

S T A T E O F M I C H I G A N

BOARD OF COMMISSIONERS OF THE COUNTY OF ALLEGAN

**BROADBAND ACTION WORKGROUP - AWARD BROADBAND WIRED INFRASTRUCTURE
EXPANSION SERVICES #1062-22 BID**

WHEREAS, on July 28, 2022, the Board of Commissioners (Board) authorized the release of a request for proposal, soliciting bids for the provision of wired broadband infrastructure to provide internet services to almost 12,000 unserved addresses identified by the County; and

WHEREAS, eleven proposals were received, and following a comprehensive evaluation process conducted by a six-member Proposal Evaluation Team comprised of three County employees and three members of the Broadband Action Workgroup (BAW), 123.Net was identified as offering the best all-around solution; and

WHEREAS, the County Administrator has reviewed the work of the Project Evaluation Team, and concurs with its recommendation; and

WHEREAS, the Proposal Evaluation Team presented the results of its evaluation to the BAW on November 3, and the BAW agreed with the team's conclusions and recommendation.

THEREFORE BE IT RESOLVED the Board authorizes the County Administrator to negotiate a final contract with 123.Net of 24700 Northwestern Highway, Southfield, Michigan 48975, in the amount of \$17,715,215, from the American Rescue Plan Act Fund; and

BE IT FINALLY RESOLVED the County Administrator is authorized to sign any necessary documents on behalf of the County and the Executive Director of Finance is authorized to perform all budget adjustments to complete this action.

ADDITIONAL HISTORY:

- The Board of Commissioners (Board) approved a 2021/22 Strategic Plan project to advance broadband in Allegan County.
- The Plan identifies steps to create a broadband workgroup and hire a directly employed or contracted project lead (and possibly team) to lead the project and deliver results for Board approved Specific, Measurable, Actionable, Realistic, Time-based (S.M.A.R.T.) goals pending ARPA eligibility.
- On June 10, 2021, the Broadband Action Workgroup was established.
- On December 9, 2021, the Board authorized Administration to contract position(s) and procure the necessary services and supplies with an initial budget of \$1.5 million for 3 years.
- On June 9, 2022, the Board approved to allocate \$431,000 of ARPA funds for the broadband project in Lee Township and to include the adoption of option 3 in the Administrator's memo dated 6/9/2022 titled Lee Township Broadband Options.
- On August 11, 2022, the Board authorized the broadband match requests from Cheshire Township up to \$216,874 and Trowbridge Township up to \$62,000 subject to the policy set by the board from the Administrators letter.

REQUEST FOR ACTION - PROCUREMENT OF GOODS AND/OR SERVICES

RFA #: 219-680 RFA Date: 11/4/2022 RFA Submitted By: Valdis Kalnins

PROJECT/SERVICE: Broadband Wired Infrastructure Expansion Services
Project/Service Description: Provide internet services to almost 12,000 unserved addresses identified by the County.

Project/Contract #: 1062-22 Contact Name: Jill Dunham
Department: Broadband Action Workgroup Contact Info: jdunham@allegancounty.org

PROCUREMENT METHOD: Public Solicitation / RFP
13 Firms invited to bid and bidding opportunity posted to County Website. 11 Bids Received

CONTRACT AWARD: \$17,715,215.00
Parties - County and: 123.Net
Contract Duration: Scope of Work Completion
Evaluation Team: Jill Dunham, Austin Marsman, Tim Kotas, Penny Bursma, Steve Sedore, Lorna Nenciarini
References Checked: Yes Debarred: No

FUNDING SOURCE: County American Rescue Plan Act (ARPA) Funds designated for Broadband Project

\$ 17,715,215.00	Approved Appropriation
\$ -	Additional Appropriation Requested through this RFA
\$ 17,715,215.00	Total Funding available if this RFA is approved
\$ -	Expenditures to Date
\$ -	Committed Funds
<u>\$ 17,715,215.00</u>	<u>Award Amount</u>
\$ -	Funds Remaining

AWARD THRESHOLD: BOC - Budgeted Capital Procurement over \$50,001

NEW CONTRACT SUMMARY: New County Agreement with modifications



Broadband Recommendation

Broadband RFP Evaluation Team

Thursday, November 3, 2022

Jill Dunham

Broadband Project Manager



11 PROPOSALS RECEIVED IN RESPONSE TO RFP:

Proposals were reviewed, evaluated and scored by a six-member evaluation team comprised of Austin Marsman, Tim Kotas and Penny Bursma from the Broadband Action Workgroup, plus the Broadband Project Manager, the Executive Director of Finance and the Executive Director of Operations. The process was guided by the County Project Manager (non-voting.) The evaluation proceeded in four distinct steps to arrive at a final recommendation with the elimination of bids at each step.

