

ILLINOIS RURAL HEALTHNET

Federal Communications Commission
Rural Health Care Pilot Program

IRHN RFP 06
Scattered Site Locations

REQUEST FOR PROPOSALS

July 29, 2010

Illinois Rural HealthNet

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Section 1. Project Overview

Objective of the Request for Proposals:

This document seeks proposals for providing high speed bandwidth facilities or services for scattered locations in the State of Illinois, for the Illinois Rural HealthNet, in full accordance with the guidelines issued by the Federal Communications Commission (FCC) Rural Health Care Pilot Program, and as administered by the Universal Service Administrative Company (USAC).

Vendors, and both traditional and non-traditional providers, are encouraged to provide responses to one or more of the locations in this RFP.

1.1. Organization Mission:

The Illinois Rural HealthNet (IRHN) was created to facilitate and assist in the deployment of high-speed networking for rural hospitals, clinics, and mental health facilities, to allow rural patients access to advanced emergency and specialized health care services. The IRHN will connect rural health care entities to sources of specialized care, at high speeds that allow for electronically aided remote diagnostics in clinical areas such as cardiology, neurology, mammography, and mental health.

1.2. Geographic Service Area:

The service area for this RFP comprises scattered locations throughout Illinois. The list of specific network locations is included in APPENDIX II, IRHN Scattered Site Locations. If vendors have assets that can be proposed to any or all of the locations in Appendix II, they are encouraged to respond to this RFP.

1.3. Project Summary:

Illinois Rural HealthNet (IRHN) will be a high-speed communications network connecting rural Illinois hospitals and medical clinics with specialists at larger facilities throughout the state and nation for the delivery of telemedicine and tele-health services.

When completed, the IRHN will transform healthcare delivery in many areas of the state where access to specialty care is currently unavailable, providing virtually instantaneous transfer of diagnostic images for treating cardiology, neurology, and oncology patients; real-time virtual consults for trauma patients; psychiatric services in real time for patients in areas with no psychiatric specialists; and improved access to patient information via electronic medical records.

1.4. Project Background:

The IRHN was initially formed in April, 2007, to participate in opportunities for funding from the FCC's Rural Health Care Pilot Program. The IRHN consortium includes behavioral and medical health service organizations, higher education, and existing health, education, and research networks. IRHN members are listed in APPENDIX I.

In November 19, 2007, the FCC issued their Order, WC Docket No. 02-60 (available at the FCC website, Rural Health Care Pilot Program), which awarded \$21,063,528 to the Illinois Rural HealthNet, contingent on the IRHN securing the required 15% match.

The IRHN was incorporated as a State of Illinois Not For Profit on January 30, 2008, File No. 6594-484-7 and subsequently was granted Federal 501(c)(3) status.

Previous Requests for Proposal have been issued for fiber backbone and last mile facilities, last mile facilities and/or services, and network equipment. Most of the previous RFPs have focused on the first two years of network implementation. Additional RFPs will be issued from time to time as further needs are finalized, and as new health care providers join the IRHN. All RFPs will be posted for a minimum of 28 days on the USAC web site.

1.5 Desired Network Concept

Financial Overview:

The FCC's Rural Health Care Pilot Program contains a clear objective, which is that Pilot Participants utilize the Pilot Program funding for these two purposes:

- Provide improved capabilities for high speed broadband to connect rural health care providers, by creating a dedicated broadband network;
- Implement the new network in such a manner that it will continue functioning successfully after the Pilot Program funding has expired, and without the need for continuing external financial support.

In other words, the IRHN must be sustainable for the long term, such that it can continue to function with no need for financial support other than the monthly/annual recurring charges that will be paid by each of its member health care providers.

Thus, the IRHN will use the Pilot Program funding for capital expenditures, or for the equivalent of capital expenditures. In practical terms, this means that funding will be used to pay for:

- Indefeasible Right to Use contracts for fiber or lambdas;
- Long-term contracts for services, with the majority of payments being made within the first three years of the contracts;

- Contracts for the purchasing of equipment, or for long-term leases of equipment, with the majority of payments being made within the first three years.

The intent is to have, at the end of the four-year Pilot Program, a network in place that is financially sustainable without the need for significant external funding support.

