

**Town of Vinalhaven
RFP Broadband Services
Business Model and Feasibility**



Dear Interested Bidders:

Vinalhaven, home to one of the state's largest lobster ports, has the largest year-round population of the unbridged islands in Maine. With a strong downtown and working waterfront, providing residents and visitors with an authentic Maine experience, we are well poised to sustain a year-round community for a long time to come. However, the needs and expectations to be connected are changing quickly and like many, we seek a solution to inadequate internet connectivity.

Vinalhaven has identified the need for reliable and consistent high-speed connections to our community to improve the daily life of our year-round population, of which includes attracting/retaining businesses. This Request for Proposal seeks information to further understand the feasibility of constructing a Fiber-to-the-Premise internet solution.

In 2019, the Town voters approved matching funds for a feasibility study. The selected bidder would be exploring all financial/business related costs for a broadband solution that provides our Board of Selectmen with the information they need to propose to the voters. Our committee is familiar with various models that have worked in other locations across the country, most notably the Islesboro Municipal Broadband project. The committee is also interested in knowing likely sources of funding at the private, local, county, state and federal levels to implement a FTTP network.

The committee seeks submission of responses by December 09, 2019.

Please direct your questions about the project to:
Andrew Dorr, townmanager@townofvinalhaven.org.

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1 Introduction

The Town of Vinalhaven, hereafter referred to as “the Town”, is issuing this Request for Proposal (RFP) to obtain information about various business models to deploy a fiber-to-the-premise (FTTP) solution that would serve this island community located in Knox County. We are a community of over 1,100 year-round residents with a seasonal summer population that is estimated to swell over 4,000. While we are located over 12 miles into Penobscot Bay, we are connected via a submarine cable that provides three-phase power and fiber strands.

In 2017, our Broadband Committee sought to find solutions to our inconsistent, inequitable, and limited availability of internet. The ultimate goal of the Town is to pursue a broadband solution that provides future-proofed internet speeds at prices affordable to our community which will support telehealth services and local health care facilities, benefit the many businesses located here, including the lobster, retail, and creative industries, and allow quality services to be provided to the general public. The Town’s strives to be a desirable place to live, work and raise a family, a marine-resource tradition supported by the community’s natural environment, a working waterfront, and the historical buildings that give the town its distinctive character. Improving internet service will help support continued commerce and attract and retain new families.

The process and timeline for responding to this RFP is outlined in Section 2. This RFP further describes the community and the objective for which information is requested, in Section 3. A business model is proposed in Section 4. The Town seeks responses that address all information requested in Section 5.

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2 Response Process

The committee foresees the following RFP schedule:

05 November 2019	RFP issued
09 December 2019	Deadline to submit responses
23 December 2019	Deadline to select a bidder
1 May 2020	Feasibility Study Complete

Responses must be received no later than **4:00 p.m. on December 09, 2019**. Please submit responses as a PDF emailed to townmanager@townofvinalhaven.org with the subject "Broadband Project RFP" OR in a sealed envelope marked "Broadband Project RFP" to:

Town of Vinalhaven
19 Washington School Road
Vinalhaven, Maine 04863

All responses will be carefully considered, and respondents will be notified shortly of next steps. The Town reserves the right to accept or reject any and/or all bids. The Town reserves the right to discontinue these efforts based on the responses to this RFP or other changes in circumstances.

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3 Background and Objectives

Vinalhaven aims to be an affordable and desirable place to live, work, and raise a family. The Town anticipates continued support of its traditional marine-based fisheries and industries, and non-marine related businesses.

3.1 Community Background

The Town of Vinalhaven more than 1,100 year-round residents with an estimated 4,000 seasonal residents/visitors on any given night. There are over 900 housing units on Vinalhaven and around 70 buildings dedicated solely to business activity. Vinalhaven has a typical, concentrated downtown area with a mix of retail, residential, and working waterfront uses.

