumptions and calculations used to build out the Payments Proposal. The Financial Model shall be provided as a dynamic Microsoft Excel file, with formulas, calculations and clearly marked inputs and outputs included.

As part of the Financial Model, Respondents shall incorporate the Payment Proposal tab as a tab in their Financial Model and link the inputs in the Payment Proposal directly to the Financial Model outputs. MassTech should be able to adjust the Respondent's assumptions in its Financial Model and review the impact of such adjustments on the Respondent's Payment Proposal.

The Financial Model's timeline should match the term of the NOA and the Bid Sheet (15 years) and must provide in-depth supporting calculations for the following elements:⁷

- Revenue. Broken down according to major categories including wholesale retail, dark fiber services, transport, and "other"⁸ categories that do not align with these. For each major category the Respondent shall illustrate detailed assumptions including number and type of customers, and pricing / rates for each type of customer and service.
- Operating Costs. Broken down in the following categories pursuant to the NOA to the extent applicable: audit and attestation costs, salaries and benefits of employees, contractor fees, rent, travel, non-capital equipment purchases, leases and maintenance contracts, expenses of marketing and sales, customer service, billing and collection, operational support systems, business support systems, network monitoring, maintenance, repairs, unreimbursed utility relocation costs, software licenses and maintenance and support fees, taxes (not income taxes), insurance costs, regulatory compliance costs, regulatory fees, performance reporting costs, software licenses and maintenance and support fees, taxes (not income taxes) and insurance costs. For the avoidance of doubt, Operating Costs do not include Capital Improvements.
- Affiliate Costs. In the Respondent's Price Proposal, the Respondent shall highlight the costs allocated for services provided to the Network Operator by Affiliates. Respondents shall provide narrative that addresses the methodology used to allocate those costs from the broader corporate costs that would not be considered Operating Costs according to

⁷ Each of the elements are defined in the Draft NOA and Bid Sheet/Attachment C.

⁸ Respondents shall provide the breakdown of "other" categories of revenue.

the definition in the Draft NOA. For example, if the Respondent proposes a NOC that is run by an Affiliate for multiple networks, MassTech would like to understand the methodology the Respondent proposes to use to calculate the costs that are directly attributable to the MassTech Network and Network Operator Fiber and are proposed as Operating Costs.

- Network Operator Funded Capital Improvements. Network Operator Funded Capital Improvements (i.e. Network Operator funded/financed Capital Improvements, and not MassTech funded Capital Improvements) shall be broken down to the following categories at a minimum: MassTech Network Capital Improvements (funded by Network Operator but owned by MassTech), and Network Operator Fiber (funded and owned by Network Operator).
- Financing. The Respondent shall provide detailed assumptions and calculations for any financing structure contemplated in its Financial Model, including, but not limited to debt and equity (amount and percentage of total financing) assumptions, detailed cost of capital assumptions, debt amortization and repayment profiles, debt service reserve accounts, and debt service coverage requirements. The Respondent must provide assumptions and calculations for how it plans to finance any negative cash flows it anticipates, if applicable. If the Respondent plans to utilize only on balance sheet or equity financing, the Respondent must illustrate the equity financing used to cover any negative cash flows it anticipates.
- Taxes. The Respondent shall provide assumptions and calculations for both taxes that are Operating Costs and state and federal income taxes.
- Financial Statement Pro-Formas. The Respondent shall provide a pro-forma income statement, balance sheet, and cash flow statement for the term of the NOA.

4.2.3 Business Plan⁹

Respondent shall provide a Business Plan that addresses the network goals and objectives of MassTech, and demonstrates the Respondent's credibility, vision, and plan to maximize market opportunities and public benefits of the MassTech Network. The Business Plan will be the basis for establishing an Initial Plan under the NOA (NOA § 4.14.1).

The Business Plan should demonstrate not only the Respondent's understanding of wholesale and retail businesses in general, but also the Respondent's understanding of the MassTech Network's geographic region and the market in which the MassTech Network and Network Operator Fiber will operate. The Business Plan shall separately describe the wholesale and retail service offerings in the wholesale and retail businesses.

The Business Plan shall provide a rational and justified approach that the Respondent will adopt to increase the number of MassTech Network customers and end-users over the term of the NOA.

The Business Plan shall be broken down into the following components:

Market Analysis

Respondent's view on the MassTech Network's addressable market with specific references to customer types, customer counts, locations of potential customers, potential commercial contract types and length, pricing, demand drivers, end customer use cases, and competition. This should support the projections for Revenues.

