
REQUEST FOR PROPOSAL

Rural Nebraska Healthcare Network

**FCC Rural Health Care Pilot Program
Administered under Universal Service Administrative Company guidelines**

Requested by: The Rural Nebraska Healthcare Network

RFP #03—Public Internet Connection

Prepared by:



Fiberutilities Group
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Suite 500
222 Third Avenue, SE
Cedar Rapids, IA 52401
(319) 364-3200

OVERVIEW OF RFP PACKAGE

This RFP vendor package was designed to be as inclusive as possible, providing vendors sufficient information needed to submit a bid.

Included in this RFP are the following Sections and Attachments.

1. **Introduction and Background** provides information on two fiber networks: a Medical Network and a Commercial Network., The RFP also outlines FCC/USAC involvement, introduces the management company selected for network planning, operations and maintenance, and includes user and access point mapping.
2. **Contact Information** identifies contact individuals related to this RFP with phone, fax, and email information.
3. **Timing and Milestones Dates** outlines bid opening and closing dates as well as acceptable response formats.
4. **Question / Clarification Process** outlines Q & A procedures for maintaining a fair, open and transparent bidding process for all vendor RFP inquiries.
5. **Bid Submission Process** confirms the specific logistical requirements necessary to respond to this RFP.
6. **Bid Evaluation Process** outlines the criteria to be used in the selection of winning bids.
7. **RFP Bid Overview** outlines the various standards and specifications needed to respond to this RFP.
8. **Alternatives** discusses the ability to offer cost saving or efficiency alternatives in the bid response.
9. **Payment Process** outlines the sequential steps and associated vendor expectations regarding the timely processing of vendor invoicing / payment.
10. **Attachments** provide additional detail and specifications pertaining to the various sections of this RFP.
11. **Description of RFP #03** provides a description of this particular RFP. Please see Section 7: "RFP Bid Overview"

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1. INTRODUCTION AND BACKGROUND

The Rural Nebraska Healthcare Network (RNHN) is a not-for-profit corporation whose members are the nine not-for-profit and public hospitals in the Panhandle of Nebraska.¹ A board of directors, which is comprised of the Chief Executive Officer of each member hospital, governs the RNHN.

Since 1996, RNHN members have collaborated on projects in order to coordinate a unified healthcare response in the face of the geographic isolation of its patients. RNHN is an integrated healthcare system that serves nearly all patients in the Nebraska Panhandle.²

RNHN has recently completed a 700 mile fiber optic, privately owned, multi-gigabit Ethernet network connecting approximately 40 hospitals and clinics in the Panhandle. The primary purpose of this RFP is to clearly define the scope and requirements needed to connect the RNHN fiber network to the Internet consistent with the program guidelines of the Rural Healthcare Pilot Program (RHCPP) by soliciting bids from qualified vendors as specified in this RFP.

RNHN project planning and project management will be facilitated by Fiberutilities Group LLC, 222 3rd Avenue, SE, Cedar Rapids, Iowa 52401 www.fiberutilities.com. Fiberutilities currently manages over 8,000 route miles of fiber, including other medical networks and other RHCPP applicant networks.

¹The member hospitals are: Box Butte General Hospital, Alliance; Chadron Community Hospital, Chadron; Garden County Health Services, Oshkosh; Gordon Memorial Health Services, Gordon; Kimball Health Services, Kimball; Memorial Health Center, Sidney; Morrill County Community Hospital, Bridgeport; Perkins County Health Services, Grant; and Regional West Medical Center, Scottsbluff.

²The Panhandle covers 11 counties spread out over 14,000 square miles with an average population density of 6.5 people per square mile.

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2. CONTACT INFORMATION

All questions or requests for clarification related to the requirements specified in this RFP should be directed to:

Kent Van Metre
Rural Nebraska Health Network Contract Project Manager
Fiberutilities Group LLC
222 3rd Avenue SE
Suite 500
Cedar Rapids, Iowa, 52401
Phone: 319- 297-6906
Fax: 319-364-8100
E mail: kvanmetre@fiberutilities.com

USAC vendor information:
Phone: 1-800-229-5476
Web address: www.usac.org/rhc
Access the "Vendors" tab or the "Contact" tab

3. TIMING AND MILESTONE DATES

All information and documents related to this RFP may be accessed at the <http://www.usac.org/rhc-pilot-program/> website under the "Search Posted Services" tab.

The bidding process will begin upon the posting of this RFP by USAC on the official USAC web site and will remain for a period of no fewer than 30 days and will fully comply with all USAC required bid posting requirements and timelines.

