

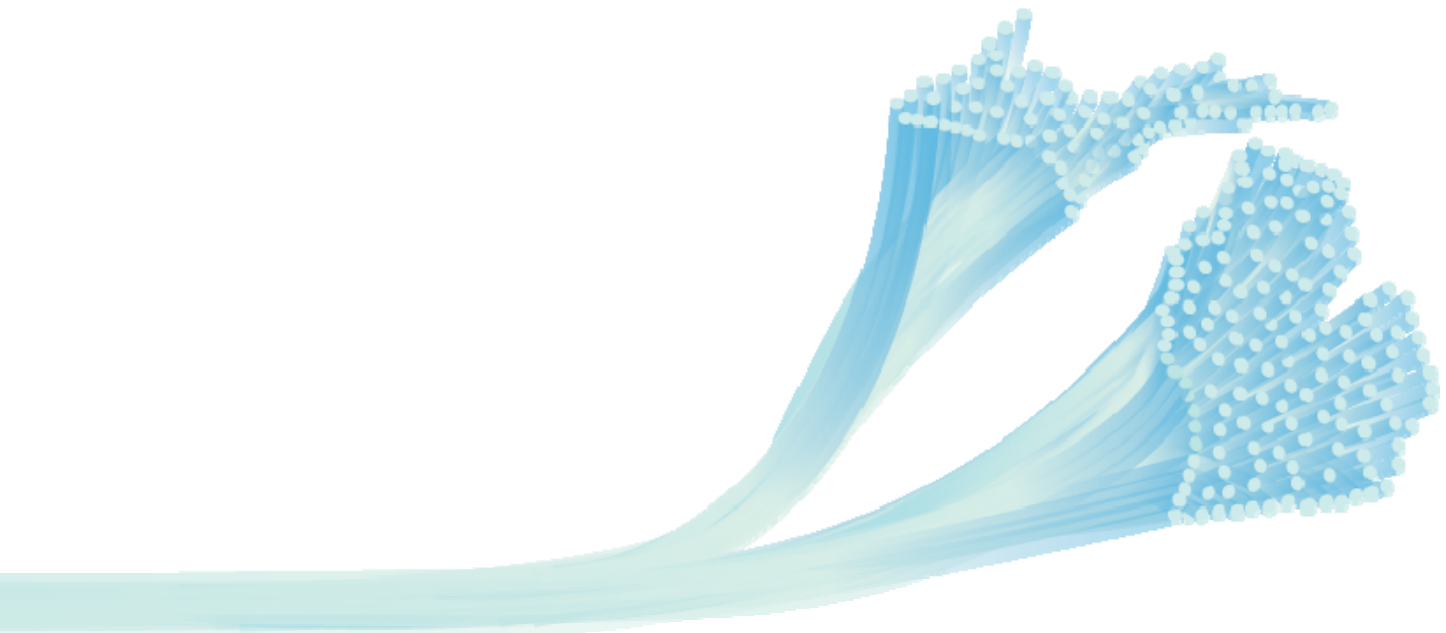


**Request for Proposal**

**Quality Assurance Inspection Services  
for Oversight of Outside Plant Fiber Construction**

**RFP 04**

**Funded by the FCC's Rural Health Care Pilot Program (RHCPP)  
and Administered by the Michigan Public Health Institute (MPHI)**



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# 1. Introduction

**In order to understand the rationale for this RFP 04, potential bidders must read and understand RFP 03, profiled below.**

## 1.1 Project Background

In 2007, the FCC funded a Rural Health Care Pilot Program (RHCPP, or “Pilot Program”) “to stimulate deployment of the broadband infrastructure necessary to support” healthcare, especially in rural areas.<sup>1</sup> The Pilot Program is described at **Appendix A** and at <http://www.fcc.gov/cgb/rural/rhcp.html>. The Universal Service Administrative Company (USAC, <http://www.usac.org>) administers the Pilot Program for the FCC.

At the State of Michigan’s request, the Michigan Public Health Institute (MPHI) applied to participate in the Pilot Program, and the FCC awarded Michigan a \$20.91 million grant. To date, that funding has been used for two projects. The first project helped complete a tower-based, wireless network that connects eight hospitals in the thumb region of Michigan. The second project is building a statewide, 95%-fiber, 87-site broadband network dedicated to health care. The third and final project—implemented by RFPs 03 and 04—will help five Michigan hospital systems build their own fiber optic connections between health care sites.

## 1.2 Overview of the Predecessor RFP: RFP 03

To implement that third and final project, MPHI posted an RFP 03, “Outside Plant Fiber Construction for Five Michigan Health Care Providers,” on February 2, 2011. RFP 04 is a companion to RFP 03.

RFP 03 is soliciting proposals from contractors who are qualified to install outside plant (OSP) fiber optic cable. The purpose of RFP 03 is to build hospital-owned (private) fiber optic networks for five (5) Michigan hospital systems—hereinafter referred to as “health care providers” (HCPs). The five HCPs and their “Work Orders” are shown below. (Note: In addition to requesting the construction of a two-Span<sup>2</sup> fiber optic network, Covenant Medical Center is also seeking bids to lease a network under an indefeasible right of use (IRU) arrangement.)

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<sup>1</sup> 2007 Rural Health Care Pilot Program Selection Order, FCC Corrected Order 07-198, originally released November 19, 2007, corrected December 17, 2007, shown at [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-279101A1.doc](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-279101A1.doc), Paragraph 1.

<sup>2</sup> A Span is a continuous, linear run of fiber from one location (node or site) to another location (node or site).

Work Orders for Construction of Fiber Optic Networks				
Health Care Provider	Location	Shorthand Name	No. of Fiber Spans	Total Mileage (Approx.)
Baraga County Memorial Hospital	L'Anse, MI	Baraga	1	3
Covenant Medical Center	Saginaw, MI	Covenant	2	7
Covenant Medical Center	Saginaw, MI	Covenant-IRU	7	38
Memorial Healthcare	Owosso, MI	Memorial	13	100
Portage Health	Hancock, MI	Portage	9	188
Edward W. Sparrow Hospital Assn.	Lansing, MI	Sparrow	9	138

Of the six (6) Work Orders contained in RFP 03 and listed immediately above, only three will participate in RFP 04: Covenant (non-IRU), Portage, and Sparrow.

- In Saginaw County, Covenant plans to build two Spans covering seven miles.
- In the Upper Peninsula, the Portage Network will consist of 9 spans covering approximately 187 miles in Baraga, Houghton, Marquette, and Ontonagon Counties. Portage recently revised its network plan, which is shown as item 2 at [http://fcc.mphi.org/fiber/RFP03/03\\_amendments.html](http://fcc.mphi.org/fiber/RFP03/03_amendments.html).
- Eight of Sparrow’s nodes are located in Ingham County, with other nodes in central Clinton County (City of St. Johns), in extreme southeastern Montcalm County (Carson City), and in central Ionia County (City of Ionia). Sparrow’s network will cover approximately 138 miles.