⁹ The page length of the Respondents' Business plan shall not exceed 50 pages in length.

Respondent's Action Plan

Respondent should describe the plans to market the MassTech Network and acquire customers in each identified service offering ("Action Plan"). At a minimum, the Action Plan should address the Respondent's specific plans for addressing various customer segments, including how it would address market entry barriers (if Respondent is a newer entrant to the market space within which the network operates) and existing competition, or how it would leverage its existing customer bases and/or assets to maximize revenue.

The Action Plan must be consistent with and integrate MassTech's core Network objectives:

- Improving broadband access conditions in the MassTech Network footprint
- Ensuring that end-user customers are being offered affordable broadband service by the wholesale customers and by the Network Operator when providing retail services
- Promoting robust broadband access for essential state and local governmental services including, without limitation, public safety, health and education
- Promoting increased availability of, and competition for, broadband access and related services

Operating Costs

Respondent shall describe its overall operating model which supports its projections for Operating Costs as defined above and in the NOA.

Network Operator Funded Capital Improvements

Respondent shall provide a detailed narrative to support its Network Operator Funded Capital Improvements (i.e. Network Operator funded/financed Capital Improvements) projections in the Bid Sheet and Financial Model. The Respondent shall provide details for its proposed network extensions using Network Operator Fiber.

MassTech Capital Improvements

MassTech intends to contribute capital up to the sum of \$7 million for eligible uses of a one-time MassTech Network equipment refresh of the MassTech Network in the initial years of the NOA. The funds to be made available for this capital investment are subject to authorization and contracting with the Commonwealth. MassTech may also fund the refresh of portions of the MassTech Network fiber over the term as deemed necessary by MassTech, subject to availability of funds.

Respondent shall provide a detailed plan addressing its proposed use of MassTech's capital investment for a one-time MassTech Network equipment refresh. Any MassTech funded fiber refresh would only be performed, if deemed necessary by MassTech and would be implemented over the term of the NOA subject to availability of funds.

Financial Projections

In general, the Respondent's Business Plan must provide a narrative that supports and explains all of the financial projections (i.e. revenue, operating costs, Network Operator Capital Improvements, and financing) in the Bid Sheet and Financial Model.

Respondents must take note that the reasonability of the Business Plan and overall Price Proposal will be determined based on MassTech's sole discretion, considering market precedents, existing market conditions, MassTech's estimates, tangible evidence supporting the Respondent's approach, and the level of the Respondent's due diligence conducted to date as demonstrated by attention to details articulated in its Response.

4.2.4 Proposed mechanism to address a sustained financial nonperformance

Per the Draft NOA, Section 4.15, Respondents shall submit proposed provisions to address how financial nonperformance would be addressed in the NOA. In responding to this requirement, MassTech seeks to evaluate the Respondent's proposed provisions with respect to (i) how Respondents define a material difference between the Annual Plan and the Annual Financial Performance Report, (ii) how a potential remedial regime works for the improvement of financial nonperformance, and (iii) when a material breach in the Agreement is triggered for sustained financial nonperformance.

4.2.5 Proposed mechanism to address persistent failure to meet material components of the Business Plan

Per the Draft NOA, Section 4.9.4.1, Respondents shall submit proposed provisions to address persistent failure to meet material benchmark targets specified in the Respondent's Business Plan. In responding to this requirement, MassTech seeks to evaluate the Respondent's proposed provisions with respect to (i) how Respondent identifies "material benchmarks" from the Business Plan and the variance between actual performance and targets that would be deemed a failure, and (ii) when such failure would rise to the level of a material breach (percentage, frequency, and duration).

4.3 Proposed Changes to the Draft NOA

The selected Respondent will enter into a Network Operator Agreement with MassTech that is substantially in the form of the Draft NOA. The Draft NOA is made available as part of this RFP in the Data Room. Responses to this RFP shall include proposed changes to the Draft NOA, if any. Changes to some clauses are prohibited by applicable state or federal law from revision. The scope of the proposed changes to the NOA will be considered in determining the Best Value to the Commonwealth in evaluating each proposal. Acceptance of a Respondent's bid does not represent MassTech's acceptance of any proposed changes to the Draft NOA. MassTech reserves its right to make additional changes to the NOA. A successful bidder will be required to negotiate and enter into a final NOA with MassTech.