Technical Overview:

The IRHN will contract for wide-area, dedicated, broadband network services for our Members and will solicit bids, via the USAC website, from entities capable of providing these services.

The IRHN application to the FCC outlined the following approach: We envision a backbone network composed of multiple lambdas over a fiber-based system with overlay services of ten gigabits per second running through key areas of the state, with lateral connections to nearby hospitals running, ideally, at one gigabit per second.

To complement the fiber optic system, a wireless or services-based network will provide “Last Mile” service to those healthcare organizations that are not along the fiber optic path. At key points along the fiber path, access points will be established where Gigabit Ethernet connections can provide service to the Last Mile network. This wireless or services-based Last Mile network will be established as a trunk and tributary system.

The trunk section of the wireless/services Last Mile network will connect directly to the local interface on the fiber optic network at a speed of one gigabit per second. The radios or services used in the trunk system will be capable of transporting voice, video and data traffic at a minimum of two hundred megabits per second using a full duplex type of connection (an aggregate speed of four hundred megabits per second). The tributary links will connect local facilities at a speed of one hundred megabits per second using a full duplex type of connections (an aggregate speed of two hundred megabits per second). Each local link(s) will connect from the local point-of-presence to each of the local facilities that are participating in the Consortium.

This system will transport services between each of the participants of the Consortium in a manner that best meets their technical and business needs. The system will also provide each organization with access to the Internet and the resources and technology of the Internet 2.

Section 2: Scope of Work

Section 2.1

The IRHN seeks Vendors to enter into long-term contracts to provide either wholly owned dark fiber, or infeasible rights to use (IRU) dark fiber, or services for the use of lambdas or wavelengths or high speed bandwidth.

This RFP is focused on these objectives and asks for Vendors to provide their availability to provide one or more of these types of services at one or more of the Scattered Site locations listed in Appendix II.

Connectivity Minimum Requirements

The minimum desired capacity is 100Mbps symmetrical, and more bandwidth is desirable.

All work must comply with all NEC, EIA/TIA, NFPA, OSHA, State of Illinois and Federal Codes and Regulations.

Section 2.1.1: Organization of this Section

The IRHN is seeking two levels of fiber-based services via this RFP:

- Backbone fiber-based services
- Last Mile fiber-based services

Section 2.2: Fiber-based Services

The IRHN is seeking the following connectivity, in order of preference:

- 2 strands dark fiber, if available, or
- Lambdas, or
- Services

In Sections 2.4.1 through 2.4.4, Vendors are asked to describe what level of fiber or lambdas they are willing to make available, at which locations, via a long-term contract.

In Section 4, Vendors are asked to describe their pricing for the fiber or lambdas they are willing to make available, at which locations, via a long-term contract.

Section 2.2.1: Minimum Specifications for Backbone Fiber-based Services (as applicable to Vendor's Response)

Fiber Specifications:

The cable shall meet all requirements stated in this specification. The cable shall meet the requirements of the United States Department of Agriculture Rural Utilities Service (RUS) 7 CFR 1755.900 and the ANSI/ICEA Standard for Fiber Optic Outside Plant Communications Cable, ANSI/ICEA S-87-640-1992. Cable shall be gel filled, or dry water blocked.

Single-Mode Fiber Optic Specifications: Single-mode optical fibers shall be 8.3 $\mu\text{m}/125.0 \mu\text{m}$, and shall comply with ANSI/EIA/TIA-492BAAA.

Cable Transmission Performance Specifications: Each cabled fiber shall meet the attenuation performance specifications of ANSI/TIA/EIA-568-B, and measured in accordance with ANSI/EIA/TIA-455-78A or 61. The attenuation of the cabled fiber shall be uniformly distributed throughout its length such that there are no discontinuities greater than:

- 1.0 dB/km at 1310 nm
- 1.0 dB/km at 1550 nm

Lambda Specifications:

Lambdas will have to conform to the ITU G694.1 100Ghz DWDM grid. The provider must supply the available channel(s) on the OADM site in order for the IRHN to match that lambda. The IRHN will require the characteristics of the transceiver/responder that launched this signal so we can ensure proper dispersion and compensation, OSNR and power levels across the network.