MPHI hopes to sign contracts with the contractors constructing the Covenant, Portage, and Sparrow Network in late May 2011 and expects USAC approval of the projects by mid-summer 2011. Engineering, permitting, and construction can commence after USAC’s approval is received. Project schedules will not be known until contractor bids are evaluated and winners are selected, but it is expected that the bulk of the engineering work will be done in 2011-2012, and the bulk of the construction work in 2012-2013.

Copies of RFP 03 may be obtained three ways:

- An Adobe Acrobat (PDF) version is available on the USAC Pilot Program “Search Postings” website at: <http://www.usac.org/rhc-pilot-program/tools/search-postings-2009.aspx>. Go to the list of Michigan RFPs, look for RFP #: 03, and click on the [Project Scope Details](#) link.
- A PDF version is available on MPHI’s fiber-build project website at: <http://fcc.mphi.org/fiber/RFP03/>. Click on the [RFP 03 Document](#) link.
- Contractors may also request a Microsoft Word or PDF version by contacting the MPHI RFP 03 project team at [fcc@mphi.org](mailto:fcc@mphi.org).

### 1.3 How This RFP (04) Relates to RFP 03

Under RFP 03, each of the five participating hospital systems (health care providers, or HCPs) will be responsible for ensuring that its Network is built in accordance with the Specifications in its Work Order and in RFP 03. To that end, each HCP will have to appoint a project manager (“HCP Project Manager”) to oversee the chosen contractor’s fulfillment of the HCP’s Work Order. However, to reduce the burden on HCPs contracting for new construction, MPHI is posting this second RFP—RFP 04—intended to hire OSP fiber construction consultants to assist HCPs (interested in such outside expertise) in their quality assurance (“QA”) oversight of construction activities.

### 1.4 Overview of RFP 04 – Quality Assurance Inspection

RFP 04 seeks OSP fiber construction consultants to assist interested HCPs in their quality assurance oversight of the construction activities conducted under RFP 03. The OSP fiber construction consultants may range from sole practitioners to large firms employing multiple individuals who will actually perform the quality assurance work. This RFP will refer to the ***firm*** employing those actually performing QA work as the “QA Contractor” and the ***individual or individuals*** performing the quality assurance work as Quality Assurance Inspectors, or “QA Inspectors.”

RFP 04 seeks:

- A single QA Contractor for the ***Portage Network***: 9 Spans of fiber covering 187 miles
- One or two QA Contractors for the ***Covenant Network*** and the ***Sparrow Network***: 2 Spans (7 miles) and 9 Spans (138 miles), respectively

A QA Contractor interested in RFP 04 may bid on one, two, or all three of the Networks, but it must submit a completely separate, stand-alone bid for each Network. A bid on a Network must cover all Spans of fiber within the Network. See **Section 5** of this RFP for a more detailed description of the three Networks.

### 1.5 Michigan Public Health Institute (MPHI)

This RFP has been issued by the Michigan Public Health Institute (MPHI). MPHI is a non-profit organization established in 1990 to help improve the health of Michigan’s citizens. Its 325 employees—researchers, data analysts, IT professionals, project managers, and scientists trained in a broad array of health fields—maximize positive health conditions in Michigan communities through collaboration, scientific inquiry, and applied expertise. MPHI is governed

by a board of 12 directors representing government, three partner universities, foundations, and others. Historically, its strongest contracting relationship has been with the Michigan Department of Community Health (MDCH).

## 2. Description of Services Sought

### 2.1 QA Inspection Responsibilities

It is unlikely that any of the HCP Project Managers will have significant expertise in OSP fiber construction, and they may be unable to devote the time necessary to adequately oversee these large construction projects. Therefore, it is likely that some HCP Project Managers will rely heavily on the QA Contractors to conduct oversight of Network construction.

The activities that the QA Contractor will be expected to perform may include, but are not limited to, the following:

- Review and monitoring of the construction contractor's route engineering for each Span (see [Section 3.4.1 of RFP 03](#)). For example, the QA Contractor may document all pre-existing conditions (e.g., cracked pavement) on a route.
- Review of route permitting for each Span and verification that all necessary permits and easements have been obtained prior to commencement of work on a segment (see [Section 3.4.2 of RFP 03](#))
- Examination and approval of fiber and other material/hardware purchased by the contractor for the project (see [Section 3.4.3 of RFP 03](#))
- Oversight of all construction activity to ensure that it is performed in accordance with all Standards and Codes (see [Section 3.4.7 of RFP 03](#)), the RFP 03 Work Order Specifications, and the RFP 03 Appendix G Specifications (see [Section 3.4.4 of RFP 03](#)). The QA Contractor may be asked to spot-check (intermittently visit) the construction routes/sites to observe the progress, quality, and safety of the work being performed under the RFP 03 contracts. For example, the QA Contractor may verify bore, plow, and trenching depths to ensure that they conform to Specifications.
- Testing of installed segments and Spans of fiber (see [Section 3.4.5 of RFP 03](#))
- Review and approval of test, as-built, and other documentation (see [Section 3.4.6 of RFP 03](#))
- Review and approval of release-of-lien documentation for completed work (see [Section 2.6.6 of RFP 03](#))
- Completion of "Span Completion Checklists" (see [Appendix C of RFP 03](#))
- Formal acceptance of completed Spans of fiber (see [Section 2.6.6 of RFP 03](#))
- Testing of fiber Spans after freeze-thaw cycles so Retainer Work Packages may be paid to contractors (see [Section 2.6.6 of RFP 03](#))
- Review and analysis of change order requests (see [Section 2.8 of RFP 03](#))
- Monitoring of contractor's traffic control, traffic circulation, and on-site safety practices

Post-construction correction of faulty fiber optic cable installation is expensive. Problems due to faulty installation can remain undetected for years. And it can also be difficult to ascertain responsibility for problems. To avoid those issues, RFP 03 and the Construction Contractor-Owner-MPHI Contract that will be employed have been structured to ensure that the Construction Contractor does the job right the first time. Most significantly, Construction Contractors will not be paid unless fiber Spans are fully functional, pass all tests, meet or exceed Specifications, and are fully documented. But in such large construction projects, it is possible that work failing to meet Specifications could remain undetected until after the warranty period expires. Therefore, it is critical that fiber installation be spot-checked and monitored on a daily basis, particularly at critical junctures. The HCP may require the QA Contractor to monitor and spot-check construction activity on a daily basis from the start of construction to its completion.