Estimated RFP Posting on USAC website February 1st, 2011
Bid Response Deadline Posting Date +30 days
Bid Award Announcements (approx) Posting Date +60 days

4. QUESTION / CLARIFICATION PROCESS

RNHN is committed to a fair, open, and transparent bidding process and will hold two separate clarification conference calls related to the information presented in this RFP.

All questions or requests for clarification should be presented at these sessions which are open to all vendors bidding the project.

Calls will be held on the following dates at the following times:

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The first Friday following the posting of the RFP on the USAC web site. All calls will begin at 10:00 a.m. Central Time.

The Conference call bridge number for each call is: (641) 623-3733 Pass Code 78785

Vendors seeking clarification have sole responsibility for attending these conference calls.

A vendor email distribution list will be created for the purpose of distributing any information that cannot be verbalized on the conference calls.

Call notes or minutes will not be distributed.

Any vendor desiring to be included in this distribution list should send an email with contact information to: kvanmetre@fiberutilities.com with the words VENDOR EMAIL DISTRO in the subject line.

These group clarification conference calls and the vendor distribution list will be the sole mechanism used for distributing additional information related to this RFP.

5. BID SUBMISSION PROCESS

All vendors responding to this RFP must have a valid Service Provider Identification Number (SPIN) issued by USAC.

The vendor SPIN number must be provided at the time of the RFP response or the bid may be disqualified.

Vendors must make certain that their SPIN includes the checked box qualifying them for participation in the RHCPP.

Any questions by vendors related to SPIN's or USAC's requirements should be directed to USAC by email (RHCPILOT@usac.com) or by telephone (1-800-229-5476).

All RFP responses should contain complete contact information for the responding vendor (name, company, mailing address, phone number, fax number and email address).

All RFP responses should include background information on the vendors' company, including, at a minimum, a brief resume of financial, technical and managerial qualifications, areas of expertise, number of years in business, website URL if applicable, and any other information the vendor feels is important related to its ability to respond to this RFP.

All responses to this RFP must be submitted electronically in MS Word or PDF format by the due date and time and should be submitted to:

kvanmetre@fiberutilities.com

with **"RNHN RFP INTERNET RESPONSE"** listed on the subject line of the e mail **NOT LATER THAN 5:00 pm CST of the 30th day from USAC posting.**

If the RFP response information fails to arrive within the specified timeline, the response may be disqualified from consideration for this RFP.

6. BID EVALUATION PROCESS

Bids not meeting the specifications as outlined in this RFP will be disqualified from consideration in this phase of the project.

Bids will be evaluated based on the following criteria:

- a) Overall cost.
- b) Service Level Agreements, contract terms and contractual service commitments
- c) Quality/ clarity/compliance of RFP response,
- d) Ability to provision and deliver service to specified locations.
- e) Qualifications of vendor and vendor experience with past projects consistent with the size and scope outlined in this RFP.

Lowest price considerations, while important and weighted appropriately, will not be the sole determinant in a successful bid award.

RNHN reserves the right to contact a vendor after submission of bid proposals for the purpose of clarifying a bid proposal to ensure mutual understanding. This contact may include written questions, interviews, site visits, and a review of past performance. This information may be used to evaluate the vendor's bid proposal. However, the information received from the vendor shall not be considered in the evaluation of a vendor's bid proposal if the information materially alters the content of the bid proposal.

RNHN reserves the right to waive deficiencies in a bid proposal. The decision as to whether a deficiency will be waived or will require the rejection of a bid proposal will be at the sole discretion of RNHN. This reserved right does not diminish the RNHN's right to reject a bid proposal if vendor fails to comply or respond to any part of this RFP.

Upon award of a contract, the vendor will provide certification per USAC requirements and will assist RNHN in the preparation of the Network Cost Worksheet (NCW). These are required for the Funding Commitment Letter (FCL) to be issued by USAC.

The successful vendor must, within sixty days, enter into a contract with RNHN to implement the service contemplated by this RFP. Failure of a successful vendor to agree to the terms of a contract within such sixty day period may be grounds for RNHN to award the project to another bidder. All contracts are contingent upon final USAC approval and funding.

Vendors are required to maintain transaction documentation and records for a period of five years after payment in compliance with FCC rules and USAC document retention requirements.

This is a Request for Proposal. Submission of a response is an offer but does not constitute acceptance. RNHN reserves the right to not award a bid for all or any portion of the RFP.

Should no bids be deemed acceptable, RNHN reserves the right to re-bid specific items or the entire project.

All bid response information is considered confidential. RFP responses will not be shared with other bidders unless specifically required to do so by USAC.