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- ACD Net
 - AT&T
 - Bloomingdale Communications
 - Midwest Electric & Communications
 - Truestream
 - 123.net
 - Comcast Xfinity
 - Frontier
 - Mercury Broadband
 - Spectrum Charter
 - Surf Broadband

STEP 1: OVERALL PROPOSAL EVALUATION



ACD

Lower score than top six bidders; didn't make the interview cut



AT&T

Did not bid a sufficient number of addresses (345) to merit further consideration



BCI

Did not bid a sufficient number of addresses (415) to merit further consideration



Midwest

Lower score than top six bidders; didn't make the interview cut



Trustream

Did not bid a sufficient number of addresses (564) to merit further consideration

RESULT: After evaluating all proposals, scores were compiled and discussed, and the team agreed to remove these five bidders from consideration for the stated reasons and to schedule interviews with the remaining six bidders.

STEP 2: INTERVIEWS AND BID COVERAGE EXTENTS



RESULT: Interviews confirmed that remaining six bidders had viable bids leaving the team to discuss whether to entertain solutions that wouldn't deliver internet to all unserved addresses. Having three viable proposals from qualified bidders covering all unserved addresses, the team agreed to remove partial bids from further consideration.

STEP 3: CONSTRUCTION AND SUBSCRIBER COSTS



Mercury

Lowest build
cost per address;
Lower subscriber
monthly cost



123.Net

Higher build cost
per address;
Lower subscriber
monthly cost

COMCAST
BUSINESS

Comcast

Higher build cost
per address;
Highest
subscriber
monthly cost

RESULT: With the highest construction and subscriber costs of the three proposals, the team agreed to remove Comcast from further consideration leaving two finalists – Mercury and 123.Net.



STEP 4: COMPARISON BETWEEN FINALISTS

Mercury Broadband

- \$65 per month for 100MB
- \$99 home installation charge
- Residential connection - 200' free, \$0.5 per foot thereafter
- 3.5 year construction schedule
- Requesting just under \$18M in American Rescue Plan Act (ARPA) funding from County
- Lower overall cost to build and does not need additional grant funds to complete construction
- Company established in 2007 (15 years)
- Most experience with residential fixed wireless customers
- Company focuses on rural communities across 6 Midwest states – MI, OH, IN, IL, MO and KS
- Recently awarded Rural Digital Opportunity Fund (RDOF) projects in Michigan by the FCC including one in Allegan
- Will establish a local operations and retail office in Allegan

123.net

- \$59 per month for 250MB
- No home installation charge
- Residential connection - 500' free, \$3 per foot thereafter
- 1.5 year construction schedule
- Requesting just under \$18M in American Rescue Plan Act (ARPA) funding from County
- Will need to secure additional Realizing Opportunities with Broadband Infrastructure Networks (ROBIN) grant funds
- Company established in 1995 (27 years)
- Extensive experience building backbone fiber
- Company is entirely focused on Michigan and is ISP for the Michigan Statewide Education Network
- Working with MIHI Office for Allegan middle mile fiber project (Byron Center to Benton Harbor)
- Will build a carrier neutral network



RECOMMENDATION AND SUPPORT:

Having completed a thorough evaluation of the 11 proposals received as documented herein, the Proposal Evaluation Team believes that 123.Net offers the best all-around solution for delivering broadband internet services to the almost 12,000 unserved addresses in Allegan County and is recommending 123.Net for contract award.

The County Administrator has reviewed the work of the Project Evaluation Team, and concurs with its recommendation.

The Proposal Evaluation Team presented the results of its evaluation to the BAW on November 3, and the BAW agreed with the Team's conclusions and recommendation.

BID PRESENTATION FOR PROJECT #: 1062-22
 Project Name: **Broadband Wired Infrastructure Expansion Services**
 Service Area: **Board of Commissioners**
 Date: 11/4/2022
 Advertised: County website and invitations to bid
 # of Firms Invited to Bid: 13
 # of Bids Received: 11
 Award Recommendation: 123.Net
 Award Criteria: Service Provider offers the best all-around solution

Service Provider	Bid Zone	Addresses	County \$	Total Build Cost
Mercury	County-wide	11927	\$ 17,863,968	\$ 35,727,936
Comcast	County-wide	11927	Unspecified	\$ 74,618,506
123.net	County-wide	11919	\$ 17,715,215	\$ 70,860,858
ACD.net	Sum of 13 Zone Bid	8241	\$ 11,421,722	\$ 57,108,608
Charter	Sum of 3 Zone Bid	7037	\$ 20,743,707	\$ 45,373,207
Midwest	Sum of all 4 Zone Bid	3856	\$ 16,530,150	\$ 22,040,200
Frontier	Single Zone Bid	3847	\$ 11,883,606	\$ 25,729,815
Surf Internet	Sum of 6 Zone Bid	3541	\$ 3,734,000	\$ 6,499,257
Trustream	Single Zone Bid	564	\$ 3,501,710	\$ 5,786,271
Bloomingtondale	Sum of 4 Zone Bid	415	\$ 1,815,300	\$ 3,655,600
AT&T	Single Zone Bid	345	\$ 1,881,122	\$ 2,048,669