Section 2.3: Testing and Acceptance

Prior to the IRHN finalizing the purchase of Fiber-based services, the Vendor will test the links to certify acceptance based on thoroughly qualified testing, OTDR testing, and dual direction fiber characteristics.

Vendors must describe the process for conducting the tests and the types of results produced.

Section 2.4 – Vendors’ Responses

In this Section, the IRHN seeks proposals for fiber-based facilities or services. The IRHN expects to develop contracts with multiple entities to provide the Fiber-based Services, and to provide the additional services, that will be required to implement the Illinois Rural HealthNet.

VENDORS ARE WELCOME TO RESPOND TO ONE OR MORE LOCATIONS.

Instructions for Response

Vendors are asked to provide their solutions, and to provide their responses to a series of items. Please look at the list of locations in **Appendix II**.

If Vendors propose to offer connectivity to any number of the locations, please complete the appropriate sections of Section 2.4.1 through 2.4.4.

Section 2.4.1 Connection to Locations

If the Vendor can provide “Last Mile” solutions to any or all of the Locations in Appendix II, please list the locations, along with the proposed solution for each location in your response.

Section 2.4.2 Maintenance and Support

Vendors are asked to provide their minimum levels of support, and also to provide, as they may choose, their more thorough levels of maintenance and support.

Section 2.4.3 Managed Services Specifications (optional)

Vendors, to the extent they may choose, are asked to provide their proposals for Managed Services.

Section 2.4.4 Testing and Acceptance

Vendors shall describe their proposed Testing and Acceptance procedures.

Section 3. Vendor Experience

Vendors must provide brief answers to the following to demonstrate their experience.

Section 3.1 Vendor Experience

Please summarize your experience related to the following:

- Number of years experience providing the proposed level(s) of service.
- Provide evidence of employee certifications.
- Vendors must have a current Service Provider Identification Number (SPIN).
- Vendors must have a track record of successful deployment and delivery of services. Please describe.
- Please include at least 2 references for which the Vendor provided similar levels of service as described in this RFP.

Section 4. Vendor Proposed Pricing

The FCC's Rural Health Care Pilot Program contains a clear objective, which is that Pilot Participants utilize the Pilot Program funding for these two purposes:

- Provide improved capabilities for high speed broadband to connect rural health care providers, by creating a dedicated broadband network;
- Implement the new network in such a manner that it will continue functioning successfully after the Pilot Program funding has expired, and without the need for continuing external financial support.

In the IRHN application for Pilot Program funding, one of the required elements was to "Indicate to what extent the network can be self-sustaining once established." (Excerpt from Paragraph 17 of FCC Order released September 29, 2006, establishing the Rural Health Care Pilot Program.)

The IRHN must be sustainable for the long term, such that it can continue to function with no need for financial support other than the monthly/annual recurring charges that will be paid by each of its member health care providers.

Thus, the IRHN will use the \$21 million Pilot Program funding for capital expenditures, or for the equivalent of capital expenditures. In practical terms, this means that funding will be used to pay for:

- Indefeasible Right to Use contracts for fiber or lambdas;
- Long-term contracts for services, with the majority of payments being made within the first three years of the contracts;
- Contracts for the purchasing of equipment, or for long-term leases of equipment, with the majority of payments being made within the first three years.

The intent is to have, at the end of the four-year Pilot Program, a network in place that is financially sustainable without the need for significant external funding support.

Desired Approach to Pricing:

The IRHN seeks Vendors who can offer cost-effective services in a contractual manner that includes the following:

- Contract is for facilities or services for a minimum 10-year period, and 15-year and 20-year periods are strongly preferred.
- Other than low-cost maintenance charges, all costs associated with the IRHN's use of the facilities or services must be front-loaded within the contract, to be paid within the first 3 years of the long term contract.

