Request for Proposals for Operation of the MassBroadband 123 Middle Mile Network

(RFP No. 2017-MBI-03)

Bidders' Questions and Answers

[PLEASE NOTE THAT THIS DOCUMENT INCLUDES QUESTIONS THAT WERE ASKED BY POTENTIAL RESPONDENTS TO THE RFP AT THE BIDDERS'S CONFERENCE THAT WAS HELD ON APRIL12, 2017. AS NOTED AT THE BIDDER'S CONFERENCE, MBI ENDEAVORED TO ANSWER EACH QUESTION AT THAT TIME BUT RESERVED THE RIGHT TO MODIFY THOSE ANSWERS IN THE FINAL WRITTEN Q&A DOCUMENT.]

	Question	**Answers**
1.	When will the detailed financials and the current run rate actually be available?	MassTech has provided a document on the FTP site titled 'Axia summary of financials for RFP' which is based on the current network operator's unaudited quarterly reporting of revenue and expenses to MassTech.
		As we provided in the slide presentation, the annualized revenue based on the past two quarters of 2016 revenue reported by the current network operator of $809K and $783K. This led to an annualized run rate of $3.2M.
2.	If the network operator is billing the customers, then the revenue is coming to the network operator, so who would be responsible for the costs?	The network operator would be billing the customers and collecting the revenue for network services. The network operator would be responsible for paying MassTech the platform fee, which would primarily cover payments to MassTech vendors associated with the network (e.g. pole and conduit license fees, POI license fees, colocation fees, railroad crossing, and IRU maintenance fees). The Network operator is responsible for all other costs associated with operating the network such as OSP/ISP maintenance and repair, equipment manufacturer maintenance fees, and insurance.
3.	So when will you be determining the platform fee?	As an initial assumption, MassTech suggests a $1.5 million platform fee to cover the substantial amount of costs for which MassTech will assume payment responsibility.
		The platform fee should be determined individually by each respondent and included as a component of their financial proposals along with a percentage of revenue. MassTech will review all conforming proposals in their entirety and select finalist that represent the best value (e.g. service, reliability and sustainability).

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4.	Currently with your operator there is no platform fee. They are doing all the work of different aspects of the network.	The current network operator agreement does not have a platform fee as currently defined. The network operator is responsible for paying multiple fees. The current network operator is also responsible for the payment of costs associated with the network to MassTech vendors. The details of the current network operator's responsibilities can be found by reviewing the document titled 'Axia Agreement with Exhibits' which is available on the FTP site.
5.	What items would fall within the platform fee? I noticed 98% of the fiber is on poles, if there was a storm and power was down all over the place and an ice storm, how did it work for them (Axia)? Have they had any experience like that? Was the turnaround time to get everything back because the faster would be more expensive? Would that be part of the platform fee?	The platform fee would be in lieu of all fees previously paid to MassTech and would alleviate the Network Operator from paying fees associated with MassTech's vendors related to the network for items such as pole and conduit license fees, IRU maintenance, POI license fees, colocation fees, and railroad crossing rights of way. The platform fee will not alleviate the network operator from having responsibility for outside plant maintenance and repairs. The network operator will be required to maintain and repair the network at its own cost. The current network operator agreement includes service level requirements for the time to perform emergency repairs. The details of the current network operator's service level requirements can be found by reviewing the document titled 'Axia Agreement with Exhibits' (Exhibit E) which is available on the FTP site.
6.	Assets owned by Axia. Are there assets specifically related to revenues today that are owned outside of MBI?	MassTech is not aware of any material portions of the MassBroadband 123 network that are not owned by MassTech.
7.	So all 119 of those Non-CAI's are owned by MBI?	To the best of MassTech's knowledge all 119 Non-CAI's are part of the network it owns today.
8.	To follow up on the last question, assets owned by MBI, does that include all of the soft assets; customer information, network information, diagrams, everything the new operator would need to run the network?	**MassTech** would have to obtain all of the soft assets (e.g. customer information, network information, diagrams), because the current operator maintains the most current copies of that information. MassTech would seek to obtain all those records to give them to the next operator.
9.	Can you provide the monthly revenue for the past 6 months, I assume it isn't the PowerPoint 'Operator RFP Bidders Conference Presentation 041117 v3' Slide 15 table current Run-rate Network Revenue (annualized base on last 2 quarters) $$/6?	The current network operator reports financials to MassTech on a quarterly basis. The revenue reported for the most recent two quarters were: Q3 2016 $809,160 and Q4 2016 $782,640.
10.	Can you provide details in to the Customers and Products that go into the three categories ('Service Provider Revenue', 'Commonwealth Customer Revenue', 'Dark Fiber Revenue)?	This information, which is based upon a recent monthly sales report provided by the current network operator, is included in a document titled 'Sales Order Revenue by Type of Service' that has been uploaded to the FTP site.