Anchor institutions include:

- o Carver's Harbor Market
- o US Post Office
- o Tidewater Motel
- o Hopkins Boatyard
- o Island Community Medical Services
- o Vinalhaven Lobster Co-op
- o Bean Maine Lobster

Municipal/Public buildings include:

- o Town Hall, located at 19 Washington School Road
- o Fire Station located at 56 West Main Street
- o Public Works Garage located on Loud's Pit Road
- o Transfer Station located off Round the Island Road
- o Vinalhaven Wastewater Plant located on Sands Road
- o Old Fire Hall located on Main Street, adjacent to Town Parking Lot
- o Vinalhaven School at 8 Arcola Lane
- o Maine State Ferry Service on West Main St

There is a great variety of retail shops, services, places to stay, and restaurants within Vinalhaven, and the vast majority of each of these places are dependent upon internet for their day-to-day operations. Approved by the voters in 2014, the Comprehensive Plan identified broadband/internet connections as an important resource to keeping residents as well as supporting business/job growth. At that time, state grants were used to help extend services with Fairpoint, but the speeds sought then do not meet today's state minimums. A town-wide survey in the summer of 2017 indicated that approximately half of the residents and many businesses were operating without

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broadband speeds. Businesses lament that they cannot run efficiently or offer customers services that are customary. Residents indicated in surveys that those outside the village are the least served; many have only slow DSL, others purchase mobile hotspots as their only option for connecting to the internet. The least served areas of town include the North Haven Road (north of Calderwood Neck Road intersection) and Calderwood Neck Road along with all connector roads, which are known to be drastically underserved by the industry.

The Town of Vinalhaven is connected to the mainland by ferry and submarine cable, which means we are truly an island. The Maine State Ferry Service provides daily service to Rockland, about 15 miles apart. The submarine cable provides power to the island, which is managed by the Fox Island Electric Cooperative, and includes 24 fiber strands. The Cooperative also owns most of the telephone poles on the island.

With slow speeds, poor reliability, and data caps from alternative services, the current infrastructure is inadequate for the community to continue to thrive. Continuing to support the economic drivers of this community are top priority. It is the hope of the Town that through bettering our telecommunications technology we can retain our existing population and businesses as well as attract new ones.

The Town's current internet services are provided by Consolidated Communications and Spectrum. Broadband is advertised as being available everywhere in Vinalhaven, but it primarily only exists downtown and along the state-aid roads, while DSL is offered across nearly the entire island. However, the DSL service offered does not meet the state definition of broadband. The school and the library on Vinalhaven, hereafter referred to as "the Island", are members of the Maine School and Library Network, which allows them access to high-speed fiber optic internet that is operated by Spectrum. The Town currently has a franchise agreement with Spectrum that expired in 2018.

3.2 Broadband Goals

Faster and more reliable internet service, without exorbitant monthly fees, is essential to the long-term sustainability of Vinalhaven as a working island. We are in pursuit of a FTTP broadband solution that will ensure all premises can access the same speeds regardless of their location on the island and that will allow increasingly faster speeds as needs change in the future. Ideally, Vinalhaven would obtain broadband island-wide, which could be accomplished in stages. Resulting internet service should be affordable with a residential tier of service not costing more than \$75 per month. We are open to infrastructure designs that are economically feasible and meet the goals of this project.

For the purposes of this RFP, "broadband" means internet service that provides very high speed that is symmetrical in upload and download (ideally 1000/1000). The network must have the capacity for the uploading needs of current and future businesses and those associated with medical and telehealth activities including, but not

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limited to, video conferencing, streaming meetings, and secure database sharing. The broadband network must accommodate significant swings in usage, greater saturation of the network on evenings, weekends, non-fishing days or poor-weather days, and in summer months. The network must have the capacity to ensure internet service is consistent and reliable. We will consider any and all technology options to meet the needs of outer island residents.

3.3 Project Timeline

The Town's goal is to bring broadband to the community, delivering high-quality internet service to homes and businesses on the island, by the end of summer 2021. Additional community surveying will be necessary to determine support for a phased deployment. This could be coupled with an assessment of the potential subscription rate for broadband. If necessary, the Town will implement this project in phases over more time to make it financially feasible, provided that such a deployment is supported by the community. In pursuit of this goal, the Town expects to obtain an engineered design following the results of this feasibility study.