When problems are encountered, it is critical that HCP representatives knowledgeable about OSP fiber construction and the specific construction activity be involved in problem resolution. The HCP Project Managers may expect the QA Contractor to offer its expertise in an advisory capacity or require the QA Contractor to take the lead role in negotiations with the Construction Contractor.

In summary, the QA Contractor may be the HCP's primary, if not sole, on-site presence at construction sites; may have primary, if not sole, responsibility for representing the HCP during testing and acceptance of fiber segments and Spans; and may be the HCP's lead representative in resolving disputes and negotiating change orders, for whose incremental cost the HCP will be solely responsible.

## **2.2 Relationship with HCP Project Manager**

Upon award of a Contract under this RFP, the QA Contractor and HCP Project Manager will negotiate mutually agreeable rules of engagement, reporting relationships, coordination with the Construction Contractor, and all other arrangements necessary for the QA Contractor to successfully fulfill its responsibilities outlined in **Section 2.1** of this document.

- Subject to the arrangements made under this Section, the HCP Project Manager has final authority and discretion regarding allocation of QA Inspector resources to any and all of the activities enumerated in **Section 2.1**.
- When requested by the HCP Project Manager, the QA Contractor shall provide on-demand oversight at construction locations. The QA Contractor shall assign personnel to the project and notify the HCP Project Manager about who has been assigned. As workloads dictate, the HCP Project Manager may request augmentation support from the QA Contractor in the form of additional QA Inspectors.

- QA Inspectors in the field will be administratively supervised by the QA Contractor’s registered engineer or by a designated supervisor approved by the HCP Project Manager.
- The QA Inspector’s personnel assigned to the project will be expected to rely on their training and experience to guide performance and actions.

The HCP Project Manager will work with the QA Contractor to maximize the efficiency of time and travel. The HCP Project Manager and QA Contractor shall work together to establish:

- Appropriate minimum notification times (e.g., 48 hours) prior to a QA Inspector being required to perform any on-site work
- A minimum number of On-Site Hours that a QA Inspector may work (at multiple sites, if necessary) when required to perform any on-site work

## 2.3 Burdened Hourly Rate and On-Site Hours

This RFP requests that interested QA Contractors submit an hourly rate (“Burdened Hourly Rate”) bid for each Network, e.g., \$100.00 per hour. The Burdened Hourly Rate will be the flat-fee amount of money charged for each hour of time a QA Inspector **actually spends on site** performing work described in **Section 2.1** (hereinafter defined as an “On-Site Hour”). The QA Contractor’s Burdened Hourly Rate must compensate the QA Contractor for all travel time, per diem, transportation, communication, and other overhead/administrative expenses. Any time spent on activities not explicitly enumerated in **Section 2.1** or not otherwise authorized by the HCP Project Manager will NOT count toward On-Site Hours.

Example. If a QA Contractor bids on a Network requiring 1,000 On-Site Hours, the Contractor’s employees will be expected to spend 1,000 On-Site Hours on the activities enumerated in **Section 2.1** or on other activities authorized by the HCP Project Manager. Even if the QA Contractor’s employees spend an additional 1,500 hours on travel to and from various work sites, the Contractor will be paid the Burdened Hourly Rate for just the 1,000 On-Site Hours. When bidding, the prospective QA Contractor must specify a Burdened Hourly Rate for the 1,000 On-Site Hours that, in the view of the Contractor, will adequately compensates him or her for the 2,500 total hours plus per diem, transportation, and other expenses that the Contractor will expend on the project.

The QA Contractor winning a contract for a Network will be expected to devote five to ten (5 to 10) On-Site Hours to each mile of a fiber Span’s route. The HCP can employ the QA Contractor employees up to the maximum number of hours shown below in the “On-Site Hours (Max.)” column. While each HCP has made a good faith attempt to estimate the total number of QA hours required for its project, a specific number of hours is not guaranteed. Hours

beyond the stated maximum for each Network will be authorized at the HCP’s discretion but only if the HCP pays for 100 percent of the cost.

<b>Maximum Number of QA Inspector On-Site Hours for Each Network</b>				
<b>HCP Network</b>	<b>Central Location</b>	<b>No. of Fiber Spans</b>	<b>Total Mileage (Approx.)</b>	<b>On-Site Hours (Max.)</b>
Portage Health	Hancock, MI	9	188	1,000
Covenant Medical Center	Saginaw, MI	2	7	80
Edward W. Sparrow Hospital Assn.	Lansing, MI	9	138	1,400

## **2.4 Project Schedule**

MPHI hopes to sign contracts with the RFP 03-responding Construction Contractors building the Covenant, Portage, and Sparrow Networks in late May 2011 and expects USAC approval of the projects by mid-summer 2011. Engineering, permitting, and construction can commence after USAC’s approval is received. Project schedules will not be known until Construction Contractor bids are evaluated and winners are selected, but it is expected that the bulk of the engineering work will be done in 2011-2012, and the bulk of the construction work in 2012-2013. Quality assurance work detailed in **Section 2.1** will at first lag but then dovetail with the RFP 03 construction schedule.

**Notwithstanding the foregoing, OSP fiber installation work is impacted by many factors, including administrative delays caused by federal agencies; the length of the construction season; weather; the RFP 03 construction schedule negotiated by the Construction Contractor; the progress of the Construction Contractor’s route engineering and permitting work on each of the many fiber Spans to be installed; etc. A QA Contractor desiring to provide services under this RFP must consider these inherent uncertainties when attempting to plan and schedule work activity and personnel in preparation for submission of a bid.**

Moreover, given these uncertainties, a QA Contractor should give careful consideration to bidding on more than one RFP 04 Network, as each Network will be built independently of the others, most likely by different Construction Contractors. Each Construction Contractor and HCP Project Manager will be attempting to make progress on their own project and will require QA Contractor personnel to be available when and as needed.