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All bids submitted will receive a closure response via mail consisting of either a) the awarding of the bid to enter into a contract or b) a non-award notification letter. Closure responses will be sent to the contact name and address indicated on the bid . Vendors should anticipate a minimum of three weeks to complete the analysis of bids and provide the appropriate vendor response.

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7. RFP BID OVERVIEW

- I. Purpose & Project Scope / RFP Overview
- II. Physical Connectivity Options
 - a. Nebraska Based
 - b. Denver, Colorado Based
- III. Required Contract Terms
- IV. Internet Service Specifications
- V. Required Bid Format

I. I. Purpose & Project Scope / RFP Overview

The RNHN Network is designed to provide the Hospital locations with an initial 2 Gigabit backbone capacity with 2 Gigabit access, and Clinic locations having a 1 Gigabit backbone and 1 Gigabit access. RNHN intends to purchase internet service at the consortium level capable of meeting the current and future Internet needs of the RNHN.

All costs and expenses, for the preparation of a bid will be solely the responsibility of the bidder. Only the winning bid will be awarded a contract. It is the sole discretion of RNHN to award any or all bids with no financial or legal obligation to non winning bidders and a financial or legal obligation to winning bidders only upon funding by USAC under the RHCPP. The RNHN project will only be completed in its entirety. Bidders seeking to respond with partial solutions are encouraged to partner with other potential bidders to provide an entire solution. Such collaborative responses should be clearly indicated as such.

II. Physical Connectivity Options

There are approximately 40 RNHN locations in western Nebraska. Qualified vendors must select one of the nine primary hospital locations to deliver internet services (clinic locations are not acceptable). Preferred service delivery locations include Regional West Medical Center in Scottsbluff and Morrill County Community Hospital in Bridgeport. However, other RNHN hospital locations are acceptable, but not preferred, for the purposes of this RFP and are listed in Section 10 (Attachments)..

Preferred Facilities:

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Regional West Medical Center
4021 Ave B, Scottsbluff, NE 69361

Morrill County Community Hospital
1313 S Street, Bridgeport, NE 69336

Qualified Vendors may also deliver internet services to the Denver Gas & Electric Building located at 910 15th Street in Denver Colorado. Delivery of circuits to this location must include all costs to deliver the service to a RNHN router located in the common Meet-Me-Room facility of the building for the entire term period including, but not limited to, any required electronics, cross connects, riser fees, collocation fees and any other one-time or recurring costs or fees..

III. Required Contract Terms

Vendors should bid internet service as a 15 year (180 month) term on a pre-paid service basis, although 10 and 5 year terms will be considered, but not preferred. RNHN intends to award the winning vendor with 15 year contract for internet services, paid upfront in advance.

Vendors should provide pricing and term, as available, for Internet capacities as follows in a simple matrix format:

- 200Mbps (5,10 15 year)
- 500Mbps (5,10,15 year)
- 750Mbps (5,10, 15 year)
- 1GIG (5,10,15 year)
- 2GIG (5,10,15year)

Vendors are not allowed to incorporate annual CPI adjustments, future pricing increases, or any other costs into the response.

Vendor shall be responsible for any support associated the provisioning of capacity or additional services (“Support”) including technical issue resolution, whether notice of problems originate from Vendor’s technical team or RNHN. Included in this Support, Vendor shall make available to RNHN telephone numbers and related user support services.

Vendors should bid internet at the 1 Gigabit level and the 2 Gigabit level although other high capacity levels will be considered. A bond will be required from each bidder awarded a contract that guarantees that the bidder will: (a) honor its bid and will sign all contract documents; (b) complete the full 15 year term of the contract according to its terms and conditions, including price and time; and (c) pay any subcontractors and suppliers the monies they are due as a direct or indirect result of the contract. The bid bond referenced under (a) above must be equal to the difference between the bid awarded to the bidder and the bid awarded as a result of the bidder’s default, including any costs incurred by RNHN to re-issue the bid. The performance bond referenced under (b) above may permit the surety

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to: (i) complete the contract itself through another contractor; (ii) select a new contractor acceptable to RNHN to contract directly with RNHN; or (iii) allow RNHN to complete the work by a contractor selected by RNHN. If a contract is completed pursuant to (i) above, RNHN shall pay the surety the amounts due for such completion in the manner such amounts would have been paid to the bidder if there had been no default. If the contract is completed pursuant to (ii) or (iii) above, and the cost thereof exceeds the balance due under the defaulted contract, the surety shall pay RNHN such excess. The payment bond referenced under (c) above shall be equal to the amount owed to any subcontractor and supplier.