5. EVALUATION CRITERIA

5.1 General

MassTech shall evaluate each Application that it deems complete and responsive to the RFP. As part of the selection process, MassTech may invite Respondents to answer questions regarding their Application in person or in writing, participate in an interview, and submit clarifying or supplemental information. In its sole discretion, MassTech may also choose to enter into negotiations with one or more Respondents and then ask the Respondent(s) to submit a best and final offer.

The goal of this RFP is to select and enter into the NOA with the Respondent that will provide the Best Value for the Commonwealth. MassTech reserves the right to consider such other relevant factors as it deems appropriate in order to obtain the Best Value for the Commonwealth.

5.2 Evaluation Criteria and Weighting

Selection of a Respondent will be evaluated according to the Respondent's Technical Proposal and Price Proposal and assigned a score out of 100 points. The highest score will be considered by MassTech in determining Best Value to the Commonwealth.

Respondent's Technical Proposal will be evaluated out of 50 points according to the Technical Proposal Evaluation criteria in Section 5.2.1, in order to derive the Respondent's Technical Proposal Score. The Technical Proposal will be evaluated based on the Respondent's Business Qualifications, MassTech Network Service Offerings and Customer Rate Strategy, and Proposed Transition Plan, and their alignment with MassTech's goals as set forth in Chapter 40J, section 6B and public policy objectives set forth in Section 5.2.2(b)(i) below.

The Respondent's Price Proposal will be evaluated out of 50 points according to the Price Proposal Evaluation criteria in Section 5.2.2 below. The Payments Proposal will be scored relative to other qualified Price Proposals, according to a formula. The Price Proposal Evaluation consists of an evaluation of the Payments Proposal, the Financial Model, and the Business Plan.

The Respondent's Technical Proposal score and the Respondent's Price Proposal score will then be combined to calculate the Respondent's proposal score for consideration along with other factors in determining the proposal with the Best Value for the Commonwealth. Final selection of the preferred proposal will also take into consideration the scope of the proposed changes to the Draft NOA.

The order of criteria listed below does not necessarily reflect the relative order of importance to MassTech.

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5.2.1 Summary of Evaluation Criteria

Below is a summary table of the Technical and Price Proposal categories and point value upon which each Respondent will be evaluated:

Proposal Evaluation Categories	100 Total Points
Technical Proposal	50
MassTech Network Service Offerings and Customer Rate Strategy	10
Business Qualifications and Experience	30
Proposed Transition Plan	10
Price Proposal	50
Payments Proposal	30
Business Plan	10
Financial Model	10

5.2.2 Technical Proposal Evaluation – 50 Points

The Technical Proposal will be evaluated in each of the following categories:

a. **MassTech Network Service Offerings and Customer Rate Strategy – 10 Points**

The MassTech Network Service Offerings and Customer Rate Strategy will be evaluated according to the Respondent's approach to perform and manage Network Obligations required by MassTech and as set forth in Article 4 of the Draft NOA, with emphasis on the following factors:

- i) Quality and completeness of the Respondent's approach to providing network operations for the MassTech Network and Network Operator Fiber
- ii) Respondent's approach to ensuring that adequate materials, equipment, and resources are available to perform the work required for the Network
- iii) Soundness of proposed approach and methodology for meeting or exceeding the network performance standards set forth in the applicable service level agreements attached as Exhibit I of the NOA.
- iv) Respondent's approach to ensuring compliance with BTOP requirements in terms of nondiscriminatory and reasonable rates, quality of service, repairs and maintenance, etc.

- v) Respondent's approach to maintain coordination with MassTech throughout the term of the NOA

b. Business Qualifications and Experience – 30 Points

The Respondent's Business Qualifications and Experience will be evaluated according to the Respondent's relevant experience and expertise in providing network operations for networks of a similar size and scope, with emphasis on the following factors:

- i) Respondent's relevant experience and expertise in conducting network operations for other fiber optic networks
- ii) Respondent's experience in transitioning network operations from another operator
- iii) Respondent's experience in: (1) operating in Massachusetts; (2) understanding the Commonwealth's laws and regulations; and (3) experience in working with State and/or Federal related agencies
- iv) Respondent's list of services provided in terms of wholesale (inclusive of dark and lit fiber), retail (inclusive of cell tower and FTTP/Fiber-to-the-Home) services
- v) Respondent's qualifications, inclusive of list of customers and references and the experience and competency of key network operations personnel
- vi) Respondent's financial stability and capacity to meet its obligations under the NOA
- vii) Respondent's Diversity and Inclusion Plans
- viii) Technical strength of Respondent's cybersecurity practices, their proposed cybersecurity program and plan for protecting the MassTech Network, and the cybersecurity standards or frameworks it proposes to implement on the Commencement Date
- ix) Capacity of Respondent's operational infrastructure, including access to an appropriately staffed network operations center
- x) Respondent's marketing and sales experience and relevant experience and expertise that demonstrates the capacity to meet its sales and financial projections in its Price Proposal
- xi) Outcome of reference checks

c. Proposed Transition Plan – 10 Points

The Respondent's Proposed Transition Plan will be evaluated based on the following:

- i) The approach to ensuring an efficient and effective transition that does not disrupt network operations and network availability, including an

identification of risks and proposed mitigations and proposed protections to be put in place to prevent risks from materializing

- ii) The level at which the Transition Plan meets MassTech's Core Transition Requirements per Section 4.1.3 of this RFP
- iii) The time necessary to successfully execute the Transition Plan and extent that the transition time aligns with the period between the projected Effective Date and Commencement Date as set forth in Section 1.3 of this RFP
- iv) Network transition or equivalent type of experience
- v) The Respondent's proposal for refunds or credits under NOA § 5.3.2

5.2.3 Price Proposal Evaluation – 50 Points

The Respondent's Price Proposal shall be evaluated out of 50 points. As described below, the Respondent's Payments Proposal will be evaluated on a relative basis (i.e. relative to other Respondent's Payment Proposals) out of 30 points.

Furthermore, in evaluating the Respondent's Payments Proposal, MassTech will evaluate the Respondent's Business Plan out of 10 points and Financial Model out of 10 points in order to determine overall Price Proposal Score. While the evaluation criteria of the Respondent's Business Plan and Financial Model are outlined below, Respondent's must treat the three elements of the Price Proposal as an integrated package – the Business Plan and Financial Model must support the Respondent's Payments Proposal. In evaluating the Price Proposal, MassTech will evaluate the degree to which the Business Plan and the Financial Model supports the Payments Proposal.

- a. The Payments Proposal is the sum of the following:
 - i) The proposed Guaranteed Upfront Payment
 - ii) The Net Present Value (NPV)¹⁰ over the Term of the NOA of the proposed Annual Guaranteed Revenue Share Payments
 - iii) The NPV¹¹ over the Term of the NOA of the proposed Annual Speculative Net Revenue Share Payments.

Payment Proposals will be evaluated on a relative basis (i.e. relative to other Respondent's Payments Proposals) based on a formula: $\text{Score} = ((\text{Respondent's Payments Proposal}) / (\text{Highest Payments Proposal bid})) \times 30$ points.

MassTech's primary financial objective in the Payment Proposal is to close any "funding gap" (the difference between the network costs that MassTech covers (approximately \$1.3 million per annum for infrastructure access agreement costs plus the cost of MassTech's capital investments) and the total Network Operator Payments over the term of the NOA. Proposals that result in a Payment Proposal containing a "funding gap" will still be considered; however, proposals without a funding gap will be evaluated more favorably.

¹⁰ The discount rate to be used will be 3%

¹¹ The discount rate to be used will be 13%

- b. The Business Plan and Financial Model will be evaluated according to the following:
- i) Respondent's understanding of MassTech's and approach to addressing public policy objectives:
 - Improving broadband access conditions in the MassTech Network footprint
 - Ensuring that end-user customers are being offered affordable broadband service by the wholesale customers and by the Network Operator when providing retail services
 - Promoting robust broadband access for essential state and local governmental services including, without limitation, public safety, health and education
 - Promoting increased availability of, and competition for, broadband access and related services
 - ii) Extent to which Respondent's revenue forecasts are substantiated by tangible evidence or observable market trends
 - iii) Range of services proposed to drive revenue for the MassTech Network
 - iv) The depth, quality, and clarity of assumptions and calculations in the Financial Model
 - v) The Respondent's understanding of the wholesale and retail businesses, and understanding of the MassTech Network's geographic region and the market space in which the MassTech Network operates
 - vi) Quality of the Respondent's Action Plan and documentation that supports the planned approach
 - vii) The extent of the Respondent's proposal and financial capacity for Network Operator Capital Improvements, including proposed MassTech Network expansions
 - viii) The quality of the MassTech Capital Improvements plan, and in particular, its planned approach to MassTech Capital Improvements in terms of prioritization of equipment refresh, phasing of updates, projected costs and expenditure timeline, and expected value to the network operations
 - ix) How reasonable and practical the Respondent's proposed mechanism to address financial nonperformance is. MassTech is seeking a sound mechanism to address the risk of sustained financial nonperformance, as a result of a Network Operator not delivering on its business plan throughout the Term of the NOA.