## **2.5 QA Contractor Qualifications**

All QA Contractors submitting proposals must meet the following minimum qualifications:

- A QA Contractor firm must have at least five years’ experience in major aspects of the design and construction of OSP fiber optic cable facilities. The QA Contractor may be an experienced OSP contractor; an employer of registered professional civil engineers with at least five years experience in the design and construction of fiber optic cable facilities; a project manager or telecommunications consultant; or similar firm.
- All personnel billing On-Site Hours under a contract awarded under RFP 04 (i.e., all personnel functioning as QA Inspectors) must have a minimum of five years experience in OSP fiber optic cable installation. The HCP Project Manager must approve each QA Inspector for work in the field.
- QA Inspectors in the field must be administratively supervised by the QA Contractor’s registered engineer or by a designated supervisor approved by the HCP Project Manager.
- The QA Contractor must have a current Universal Service Administrative Company (USAC) Service Provider Identification Number (SPIN). More information about obtaining a SPIN can be found at <http://www.usac.org/rhc-pilot-program/vendors/step01/service-provider-id.aspx>.
- The QA Contractor must be in “good standing” with the FCC, the State of Michigan, and local governments in the service area. Any bidder found to be in FCC “Red-Light Status” will be automatically disqualified.
- The QA Contractor must be thoroughly familiar with any and all laws, statutes, rules, and regulations related to this project, including, but not limited to:
  - FCC Order 06-144<sup>3</sup>
  - FCC Order 07-198<sup>4</sup> including correction
  - The Telecommunications Act of 1996<sup>5</sup>
  - USAC’s Rural Health Care Pilot Program process<sup>6</sup>
  - The Michigan Telecommunications Act<sup>7</sup>
  - Michigan’s Metro Act<sup>8</sup>

A firm awarded a construction contract to build HCP A’s Network under RFP 03 may not be awarded a contract to function as QA Contractor for HCP A’s Network under RFP 04. However, a Construction Contractor building a Network for HCP A under RFP 03 may serve as a QA Contractor for HCP B under RFP 04. For purposes of this paragraph, two contractors that have

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<sup>3</sup> [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/FCC-06-144A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-06-144A1.pdf)

<sup>4</sup> [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/FCC-07-198A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-07-198A1.pdf)

<sup>5</sup> <http://www.fcc.gov/telecom.html>

<sup>6</sup> <http://www.usac.org/rhc-pilot-program/vendors/>

<sup>7</sup> 1991 PA 179, as amended, MCL 484.2101 *et seq.*

<sup>8</sup> 2002 PA 48, as amended, MCL 484.3101 *et seq.*

had a financial relationship of any sort at any time after January 1, 2010, will be considered a single contractor unless granted a written exception by MPHI and the HCP Project Manager.

## **2.6 Contract**

For each Contract resulting from bids for RFP 04 work, MPHI will employ a model *three-way* contract that will be signed by three parties: the HCP building the Network (the “Owner” in the Contract), the QA Contractor (the “Contractor”), and MPHI (see **Sections 1.5 and 3.5.3**).

## 3. Administrative Issues

### 3.1 Availability of the RFP, Amendments, and Q&A

Copies of this RFP may be obtained three ways.

- An Adobe Acrobat (PDF) version will be available on the USAC Pilot Program “Search Postings” website at: <http://www.usac.org/rhc-pilot-program/tools/search-postings-2009.aspx>. Go to the list of Michigan RFPs, look for this RFP (designated as RFP #: 04), and click on the [Project Scope Details](#) link.
- A PDF version is available on MPHI’s fiber-build project website at: <http://fcc.mphi.org/fiber/RFP04/>. Click on the [RFP 04 Document](#) link.
- Contractors may also request a Microsoft Word or PDF version by contacting the project team at [fcc@mphi.org](mailto:fcc@mphi.org).

Amendments to the RFP will be posted on MPHI’s “fiber-build” project website at: <http://fcc.mphi.org/fiber/RFP04/>. Click on the [RFP 04 Amendments](#) link.

Questions from QA Contractors and other interested parties (submitted in writing to [fcc@mphi.org](mailto:fcc@mphi.org)) and MPHI’s responses will be posted on MPHI’s “fiber-build” project website at: <http://fcc.mphi.org/fiber/RFP04/>. Click on the [Q&A](#) link. The identity of those asking questions will not be disclosed.

### 3.2 Inquiries about the RFP

All general correspondence and inquiries about this RFP should be submitted in writing to the project team. QA Contractors should not contact the health care providers (HCPs) directly; questions should be routed through MPHI so that, if appropriate in MPHI’s opinion, both the question and the answer can be posted on the project website (as discussed in the previous paragraph).

The **primary RFP contact** is:

Harry Levins, PMP

Project Manager

Telephone: 517.324.6039

Fax: 517.324.6099

E-mail: [fcc@mphi.org](mailto:fcc@mphi.org)

Michigan Public Health Institute

Attn: FCC Project (Harry Levins)

2436 Woodlake Circle, Suite 300

Okemos, MI 48864

Mr. Levins is responsible for managing the Contractor selection process.

The **alternate RFP contact** is:

Jeff Shaw, PMP  
 Senior Project Manager  
 Telephone: 517.324.6055  
 Fax: 517.324.6099  
 E-mail: [fcc@mphi.org](mailto:fcc@mphi.org)

Michigan Public Health Institute  
 Attn: FCC Project (Jeff Shaw)  
 2436 Woodlake Circle, Suite 300  
 Okemos, MI 48864

### 3.3 Due Date for Contractor Proposals and Informational Session

The “Allowable Contract Date,” or ACD, is 28 days after the date the RFP is posted on USAC’s “Search Postings” website. For example, if the RFP is posted on March 7, 2011, the ACD will be April 4. However, proposals are actually due five (5) weeks after RFP 04 is posted. For example, if the RFP is posted on March 7, responses will be due April 11.

Date - # of Calendar Days	Event
ACD - 28	Date RFP is posted on USAC's "Search Postings" website
ACD – 14 (Approximate)	Informational Session for QA Contractors
ACD	Allowable Contract Date under USAC rules
ACD	Last day to submit questions
ACD + 7	Proposals due from QA Contractors

An Informational Session for potential QA Contractors will be held at MPHI offices in Okemos, MI, ten (10) miles southeast of downtown Lansing. Within three (3) business days of the RFP actually being posted on USAC’s website, MPHI will post specific dates and times on its “fiber-build” project website at: <http://fcc.mphi.org/fiber/RFP04/>. Click on the [Calendar-Informational Session](#) link. We encourage QA Contractors to indicate how many individuals will be attending a Session by e-mailing [fcc@mphi.org](mailto:fcc@mphi.org). A few days after the Informational Session, a summary of the discussion will be posted on the website under the [Q&A](#) link.

### 3.4 Proposal Submission and Format

The required contents of a proposal—what MPHI expects to receive—are specified in **Section 4** of this RFP. A QA Contractor must submit a *separate* proposal for *each* Network on which it is bidding. The composition of the three Networks on which QA Contractors may bid is defined in **Section 5** of this RFP.