IV. Internet Service Specifications

Internet service should be delivered with the following connection type:

- Ethernet utilizing CAT5/6 Cable with RJ45 connector

If delivered in the Denver location specified:

- Ethernet utilizing singlemode 1310nm with LC connector OR CAT5/6 Cable with RJ45 connector

Bids should include a /23 or 512 portable IP addresses

Bids should include all vendor provided Service level Agreement (SLA) standards and Network Availability guarantees, with a *minimum* 99.5% guarantee that the internet network is available and capable of forwarding IP packets as averaged over a calendar month.

Vendor should include all latency guarantees, with a *maximum* latency of 65ms round trip packet transit time on average over a calendar month.

Vendor should include all packet loss guarantees, including a *maximum* allowable packet loss of 1% or less during any calendar month.

Preference will be given to vendors who include internet routing maps or similar, showing hubs, hops or other pertinent internet routing data.

V. Required Bid Format

All RFP responses should contain complete contact information for the responding vendor (name, company, mailing address, phone number, fax number and email address).

All RFP responses should include background information on the vendors' company, including, at a minimum, a brief resume of financial, technical and managerial qualifications, areas of expertise, number of years in business, website URL if applicable, and any other information the vendor feels is important related to its ability to respond to this RFP.

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All responses to this RFP must be submitted electronically in MS Word or PDF format by the due date and time and should be submitted to:

kvanmetre@fiberutilities.com

with “**RNHN RFP INTERNET RESPONSE**” listed on the subject line of the e mail.

Vendors who cannot meet a specific provision or stipulation in the RFP must clearly identify any non-conforming provision in their response.

Vendors should clearly indicate pricing, term and capacity on the response.

8. ALTERNATIVES

RNHN anticipates that some responses may include potential cost saving alternatives from the items, routes or methods specified in this RFP. The RNHN will consider all such alternatives provided that such alternatives are clearly marked “ALTERNATE SOLUTION.” However, these responses must, at a minimum, meet the specification requirements outlined herein.

The RNHN is also open to any *relevant* recommendations, suggestions or proposals that would result in lower costs for the internet service. All such recommendations or alternatives must be within the span and scope of control of the RNHN specifically ***and comply with all appropriate USAC rules and regulations pertaining to the RHCPP program.***

9. PAYMENT PROCESS

Payment is based on 15% funding by RNHN and 85% by FCC funds administered by USAC.

RNHN intends to pay the vendor(s) upon receipt of funding after successful testing and acceptance of the services.

RNHN expects the selected vendor to provide services as specified. RNHN does not guarantee any minimum compensation to the vendor or any minimum usage or purchase of the vendor’s services or products.

Payments are expected to be administered as follows:

- Successful vendor will assist in the completion of a Network Cost Worksheet required by USAC to issue a Funding Commitment Letter (FCL)
- RNHN will be issued a FCL from USAC for services awarded.
- RNHN will place an order with the winning vendor upon receipt of the FCL.
- Vendor will complete installation of any segment(s) or phases per specifications and notify RNHN that the network segment(s) is ready for testing and acceptance.

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- RNHN will work with the vendor within ten working days of written notice by the vendor of readiness to complete the testing and acceptance process as outlined in the contract between the vendor and RNHN.
- Upon acceptance,, vendor may invoice RNHN for products or services.
- RNHN will be responsible for directly paying 15% of the invoice upon satisfactory completion of testing and acceptance. At that time, RNHN will also provide the vendor with the necessary documentation required for the vendor to process its 85% payment request directly with USAC.
- Vendor will then countersign each invoice acknowledging receipt of the 15% co-payment and directly submit each invoice to USAC for processing of the 85% balance.
- Contact information for USAC invoice submission will be provided with the acceptance document.
- USAC payment is expected to be monthly. USAC has informed RNHN that payment directly from USAC to the vendor should be within 30 days of the receipt of a properly processed and submitted invoice.
- Vendor will agree to maintain transaction documentation and records for a period of five years after payment in compliance with FCC rules and USAC document retention requirements.

10. ATTACHMENTS

Other RNHN (non-preferred) service delivery locations:

Box Butte General Hospital, 2101 Box Butte Ave, Alliance, NE 69301
New Chadron Community Hospital, 829 Centennial Drive, Chadron, NE 69337
Garden County Hospital, 1100 West 2nd, Oshkosh NE 69154
Gordon Memorial Hospital, 300 E 8th Street, Gordon, NE 69343
Kimball Health Services, 505 S. Burg St., Kimball, NE 69154
Memorial Health Center, 645 Osage St., Sidney, NE 69162
Perkins County Health Services, 900 Lincoln Ave Grant, NE

11. DESCRIPTION OF RFP #03

Please see Section 7: RFP Overview