FCC Definition of "Cost-Effective"

In the FCC Order (WC Docket No. 02-60) announcing funding awards for the Rural Health Care Pilot Program, “Cost-effective” was defined in Paragraphs 78 and 79:

Paragraph 78:

The Commission has defined “cost-effective” for purposes of the existing RHC support mechanism as “the method that costs the least after consideration of the features, quality of transmission, reliability, and other factors that the health care provider deems relevant to...choosing a method of providing the required health care services.” In selecting the most cost-effective bid, in addition to price, we require participants to consider non-cost evaluation factors that include prior experience, including past performance; personnel qualifications, including technical excellence; management.....The non-cost factors may form a reasonable basis on which to evaluate whether a bid is cost effective. Because designing and constructing a new network represents a substantial undertaking and requires technical expertise, training, and skills of a different level than those services supported by the existing RHC support mechanism, we make consideration of these factors mandatory for Pilot participants.

79. The existing RHC support mechanism, unlike E-Rate, does not require participants to consider price as the primary factor in selecting service providers. The FCC has stated that RHC applicants should not be required to use the lowest-cost technology, because of telemedicine needs for reliability and quality. Participants need not select the lowest bid, and need not consider price the sole primary factor in selecting bids for network construction and services. The needs for telemedicine, complex design, infrastructure planning and construction, technical excellence, personnel qualifications are particularly relevant. Requiring least-cost bids could result in Pilot participants being relegated to using obsolete or soon-to-be-retired technology. Initially higher-cost options may prove to be lower cost in the long run, by providing useful benefits to telemedicine in terms of future medical and technological developments and maintenance. Thus, we do not require participants to make price the sole primary factor in bid selection, but it must be a primary factor.

Section 4.1: Vendor’s Proposed Approach to Long Term Contract

Alternatives for satisfying the FCC requirement for sustainable Pilot Program networks could include:

- Proposals to build facilities and either transfer ownership to IRHN or to lease use of such facilities long term to IRHN, with payments made up front.
- Proposals of provide indefeasible rights to use (IRU) dark fiber, with payments made up front.
- Proposals to provide IRU-like contracts for the use of lambdas, with payments made up front.
- Proposals for long-term services-based contracts, with the great majority of “recurring” costs paid within a concentrated period at the beginning of the contract (front loaded payment).

Vendors are welcome to offer creative approaches to meet the Pilot Program’s needs.

Vendors are alerted, however, that proposing services strictly on the basis of recurring monthly charges will be considered inconsistent with the needs of the FCC Pilot Program. At the end of Pilot Program implementation, the IRHN must be able to sustain its continued operation with the only requirement for ongoing funding residing in reasonable costs for network maintenance.

Section 4.1.1 Vendor's Proposed Approach for Long Term Contractual Terms

Vendors are asked to provide their proposed approach(s) to address this requirement of the IRHN and the Pilot Program for long term sustainability.

Vendors are welcome to suggest alternate approaches, are encouraged to be creative, and are encouraged to insert language (such as IRU agreement terms and conditions) as part of their response.

- Response 4.1.1

Section 4.2 Vendor Pricing Proposal

In this Section, Vendors are asked to list the IRHN locations where the Vendor proposes to provide fiber-based facilities or services.

For each IRHN location, please describe clearly the service offered (or the types of services, if more than one), and the pricing for each service at each location.

Indicate in your response for each Location whether the quoted price is to bring the service:

- **Inside the building, or to**
- **Outside of the building, or to**
- **The vicinity of the building. If the latter, indicate the approximate distance from your proposed POP and the building location.**

To be considered, Pricing must be offered for a minimum of 10 years, with 15 years or 20 years preferred, and with the equivalent of “capital costs” capable of being invoiced to the IRHN within the initial 3 years of the contract (front loaded payment schedule).

Section 5. Evaluation of Vendors' Responses

The following criteria will be used to evaluate vendors' responses to this RFP:

1. Vendor experience in providing similar services as those proposed.
2. Vendor's ability to provide high-speed connectivity.
3. Vendor's ability to maintain acceptable levels of service.
4. Vendor's ability to achieve the "cost-effectiveness" objective of the Pilot Program.
5. Price for proposed service for a minimum of 10 years; with options to extend term to 15 years and to 20 years.

Evaluation Criteria: Proposals will be evaluated on many criteria deemed to be in the IRHN's best interests, including, but not limited to completeness of the solution, presence in primary sites, co-location readiness and availability, site access policies, openness of cross-connect policy, fiber characteristics, interconnection procedures, all non-recurring and recurring costs, delivery timeline, financial stability and viability, and references.