Each QA Contractor should submit its proposal(s) in ***both*** electronic and paper formats:

- **Electronic Submission Required.** One electronic copy of the proposal in Microsoft Word or Adobe Acrobat PDF format must be e-mailed to MPHI at [fcc@mphi.org](mailto:fcc@mphi.org) no later than 5 p.m. (Lansing, MI, time) on ACD + 7 (or on the date posted on the fiber-build project website). The total size of any single e-mail should not exceed nine (9) megabytes. If any file(s) will cause the e-mail to exceed that size limit, please separate the submission into two or more separate e-mails and clearly label them “1 of *n*”, “2 of *n*”, and so forth (where *n* = the total number of e-mails).
- **Paper Submission Required.** Five (5) hard copies printed on 8.5” x 11” paper, each copy in a separate three-ring binder, must be physically delivered to MPHI no later than three (3) business days after the e-mail version is due. Delivery may be made by the United States Postal Service, by express delivery service, or in person using the following physical address:

Michigan Public Health Institute  
 Attn: FCC Team (Harry Levins)  
 2436 Woodlake Circle, Suite 300  
 Okemos, MI 48864

Late proposals will not be accepted. If there is any variance between the electronic and printed versions, except for signatures, a Network Evaluation Committee may reject a proposal in whole or in part. Do not submit proposals by fax.

Within three business days of receipt of *both* the electronic and paper versions of a QA Contractor’s proposal, MPHI will notify the primary contact by e-mail. If receipt is not acknowledged when expected, please contact MPHI at [fcc@mphi.org](mailto:fcc@mphi.org).

### 3.5 Project Process and Calendar

Time Period	Event or Process
35 days in March-April 2011	RFP posting period
Mid-April 2011	Evaluation of proposals
Late April thru May 27, 2011 <sup>9</sup>	Negotiation and execution of three-way contracts
No later than June 30, 2011	Submission of contracts and itemized costs to USAC
July-August 2011	USAC review of project and issuance of Funding Commitment Letter
Late Summer 2011	Work on fiber Networks begins

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<sup>9</sup> If USAC extends the deadline for submission of contracts and itemized costs beyond June 30, 2011, more time may be allowed for contract negotiation.

### 3.5.1 RFP Posting Period

As discussed above in [Section 3.3](#), this RFP 04 will be posted for five (5) weeks. Potential QA Contractors may bid on one or more Networks.

### 3.5.2 Evaluation of Proposals

Proposals will be evaluated using the following criteria:

- 60% - Cost: the Burdened Hourly Rate discussed in [Section 2.3](#)
- 40% - Qualifications (experience with outside plant fiber construction, reputation for quality work, demonstration of the availability of qualified manpower and resources to execute the work within the Network construction timeframe, references, etc.); see also [Section 2.5](#)

MPHI will form a separate Network Evaluation Committee for each of the three Networks for which bids are requested. A Network Evaluation Committee will consist of one or more representatives from MPHI and one or more technical and financial representatives from the HCP(s) building the Network. Once a Network Evaluation Committee has been formed, the QA Contractor whose bid is being evaluated may not knowingly contact members of the Committee (other than the primary and alternate RFP contacts) regarding the QA work on the Network except at MPHI's request. Any intentional, unauthorized contact will disqualify the QA Contractor's proposal.

MPHI will provide evaluation criteria (first paragraph above) and a scoring mechanism for use by all Network Evaluation Committees. Evaluation and selection will be based on the information submitted in the QA Contractor's proposal, references, and any required oral presentations and/or demonstrations. MPHI will eliminate bids that do not meet minimum requirements.

MPHI and the HCPs expressly reserve the right to accept or reject any or all bids in whole or in part, to waive any irregularities therein, and to award a Contract to other than the low bidder. MPHI and the HCPs reserve the right to use any and all concepts presented in any proposal to achieve the desired goals for the project. Selection or rejection of proposals will not affect this right.

Each Network Evaluation Committee will select a single winning bidder. QA Contractors bidding on a Network will be evaluated independently of those bidding on the other Networks, so it is possible that a QA Contractor could submit identical bids for two identical Networks and win one but not the other. If an HCP is dissatisfied with the winning QA bid for its Network (e.g., when the lowest responsible bid is still too costly), the HCP may reject all bids.

If a Work Order in RFP 03 is not funded for any reason, the corresponding QA inspection work in RFP 04 will not be required, and all bids on such work will be rejected. See **Section 2.6.2 of RFP 03**.

Every QA Contractor that submits a bid will be notified (by e-mail) of the results of the evaluation and selection process. MPHI will publicly announce the winners.

### **3.5.3 Negotiation and Execution of Three-Way Contracts**

The Michigan Public Health Institute (MPHI) will employ a model *three-way* contract (“the Contract”) that will be signed by three parties: the Owner of the Network (the HCP), the QA Contractor, and MPHI. MPHI must be a party to the Contract to serve two functions, which are requirements for receipt of the federal funding:

- To represent the interests of the FCC and USAC to ensure that Pilot Program funds are spent in accordance with the rules of that Program
- To facilitate USAC’s payment of QA Contractor invoices through formatting and certification of invoices

Around the time of the Allowable Contract Date (ACD—see **Section 3.3**), the model Contract will be posted on MPHI’s “fiber-build” project website at: <http://fcc.mphi.org/fiber/RFP04/>. Click on the [QA Contractor-Owner-MPHI Contract](#) link.

After a winning bid has been selected for each of the four Networks and the HCPs have evaluated the costs and indicated if they wish to proceed, the project will proceed to the contract negotiation phase. Each Owner-QA Contractor pair will be presented with the model Contract and asked to sign. MPHI will prefer that its model be used, but it will not make that a requirement as long as the final Contract is acceptable to all three parties, such a Contract can be agreed upon and signed by May 27, 2011 (unless USAC extends the date discussed in **Section 3.5.4**), and certain USAC-mandated, clearly identified sections in the model Contract are retained. The final Contract must contain all of the requirements and terms set forth in this RFP.

If a Contract is awarded, it will be granted to the most responsive and responsible QA Contractor with whom MPHI and the HCP are able to negotiate a Contract that meets the objectives of the Pilot Program. If a Contract acceptable to MPHI cannot be agreed upon, MPHI may reject any and all bids. Any Contract entered into as a result of this RFP will also be contingent upon USAC approval.

The HCP and MPHI will share responsibility for driving the negotiations to conclusion. Unless USAC extends the date discussed in **Section 3.5.4**, each Contract under this RFP must be signed by May 27, 2011, or the QA work on the Network will not be funded. The Owner and QA Contractor are free to sign additional agreements between themselves.

### **3.5.4 Submission of Itemized Costs to USAC**

No later than June, MPHI will submit the bids, contracts, and other paperwork to USAC for its approval. The current deadline for formal submission of that material is June 30, 2011, although it is possible that USAC may extend the deadline. After USAC has formally approved the submitted material and issued a Funding Commitment Letter, work may begin.

### **3.5.5 Commencement of Work on RFPs 03 and 04**

The beginning of QA work under RFP 04 may lag the beginning of construction work under RFP 03 by an indeterminate amount of time because RFP 03 Contractors must begin with engineering and permitting work. That work should commence mid-summer 2011.