5.2.4 Mark Up of Draft NOA

The extent, nature, and magnitude of the proposed changes to the Draft NOA will be considered in determining the Best Value to the Commonwealth in evaluating each proposal. Fundamental changes to the Draft NOA may be cause for rejection of a proposal.

5.2.5 Debarment

Lack of debarment status by either the state or federal government is required.

6. GENERAL CONDITIONS

6.1 General Information

- a. If a Response fails to meet any material terms, conditions, requirements or procedures, it may be deemed unresponsive and disqualified. MassTech reserves the right to waive omissions or irregularities that it determines to be not material.
- b. This RFP, as may be amended from time to time by MassTech, does not commit MassTech to select any firm(s), award any contracts for services pursuant to this RFP, or pay any costs incurred in responding to this RFP. MassTech reserves the right, in its sole discretion, to withdraw the RFP, to engage in preliminary discussions with prospective Respondents, to accept or reject any or all Responses received, to request supplemental or clarifying information, to negotiate with any or all qualified Respondents, and to request modifications to Applications in accordance with negotiations, all to the same extent as if this were a Request for Information. MassTech reserves the unqualified right to waive any informality, deviations, mistakes, and matters of form rather than substance.
- c. On matters related solely to this RFP that arise prior to an award decision by MassTech, Respondents shall limit communications with MassTech to the Procurement Team Leader and such other individuals as MassTech may designate from time to time. No other MassTech employee, consultant, or representative is permitted to be contacted or authorized to provide any information or respond to any questions or inquiries concerning this RFP. Respondents may contact the Procurement Team Leader for this RFP in the event this RFP is incomplete.
- d. MassTech may provide reasonable accommodations, including the provision of materials in an alternative format, for Respondents with disabilities or other hardships. Respondents requiring accommodations shall submit requests in writing, with supporting documentation justifying the accommodations, to the Procurement Team Leader. MassTech reserves the right to grant or reject any request for accommodations.
- e. Respondent's Application shall be treated by MassTech as an accurate statement of Respondent's capabilities and experience. Should any statement asserted by Respondent prove to be inaccurate or inconsistent with the foregoing, such inaccuracy or inconsistency shall constitute sufficient cause for MassTech in its sole discretion to reject the Application and/or terminate of any resulting Agreement.
- f. Costs that are not specifically identified in the Respondent's response and/or not specifically accepted by MassTech as part of the NOA will not be compensated under any contract awarded pursuant to this RFP.
- g. The selected Respondent will take all appropriate steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible. The selected Respondent is responsible for the satisfactory performance and adequate oversight of its subcontractors. Subcontractors are required to meet the same requirements and are held to the same reimbursable cost standards as

the selected Respondent. Subcontractors and subsidiaries shall be identified in the Application.

- h. Submitted responses must be valid in all respects for a minimum period of one hundred eighty (180) days after the deadline for submission.
- i. MassTech reserves the right to amend the Draft NOA at any time prior to execution. Respondents should review the Draft NOA as they are required to specify any exceptions to the Draft NOA and to make any suggested counterproposal in their Application. A failure to specify exceptions and/or counterproposals will be deemed an acceptance of the Draft NOA's terms and conditions, and no subsequent negotiation of such provisions shall be permitted.

6.2 Posting of Modifications/Addenda to RFP

This RFP has been distributed electronically using the MassTech and COMMBUYS websites. If MassTech determines that it is necessary to revise any part of this RFP, or if additional data is necessary to clarify any of its provisions, an addendum will be posted to the websites. It is the responsibility of each potential Respondent to check the MassTech, MBI, and COMMBUYS websites for any addenda or modifications to the RFP. MassTech accepts no liability and will provide no accommodation to Respondents who submit a response based on an out-of-date RFP.

6.3 Requirements and Instructions for Data Room Access

Prospective Respondents should apply to MassTech at proposals@masstech.org to request access to the Data Room, including the Respondent organization and address, and the name, title, and email address of each person in the prospective Respondent's organization for whom access is being requested. An email will then be sent to the email address of each person identified, with instructions on setting up a user account and login credentials necessary to obtain access to the Data Room, as well as other important information and limitations related to Data Room access and use.