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11.	How is the Commonwealth invoiced for services? Does the Commonwealth have a term contract for services or are they all month to month?	The 'Commonwealth Customer' designation represents revenue received from MassIT and EOPSS. Both Commonwealth customers are invoiced just like any other retail service provider on a month to month basis. These two customer have a joint agreement with MassTech. A copy of this agreement has already been provided on the FTP site. Both Commonwealth customers pay MassTech for services used on the network and MassTech passes through the funds to the network operator
12.	Can you provide any pricing information and IRUs for the Dark Fiber revenue?	Current dark fiber list pricing has already been provided on the FTP site in a document titled 'Wholesale services pricing list'.
13.	Slide 15, "Approximately 119 Non-CAI end users taking service that collectively have approximately 1,158 active services", is that correct, 119 end users with 1159 active services? 9.7 services per location on average?	18 wholesale customers, 533 CAIs, and 119 Non-CAIs collectively have 1158 active services, which is 1.8 services per location on average.
14.	Can you provide a detail of the services per location for the 119 Non-CAI locations? File 'Extensions MassBroadband123_v5 (FINAL).pdf' lists 83 extensions.	A detailed list of services per location for the 119 Non-CAI locations is not a document that MassTech currently has available.
15.	Are the 83 extensions listed in the file 'Extensions MassBroadband123_v5 (FINAL).pdf' the same as the 119 Non-CAI end-users? Can you explain the difference in the count of Non-CAI extensions?	83 unique construction projects have been conducted that were not in scope of the MassBroadband 123 construction project and these projects are termed extensions. The 83 extensions were built to provide connections to Non-CAIs. The reason for there being 36 more Non-CAI than the number of extensions (i.e. 83) is for one of two reason – the additional Non-CAIs are collocated at CAI locations (connected as part of the original build) or Non-CAI locations (connected as extensions).
16.	Can you confirm that MassTech/MBI own the fiber assets associated with the Non-CAI extensions?	To the best of MassTech's knowledge, it owns the fiber assets associated with the Non-CAI extensions.
17.	Do operational and CapEx budgets for 2017 and forward exist? If so, will you provide them?	No. MassTech does not have updated operational or CapEx budgets for 2017 and forward.
18.	Do any funds for the contract deposit or prepayment of Dark Fiber IRU or other services exist? If so, what is the amount and will the funds be transferred to the replacement provider?	To the best of MassTech's knowledge, it is not aware of deposits or prepayments for dark fiber services.
19.	Do KPI, SLA, Trouble, and Network Performance reports or information as discussed in the current Master Agreement for Network Operator Services exist? If so, will you provide the reports for the last 3 years?	MassTech has provided the latest 'Network Health and Performance Tracker 04142017' on the FTP site. This document goes back to November 2014.

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20.	Can you provide any data concerning the historic man hours required to maintain and service the existing network plant?	Man hours for unscheduled maintenance is not something that Axia reports to MassTech. However, time to repair is reported upon each outage and the mean time to repair for each category of outage (e.g. electronics related versus OSP/fiber infrastructure related outages) is reported in the 'Network Health and Performance Tracker 04142017'.
21.	Are there any deficiencies or uncured maintenance or service problems related to the network or its operation?	MassTech is not aware of any deficiencies or uncured maintenance or service problems.
22.	Can you confirm that no "Dark Fiber Rights" as discussed in the current Master Agreement for Network Operator Services have been exercised or will be exercised prior to a change in provider?	MassTech cannot provide any information on this at this time.
23.	Can you provide a complete list of operational and capital expenses to be included in the "Platform Fee"?	The platform fee covers costs that include (but are not limited to) expenses MassTech incurs from vendors associated with the network (e.g. pole and conduit license fees, POI license fees, colocation fees, railroad crossing, and IRU maintenance fees). MassTech has uploaded a document titled 'MassBroadband123 Contract List_for RFP Response' which lists the network's operational expenses per vendor that will be covered by the platform fee. The platform fee does not specifically include any capital expenses. However, MassTech will work with the network operator to develop a capital plan that ensure appropriate financing for capital expenditures.
24.	Section 3.1 Q1: Need to understand all types of devices to be managed/monitored. This includes OEM, model and quantity.	MassTech has uploaded a document titled 'POI and CAI Equipment Count 04192017' which lists the devices to be managed/monitored to the FTP site.
25.	Section 3.1f Q2: Does MBI have current maintenance agreements with all OEM vendors for the supported devices?	No. The current network operator is currently responsible for all OEM maintenance agreements.
26.	Section 3.1f Q3: Will MBI provide a Letter-of-Agency (LOA) for the NOC to contact the OEM for escalated support on MBI behalf?	MassTech expects that the new network operator will oversee OEM maintenance agreements.
27.	Section 4.4h Q5: Will the current provider supply transition information (configurations, historical information, as-builds, passwords, etc.)	MassTech will seek to obtain sufficient transition information from the current operator to provide a smooth transition to the next operator. Per this RFP respondents will provide transition strategies which will include steps to be taken to ensure a smooth transition.
28.	Section 4.4h Q6: Does MBI plan on acquiring, implementing and integrating all the required EMS, NMS and Ticket Management applications prior to the transition, or is this something that the Network provider will need to or can assist with?	MassTech has element management systems for its two primary equipment manufacturers which are OMEA for Ciena and JunOS Space for Juniper. MassTech will not acquire any additional NMSs, ticket management systems, BSSs, OSSs, etc. The new network operator will be responsible for this type of support for the MassBroadband 123 network. The new network operator can provide EMS, NMS, ticket management, BSS, OSS, etc. via acquisition or by using system(s)

Question	Answers
	already under the new operator's control. The transition and integration of the new operator's EMS, NMS, ticket management system, BSS, OSS, etc. will require collaboration between the current operator, MassTech and the next operator. Per this RFP respondents will provide transition strategies which will include steps to be taken to ensure a smooth transition.
29.	