### **3.5.6 Invoicing for Work Performed**

QA Inspectors will be required to file detailed reports on their activities to document each of the On-Site Hours that the QA Contractor submits for payment. Reports must include the name of the HCP and identification of the fiber Span for which activity was performed, the name of the QA Inspector, date(s) of activity, start and stop clock times to the nearest five minutes, a detailed description of the activity performed, the physical location, the name of the supervisor who oversaw and/or authorized the activity (QA Contractor, HCP Project Manager, or proxy), the signature of the QA Inspector, and the signature of the QA Inspector's QA Contractor supervisor. These reports must be approved by the HCP Project Manager and submitted with the invoices.

USAC will pay for work only after it has been completed. The QA Contractor may invoice the HCP and MPHI on a semimonthly or less frequent basis. **Appendix A**, "Rural Health Care Pilot Program (RHCPP) Process," details the payment process.

## **3.6 Use of Subcontractors**

In any subcontracts entered into by the QA Contractor for the performance of services, the Contractor shall require any subcontractor, to the extent of the services to be performed by the subcontractor, to be bound to the Contractor by the terms of the Contract and to assume toward the Contractor all of the obligations and responsibilities that the Contractor, by the

Contract, assumes toward the project. MPHI reserves the right to receive copies of, and review, all subcontracts, although the QA Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to MPHI. The management of any subcontractor will be the responsibility of the QA Contractor, and the Contractor shall remain responsible for the performance of its subcontractors to the same extent as if the Contractor had not subcontracted such performance. The QA Contractor shall make all payments to subcontractors or suppliers of the Contractor. The HCPs and USAC will not be obligated for direct payments for services other than to the QA Contractor. An HCP's or MPHI's written approval of any subcontractor engaged by the QA Contractor to perform any obligation under the Contract shall not relieve the Contractor of any obligations or performance required under the Contract.

### **3.7 Security**

Employees of the QA Contractor (or any subcontractor hired for this project) who are working at any HCP site must carry photo identification that shows the employee's name, employer, and an employer phone number to verify identity. They will be required to provide the identification to HCP personnel upon request. Due to federal, state, and local privacy and security regulatory requirements, each HCP may add additional security requirements and checks.

### **3.8 Insurance**

At all times during the term of its Contract, each QA Contractor shall maintain, in full force and effect, the insurance as listed below. All insurances shall be issued by insurers and for policy limits acceptable to MPHI, and the QA Contractor shall furnish to MPHI and the HCP certificates of insurance or other evidence satisfactory to MPHI evidencing the required insurance has been procured and is in force. The certificates shall include the following express obligation:

“This is to certify that the policies of insurance described herein have been issued to the insured for whom this certificate is executed and are in force at this time. In the event of cancellation, non-renewal, or material modification affecting the certificate holder, thirty (30) days prior written notice will be given to the certificate holder.”

MPHI and each HCP for whom a QA Contractor has won the right to provide Quality Assurance services shall be additional insureds on the Contractor's Commercial General Liability, Employer's Liability, Automobile Liability, and Excess/Umbrella Liability insurance, and all other insurance described below; and the extent of the additional insured coverage afforded

shall be no less broad than General Liability and Umbrella/Excess Liability, for Auto Liability, and other coverages, or substitute equivalent coverage. The additional insured coverage afforded under the QA Contractor’s policies shall include both ongoing operations (work in progress) and completed operations (completed work). The insurance coverage shall be purchased and maintained by the QA Contractor and shall be primary to any insurances, self-insurance, or self-funding arrangement maintained by MPHI or the HCP, which shall not contribute therewith, and include severability of interests under the insurance policies.

Coverage	Minimum Limits of Liability, Terms, and Coverage
Commercial General Liability	\$1,000,000 bodily injury and property damage each occurrence, including advertising and personal injury, products, and completed operations
Automobile Liability Insurance	\$1,000,000 each person, bodily injury and property damage, including owned, non-owned, and hired auto liability
Workers’ Compensation	Statutory limits
Employer’s Liability	\$1,000,000 bodily injury by accident, each accident
	\$1,000,000 bodily injury by disease, each employee
	\$1,000,000 bodily injury by disease, policy aggregate
Umbrella/Excess Liability	\$2,000,000 each occurrence and annual aggregate
	Underlying coverage shall include General Liability, Auto Liability, and Employer's Liability
Property	The Contractor shall purchase and maintain property insurance covering machinery, equipment, mobile equipment, and tools used or owned by the QA Contractor in the performance of services under the Contract. MPHI and the HCP shall in no circumstance be responsible or liable for the loss or damage to, or disappearance of, any machinery, equipment, mobile equipment, and tools used or owned by the QA Contractor in the performance of services under the Contract.

The QA Contractor shall be responsible for the payment of any and all deductible(s) or retention(s) under the policies of insurance purchased and maintained by it pursuant to the Contract. To the extent permitted by law, all or any part of any required insurance coverage may be provided under an approved plan or plans of self-insurance.

All insurance shall be issued by insurance carriers licensed to do business by the State of Michigan or by surplus line carriers on the Michigan Insurance Commission-approved list of companies qualified to do business in Michigan. All insurance and surplus line carriers must be rated A+ or better by A.M. Best Company.

The QA Contractor’s subcontractors shall carry in full force and effect commercial general liability, automobile liability, workers’ compensation, and employer liability insurance that

complies with all terms of this section. In the alternative, the QA Contractor, at its expense, may provide such coverage for any or all of its subcontractors.

### **3.9 Miscellany**

#### **3.9.1 Fixed Price Period**

All prices, costs, and conditions outlined in a QA Contractor's proposal shall remain fixed and valid for acceptance for 120 calendar days starting on the due date for proposals.

#### **3.9.2 Oral Presentations and/or Demonstrations**

MPHI and the HCP may require a QA Contractor to make oral presentations to supplement its proposal. MPHI will make every reasonable attempt to schedule each oral presentation at a time and location that is agreeable to the QA Contractor. However, failure of a QA Contractor to make a required oral presentation may result in rejection of that Contractor's proposal.

#### **3.9.3 Incurred Costs to Propose**

MPHI and the HCP are not liable for any costs incurred by any QA Contractor prior to the execution of a Contract by all parties.

#### **3.9.4 Maintenance of Requirements to Do Business and Provide Services**

The QA Contractor and any subcontractors, at their cost, shall obtain and maintain all licenses, permits, and authority necessary to do business and render service under this RFP and any resulting contract(s) and, where applicable, shall comply with all applicable laws including, but not limited to, those regarding safety, unemployment insurance, disability insurance, and worker's compensation.

#### **3.9.5 Errors and Omissions in a QA Contractor Proposal**

A QA Contractor may revise a proposal on its own initiative at any time before the deadline for submission. The QA Contractor must submit the revised proposal in the same manner as the original was submitted.