Attachment A
Application Cover Sheet

Name of Respondent			
Mailing Address	City/Town	State	Zip Code
Telephone	Fax	Web Address	
Primary Contact for Clarification		Primary Contact E-mail Address	
Authorized Signatory		Authorized Signatory E-mail Address	
Legal Status/Jurisdiction (e.g., a Massachusetts Corporation, LLC, LLP, etc.)		Respondents DUNS No.	

Attachment B
Massachusetts Technology Collaborative
Authorized Respondent's Signature and Acceptance Form

The undersigned is a duly authorized representative of the Respondent listed below. The Respondent has read and understands the RFP requirements. The Respondent acknowledges that all of the terms and conditions of the RFP are mandatory, and that Respondent's response is compliant with such requirements. The Respondent specifically acknowledges the application of the procedures regarding disclosure of confidential information as set forth in Section 3.1.2 of the RFP, and specifically agrees that it shall be bound by those procedures.

The Respondent understands that, if selected by the Massachusetts Technology Collaborative ("MassTech"), the Respondent and MassTech will execute a Network Operating Agreement specifying the mutual requirements of participation. The undersigned has either (*please check one*):

- specified exceptions and counter-proposals to the terms and conditions of the [Draft Network Operating Agreement](#); or
- agrees to the terms and conditions set forth therein;

The undersigned acknowledges and agrees that the failure to submit exceptions and counter-proposals with this response shall be deemed a waiver, and the Draft Network Operating Agreement shall not be subject to further negotiation.

Respondent agrees that the entire bid response will remain valid for a minimum of one hundred and eighty (180) days from receipt by MassTech.

I certify that Respondent is in compliance with all corporate filing requirements and State tax laws.

I further certify that the statements made in this response to the RFP, including all attachments and exhibits, are true and correct to the best of my knowledge.

Respondent: _____
(Printed Name of Respondent)

By: _____
(Signature of Authorized Representative)

Name: _____

Title: _____

Date: _____

Attachment C

SEE EXCEL BID SHEET

Attachment D
Officer's Certificate

The following questions must be answered by the Respondent.

1. Is your organization in compliance with of all its obligations under all bank lending and other credit (e.g., equipment leases) arrangements and has it been in compliance with these requirements during the past 12 months?
Yes No
2. During the past 5 years has your organization filed for bankruptcy or has any Principal (more than 5% stockholder or other type of ownership) or officer been an officer or Principal of another firm that filed for or been the subject of any bankruptcy or insolvency proceeding?
Yes No
3. Has your organization complied with all of its obligations to federal, state and local taxing authorities over the past three years?
Yes No
4. Has your organization been a named party (either voluntarily or involuntarily) in any legal proceedings, administrative proceedings or arbitrations initiated by a local, state or federal governmental body within the past 5 years that resulted in your organization being sanctioned or ordered to pay fines or penalties in excess of \$10,000?
Yes No
5. Has your organization or any officer or Principal been convicted in any criminal proceeding (other than minor traffic and other non-felony offenses) during the past 7 years or currently the subject of any similar criminal proceeding?
Yes No
6. Are your organization's financial statements audited? and,
Yes No
7. If so, have you received a "going concern" opinion from such audit firm during the past three years?
Yes No
8. Are more than 25% of your revenues derived from any single customer?
Yes No
9. Did your organization have positive net income in each of the three most recent fiscal years?
Yes No
10. Do your organization's tangible current assets (current assets less goodwill) exceed its current liabilities?"
Yes No
11. Has your organization been terminated or failed to complete work within the past 5 years on a project funded in whole or in part with public funds (local, state or federal).
Yes No
12. Does your organization have internal accounting controls as required by Massachusetts General Laws Chapter 30, Section 39R(c)?
Yes No If you have answered 'Yes' to questions 2, 7 or 8 please explain.

If you answered 'Yes' to questions 4, 5, or 11 please provide appropriate details.

If you have answered 'No' to questions 1, 3, 6, 9, 10, or 12 please explain.

Attach additional sheets if necessary.

Certification

The undersigned, _____, hereby certifies

(Name and Title)

that I am a duly authorized representative of _____

(Organization Name)

and that all of the foregoing answers and all statements contained in any explanation are complete, true and correct. Providing false or misleading information or failure to provide all required information will be considered grounds for disqualification. I attest to the accuracy of all information contained in this proposal and verify that the information submitted is in fact complete, accurate and true.

Signed and sworn under the penalties of perjury

Dated at: _____

(Location)

This _____ day of _____, 201__.

By: _____

(Signature)

Name: _____

(Printed or Typed)

Title/Position: _____