Section 6. Submission Requirements and Vendor Questions

Responses to this posting are due no later than 30 days from the date that this document is posted to the USAC web site.

Vendors shall provide their responses to Section 2.4, as they may choose and as noted in the section. Please provide responses in the order in which the items are presented herein.

Vendors shall provide their experience in response to Section 3.1.

Vendors shall provide their proposal to Section 4.1.1, and shall provide their pricing responses to Section 4.2, sorting the responses by Location.

Submissions shall be submitted to:

Pat Schou
Member, Executive Committee, Illinois Rural HealthNet
245 Backbone Road East
Princeton, IL 61356
info@illinoisruralhealthnet.org
815-875-2999

Please provide your Responses per the following:

- **Four hard copies of Proposal, including the pricing**
- **Each vendor shall also submit (via email) an electronic copy of the Response to the Proposal, including the Pricing Proposal**

Hard copy Responses shall be submitted to Pat Schou at the above street and email address. Email Responses must be submitted electronically no later than 30 days from the date that this document is posted to the USAC Pilot Program web site.

VENDOR QUESTIONS

Questions from Vendors must be submitted within 15 days of the RFP posting on the USAC Pilot Program web site. Submit questions to: info@illinoisruralhealthnet.org

Questions and Answers will be posted on the www.illinoisruralhealthnet.org web site.

Section 7. Terms and Conditions

7.1.1 Communication with the IRHN: It is the responsibility of the Provider to inquire about any requirement of this RFP that is not understood. Responses to inquiries, if they change or clarify the RFP in a substantial manner, will be posted on the IRHN website.

7.1.2 Award of Proposal: The IRHN reserves the right to cancel this RFP or reject any or all proposals in whole or in part, and is not necessarily bound to accept the lowest cost proposal if that proposal is contrary to the best interests of the IRHN.

7.1.3 Implementation of Contract: The IRHN is acting on behalf of multiple health care providers, seeking to establish a high speed network. Until such time as the IRHN evaluates responses to the RFPs for network and equipment, the IRHN is not able to define a final cost to the health care providers for connection to the IRHN network. When sufficient contracts, or pending contracts, are in place, the IRHN will be able to define the final cost to the health care providers, and at that point will be able to determine how many of the health care providers will connect to the network. Therefore, Vendors are hereby notified that actual deployment of the network will depend, ultimately, on the active participation of sufficient health care providers to render the project feasible.

7.1.4 Confidentiality: The information contained in proposals submitted for the IRHN's consideration will be held in confidence until all evaluations are concluded and an award has been made. At that time, the winning proposal will be available for public inspection. Pricing and other information that is an integral part of the offer cannot be considered confidential after an award has been made. The IRHN will honor requests for confidentiality for information of a proprietary nature to the extent allowed by law. Clearly mark any information considered proprietary.

7.1.5 Costs of Preparation: Provider assumes all costs of preparation of the proposal.

7.1.6 Debarment: Submission of a signed proposal in response to this solicitation is certification that the Provider firm (or any sub-contractor) is not currently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any State or Federal department or agency. Submission is also agreement that the IRHN will be notified of any change in this status.

7.1.7 Proposal Understanding: By submitting a proposal, the Provider agrees and assures that the specifications are adequate, and the Provider accepts the terms and conditions herein. Any exceptions should be noted in the response.

7.1.8 Proposal Validity: Unless specified otherwise, all proposals shall be valid for 180 days from the due date of the proposal.

7.2.0 (CONTRACT) GENERAL TERMS AND CONDITIONS:

The IRHN anticipates that there could be multiple contract frameworks that result from this RFP process. Elements could include the following:

- IRHN and the Vendor may enter into a 20 Year IRU for at least two strands of fiber among designated sites.
- IRHN and the Vendor may enter into a minimum 10 Year IRU-type contract (15 Year preferred) for lambdas among designated sites.
- IRHN and the Vendor may enter into a 10 Year contract for services, with payments front-loaded during the first 3 years, for high-speed services among designated sites.
- IRHN and the Vendor may enter into a 5 Year maintenance and/or co-location agreement with three (3) five-year renewals. The separation of the IRU from the maintenance agreement allows for adjustments in market and technology changes that may occur in the market over each five year period. The IRHN's interest in providing a cutting-edge, flexible backbone network is best served by the flexibility that a bifurcated fiber agreement will bring.