#### **3.9.6 Errors and Omissions in the RFP**

If a QA Contractor discovers any significant ambiguity, error, conflict, discrepancy, omission, or other deficiency in this RFP, the Contractor should immediately notify MPHI (at [fcc@mphi.org](mailto:fcc@mphi.org)) of such error and request modification or clarification of the RFP. In the event it becomes necessary to provide additional data or information, or to revise any part of this RFP, MPHI will post supplements and/or revisions on the project website at <http://fcc.mphi.org/fiber/RFP04/> under the [RFP 04 Amendments](#) link. Each QA Contractor is responsible for ensuring that its proposal reflects any and all supplements and revisions issued prior to the proposal due date, regardless of how early a Contractor submits a proposal.

### **3.9.7 Objections to RFP Terms**

Should a QA Contractor object on any ground to any provision or legal requirement set forth in this RFP, the Contractor must set forth with specificity the grounds for the objection in its Contractor Certifications and Assurances document (shown at [Appendix C](#)), which is to be submitted as part of the Contractor's proposal. The failure of a QA Contractor to object in this manner shall constitute a complete and irrevocable waiver of any such objection and the right to object. However, objections may become a differentiating factor during the bid evaluation process.

### **3.9.8 Acceptance of RFP/Proposal Content**

The contents of this RFP and the QA Contractor's proposal will become contractual obligations if a Contract ensues. Failure of the QA Contractor to accept these obligations will result in cancellation of the award.

### **3.9.9 No Waiver of RFP Provisions**

No waiver by MPHI of any provision of this RFP shall be implied from any failure by MPHI to recognize or take action on account of any failure by a QA Contractor to observe any provision of this RFP.

### **3.9.10 Ownership and Disclosure of Proposals**

Proposals submitted in response to this competitive procurement shall become the property of MPHI. MPHI will share all proposals with its internal staff. Other than MPHI staff, proposals submitted for a specific Network will be shared only with the members of that Network's Evaluation Committee, which will include employees of the HCP that placed the Network in the RFP. All proposals received shall remain confidential, with the exception of any information MPHI is legally required to disclose.

### **3.9.11 Right to Audit / Cooperation with FCC/USAC Auditors**

MPHI and the HCP(s) for whom the Network is being built reserve the right to conduct, at their own expense, an independent audit of the QA Contractor's records pertaining to the Network. In the event any question arises during an FCC/USAC audit of MPHI's project records, the QA Contractor is required to reply to FCC/USAC auditor questions about the project within five (5) business days. The FCC and or USAC may audit the winning QA Contractor; the Contractor is expected to cooperate fully. Failure to cooperate with an audit may result in termination of the Contract.

### **3.9.12 Commitment of Funds**

The Executive Director of MPHI is the only individual who may legally commit MPHI to the expenditures of funds for a Contract resulting from this RFP. No cost chargeable to the proposed Contract may be incurred before receipt of a fully executed Contract.

### **3.9.13 Laws That Apply**

All proposals submitted in response to this RFP and any Contract shall be subject to all applicable laws and procedures, including, but not limited to, all FCC Orders, Statutes, and USAC requirements related to this project.

### **3.9.14 Indemnification**

MPHI and the participating HCPs are to be indemnified and held harmless by the QA Contractor and all subcontractors for the vicarious liability of MPHI and the participating HCPs as a result of this RFP and any resulting Contract(s).

QA Contractor agrees to indemnify, defend, and hold harmless MPHI, all participating HCPs, and their respective Boards of Directors, in their official and individual capacities, administrators, employees, agents, contractors, successors, and assignees, from and against any and all costs, expenses, damages, and liabilities, including reasonable attorney's fees, arising out of the: (i) acts or omissions of the Contractor, its officers, directors, employees, successors, assignees, contractors, and agents; (ii) any breach of the terms of the Contract by Contractor; or (iii) any breach of any representation or warranty by Contractor under the Contract.

QA Contractor shall indemnify and hold harmless the HCP and MPHI against any liens filed for non-payment of Contractor's bills in connection with Contract work.

### **3.9.15 Access to HCP Facilities**

Each HCP will provide reasonable access to facilities and locations required to perform QA work.

## 4. What to Submit: Mandatory Proposal Content

### 4.1 Cover Letter

Each QA Contractor submitting a proposal must provide a cover letter signed by an individual authorized and empowered to bind the Contractor to the provisions of this RFP and any Contract awarded pursuant to it. The letter should include the following:

- The legal name of the QA Contractor
- A statement that the proposal has been submitted in response to MPHI RHCPP RFP 04
- Identification of the specific Network that the proposal addresses. See [Section 1.4](#).
- A narrative description of the firm’s experience in OSP fiber optic cable installation

### 4.2 QA Contractor Questionnaire

Each QA Contractor submitting a proposal must complete, sign, and submit the Contractor Questionnaire found at [Appendix B](#). The Questionnaire requests basic information about the QA Contractor, e.g., the names of three customers who can serve as references for QA or fiber construction work performed within the last five years. MPHI may contact selected references to determine the quality of the work the QA Contractor performed and the quality of the personnel assigned to the project. The results of the reference checks will be provided to the Network Evaluation Committee and used in scoring the proposal.

### 4.3 QA Contractor Certifications and Assurances

Each QA Contractor submitting a proposal must complete, sign, and submit the QA Contractor Certifications and Assurances found at [Appendix C](#).

### 4.4 Description of Approach to QA Responsibilities

Subject to RFP requirements, each QA Contractor submitting a proposal is encouraged to describe, propose, or comment upon the following aspects of the project:

- Structuring the relationship with the HCP Project Manager and the Construction Contractor
- An approach to fulfilling the QA Inspection Responsibilities enumerated in [Section 2.1](#) (priorities, time allocation, etc.)
- Its role in each phase of the construction of a fiber Span: route engineering, permitting, acquisition of fiber and hardware for the fiber Span, installation/construction, testing, and documentation. Refer to [Section 3.4 of RFP 03](#) for descriptions of these phases.

- An approach to ensuring that all work performed by the Construction Contractor complies with applicable State, national, and international standards and codes (as described in RFP 03 Section 3.4.7) and with the Specifications detailed in Appendix G of RFP 03

## 4.5 Burdened Hourly Rate

Each QA Contractor submitting a proposal must submit a Burdened Hourly Rate as described in Section 2.3. The Burdened Hourly Rate is the flat-fee amount of money charged for each On-Site Hour of time a QA Inspector *actually spends on site* performing work described in Section 2.1. The QA Contractor's Burdened Hourly Rate must compensate the QA Contractor for all travel time, per diem, transportation, communication, and other overhead/administrative expenses. Any time spent on activities not explicitly enumerated in Section 2.1 or otherwise authorized by the HCP Project Manager will NOT count toward On-Site Hours.