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4 Financial Model

The committee seeks a model that could include them in various roles given the staff and equipment resources available. This financial model should provide the committee and Board of Selectmen with the information they need to decide about taking this project to the next step. The Town is receptive to creative solutions to implement a broadband system which may include a town-owned model to a hybrid solution of private-public-partnership(s).

For the eventual build-out, we are investigating sources of funding, at the private, local, county, state and federal levels and expect this response to include possible funding solutions. We recognize it may be advantageous for the cost of the engineered design to be rolled into the cost of building the broadband network but will rely on the expertise of the successful bidder to provide us with the information that will help us determine a path.

The island is served by a submarine cable delivering power and fiber that could be a significant resource. The Fox Island Electric Cooperative serves both the islands of North Haven and Vinalhaven and should be considered a resource for a FTTP network.

Successful bidders will be expected to provide the following in their model:

- Various business structures that would be feasible including, but not limited to municipally owned and public/private partnership.
- FTTP models that the town could consider based on our location and access to resources.
- Estimated capital costs to build a FTTP network.
- Projected operating budgets.
- Anticipated revenue for the FTTP network.
- Projected consumer pricing at various take rates.
- Any knowledge or experience of operating this financial model.

Successful bidders will also provide the following information to assist the town in its pursuit of FTTP.

- Grants and other funding resources to minimize the impact on property tax bills.
- Identify possible companies to construct a FTTP network on the island.
- Identify possible companies capable of serving as an ISP on the island.
- Identify possible companies that would be able to maintain infrastructure, lines, poles, etc on the island.

As our relationship with the successful bidder grows throughout this response period and our mutual understanding of completing a project like this on the island grows, we may seek to add to the list/content of the financial model.

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5 RFP Information Requested

Please provide information requested in an organized and formatted manner, by following the outline of this Section 5, in order to help facilitate the Town's review. Please do not refer to attachments or other materials or resources; instead, please include any additional information you would like to share within the appropriate sections of your response. This additional information may include:

- Any outcomes or conditions you consider to be essential or strongly desired in a potential partnership that you would like to highlight.
- Any ways that your participation could provide value to the island.
- Any information that you believe the Town should consider.

The respondent must submit a cover letter signed by an authorized representative of the entity. The cover letter must include a concise summary of the response to the RFP; the legal name of the entity, its headquarters address, its principal place of business, its legal form (i.e. corporation, joint venture, limited partnership, etc.); and the names, addresses, emails, and telephone numbers of the principal contact(s) for all communications pertaining to this RFP.

5.1 Company Description

Please describe your company, by providing the following information or experience:

- How long the company has been in operation.
- The location of the field office closest to the island.
- Technical, managerial and operational experience of the team, highlighting any key members as appropriate to this project.
- If applicable, how long the company has engineered internet infrastructure networks, constructed broadband networks and/or has provided internet service.
- If applicable, the number of communities you serve, the number of internet customers you serve and your retention rates
- Any contract terminations and the reasons why
- Growth of the company in recent years
- Customer implementation rate – have any of the customers/clients implemented a broadband project as a result of a feasibility study.
- Any relevant successes in obtaining grant funding on behalf of municipalities, cooperatives, or other business models that sought broadband solutions.

5.2 Example Project

Please provide at least one past project where you have conducted a feasibility study for a FTTP broadband network for a rural area. Preference will be given to those who show creativity in finding feasible and reliable solutions.

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5.3 Proposed Financial Model

Please comment on the proposed financial model in Section 4 above. If there are any variations or exceptions that you would require to participate, please identify and explain them. The respondent is invited to state high-level terms for this financial model.

5.4 Proposed Project

Finally, please demonstrate your ability to conduct this study by answering the following:

- How the project would meet the broadband goals described in Section 3 above.
- Overview of how the cost of said design would vary based on the proposed models.
- Provide an estimated timeline for a FTTP project, including the feasibility study and successful delivery of internet services.
- List at least three examples of grants, foundations, and/or funding mechanisms to reduce the burden on the municipal assessment (related to property taxes).