7.2.1 Contract Documents: Draft contract documents should be included with the RFP response.

7.2.2 Contract Modification and Amendment: The parties may adjust the specific terms of the contract (except for pricing) where circumstances beyond the control of either party require modification or amendment. Any agreed-upon modification or amendment must be in writing and signed by both parties.

7.2.3 Contract Validity: In the event one or more clauses of the contract are declared invalid, void, unenforceable or illegal, that shall not affect the validity of the remaining portions of the contract.

7.2.4 Cancellation/Termination: If the Vendor defaults in its agreement to provide personnel or equipment, or in any other way fails to provide service in accordance with the contract terms, the IRHN shall promptly notify the Vendor of such default and if adequate correction is not made within a reasonable timeframe, the IRHN may take whatever action it deems necessary to provide alternate services and may, at its option, immediately cancel the Contract with written notice. Cancellation does not release the Vendor from its obligation to provide goods or services per the terms of the contract during the notification period.

7.2.5 Assignment: Neither party of the contract shall assign the contract without the prior written consent of the other, nor shall the Vendor assign any money due or to become due without the prior written consent of the IRHN.

7.2.6 Equal Opportunity: In the execution of the contract, the Vendor and all sub-contractors agree not to discriminate on the grounds of race, color, religion, sex, sexual orientation, including transgender status or gender expression, national origin or citizenship status, age, disability or veteran status and to provide reasonable accommodations to qualified individuals with disabilities upon request.

7.2.7 Indemnification: The Vendor agrees to be responsible for, and to protect, save harmless, and indemnify the IRHN and its members from and against all loss, damage, cost and expense (including attorney's fees) suffered or sustained by the IRHN or for which the IRHN may be held or become liable by reason of injury (including death) to persons or property or other causes whatsoever, in connection with the operations of the Vendor or any subVendor under this agreement.

7.2.8 Business Profile:

7.2.8.1 Financial – If requested, Vendors need only supply one copy of the following.

Public Companies:

- annual reports for the last three years
- history and description of the company
- recent reports from securities analysts
- published reports about the company

Private Companies:

- audited financial statements or tax forms from three years
- history and description of the company
- published reports about the company, if any

7.2.8.2 If requested, Credit rating/report, letter from bank, suppliers.

7.2.8.3 If requested, References: A list of three references your firm has done business with in the past two years on projects with a similar scope to the services you are offering.

7.2.9 Co-location Costs: Co-location costs should include power fees, installation and ongoing fees for adding supplementary amperage to existing power feeds, cross connect costs, rack installation and ongoing rental fees and, where specified, meet-me area or customer-provided fiber entrance charges.

7.2.10 Security/Risk Management: If Vendors are chosen for contract, they must provide a description of all Security/Risk Management measures in place to protect both the Vendor's facilities and the IRHN's equipment located in the Vendor's facilities.

7.2.11 Liability Insurance: If chosen for contract, Vendors must provide a description of all liability and property insurances that Vendors will have in place relative to the contract as outlined in this RFP.

Appendix I

Members of the Illinois Rural HealthNet

Current Members:

- Northern Illinois University
- Illinois Critical Access Hospital Network (ICAHN – 52 rural hospitals)
- TriRivers Health Partners (19 health care centers, mostly rural)
- Metropolitan Research and Education Network (MREN)
- Illinois State University (ISU)
- Janet Wattles Center
- Ben Gordon Center
- Sinnissippi Center (7 rural mental health locations)
- Delnor Hospital
- Carle Foundation Hospital
- Southern Illinois University School of Medicine – Telehealth Networks and Programs

Appendix II
Scattered Site Locations

- Swedish American Medical Group Brookside 1253 N. Alpine Road
Rockford, IL 61107
- FHN Family Counseling Center 421 W. Exchange Street
Freeport, IL 61032
- Carle Clinic Tuscola 301 E. Southline Road
Tuscola, IL 61953