## 4.6 QA Inspector Resumes and Subcontractors

Each QA Contractor submitting a proposal must submit resumes describing the educational background and work experiences of *each and every* employed or subcontracted QA Inspector who will be assigned to the project. The QA Contractor must also identify all subcontractors that will be paid more than ten percent (10%) of the overall project budget. Additionally, the QA Contractor must describe the role of each such subcontractor and the subcontractor's experience in that role.

## 5. Summary of Networks

This RFP seeks QA Inspection proposals for three (3) Networks. Each Network consists of a Work Order defined in Section 4 of RFP 03. The three RFP 04 Networks and their corresponding RFP 03 Work Orders are shown below.

The **Covenant Network** is comprised of:

- Subsection 4.2 of RFP 03 – Covenant Medical Center – 2 Spans

The **Portage Network** is comprised of:

- Subsection 4.5 of RFP 03 – Portage Health – 9 Spans
- The Portage network design described in RFP 03 has been amended by the documents posted at [http://fcc.mphi.org/fiber/RFP03/03\\_amendments.html](http://fcc.mphi.org/fiber/RFP03/03_amendments.html) . The Span descriptions that follow reflect these amendments.

The **Sparrow Network** is comprised of:

- Subsection 4.6 of RFP 03 – Edward W. Sparrow Hospital Association – 9 Spans

Subsections 4.1 (Baraga), 4.3 (Covenant IRU arrangement), and 4.4 (Memorial) of RFP 03 are not participating in RFP 04.

The 20 Spans that comprise the three Networks are listed in the spreadsheet shown on next page. Detailed descriptions of the Spans are provided in the relevant subsections of RFP 03 and, in the case of four (4) Portage Spans, in the RFP 03 Amendments.

RFP 04 – Quality Assurance Inspection Services for Oversight of Outside Plant Fiber Construction

<b>List of RFP 03 Spans within the Three RFP 04 Networks</b>					
<b>Health Care Provider</b>	<b>Type of Ownership Requested</b>	<b>RFP 03 Section #</b>	<b>Span Designator</b>	<b>Span Name (Street Address to Street Address)</b>	<b>Span Mileage (Approx.)</b>
<b>RFP 04 – Covenant Network</b>					
Covenant	Outright	4.2.1	G - A	515 N. Michigan Ave., Saginaw 48602 to 700 Cooper Ave., Saginaw 48602	1.1
Covenant	Outright	4.2.2	G - H	515 N. Michigan Ave., Saginaw 48602 to 5400 Mackinaw Rd., Saginaw 48604	5.3
<i>Total of 6.4 miles</i>					
<b>RFP 04 – Portage Network</b>					
Portage	Outright	4.5.1	A - B	500 Campus Dr., Hancock 49930 to 56901 S. Sixth St., Calumet 49913	10
Portage	Outright	4.5.2	B - C	56901 S. Sixth St., Calumet 49913 to 945 Ninth St., Lake Linden 49945	5
Portage	Outright	4.5.3	C - D	945 Ninth St., Lake Linden 49945 to 540 Depot St., Hancock 49930	12
Portage	Outright	4.5.4	D - H	540 Depot St., Hancock 49930 to 921 W. Sharon Ave., Houghton 49931	3
Portage	Outright	4.5.5	H - I	921 W. Sharon Ave., Houghton 49931 to 600 MacInnes Dr., Houghton 49931	2.5
Portage	Outright	4.5.6	I - A	600 MacInnes Dr., Houghton 49931 to 500 Campus Dr., Hancock 49930	5.4
Portage	Outright	4.5.7	A - L	500 Campus Dr., Hancock 49930 to 751 W. Seventh St., Ontonagon 49953	55
Portage	Outright	4.5.8	A - J	500 Campus Dr., Hancock 49930 to 18341 U. S. Hwy. 41, L'Anse 49946	39
Portage	Outright	4.5.9	J - K	18341 U. S. Hwy. 41, L'Anse 49946 to 420 W. Magnetic St., Marquette 49855	69
Portage	Outright	Amendment	A - C	500 Campus Dr., Hancock 49930 to 945 Ninth St., Lake Linden 49945	10
Portage	Outright	Amendment	B - D	56901 S. Sixth St., Calumet 49913 to 540 Depot St., Hancock 49930	10
Portage	Outright	Amendment	H - L	921 W. Sharon Ave., Houghton 49931 to 751 W. Seventh St., Ontonagon 49953	50
Portage	Outright	Amendment	I - J	600 MacInnes Dr., Houghton 49931 to 18341 U. S. Hwy. 41, L'Anse 49946	32
<i>Total of 187.0 miles</i>					
<b>RFP 04 – Sparrow Network</b>					
Sparrow	Outright	4.6.1	A1 - B1	1215 E. Michigan Ave., Lansing 48912 to 2909 E. Grand River Ave., Lansing 48912	3
Sparrow	Outright	4.6.2	A1 - C1	1215 E. Michigan Ave., Lansing 48912 to 405 W. Greenlawn Ave., Lansing 48910	4
Sparrow	Outright	4.6.3	A1 - D1	1215 E. Michigan Ave., Lansing 48912 to 2900 Hannah Blvd., East Lansing 48823	7
Sparrow	Outright	4.6.4	A1 - E1	1215 E. Michigan Ave., Lansing 48912 to 1600 W. Grand River Ave., Okemos 48864	8
Sparrow	Outright	4.6.5	A1 - F1	1215 E. Michigan Ave., Lansing 48912 to 800 E. Columbia St., Mason 48854	20
Sparrow	Outright	4.6.6	A1 - G1	1215 E. Michigan Ave., Lansing 48912 to 479 E. Lafayette St., Ionia 48846	45
Sparrow	Outright	4.6.7	A1 - H1	1215 E. Michigan Ave., Lansing 48912 to 805 S. Oakland St., St. Johns 48879	20
Sparrow	Outright	4.6.8	H1 - I1	805 S. Oakland St., St. Johns 48879 to 406 E. Elm St., Carson City 48811	28
Sparrow	Outright	4.6.9	A2 - B2	1210 W. Saginaw St., Lansing 48915 to 1200 E. Michigan Ave., Lansing 48912	3
<i>Total of 138.0 miles</i>					

## 6. Appendices

This RFP contains three Appendices:

- A – Rural Health Care Pilot Program (RHCPP) Process. This Appendix describes the Universal Service Administrative Company's (USAC's) administration of the Pilot Program, to include rules, processes, procedures, etc. It also describes the somewhat complicated, USAC-mandated invoicing process.
- B – Contractor Questionnaire. QA Contractors who submit bids must complete this form. See [Section 4.2](#).
- C – Contractor Certifications and Assurances. QA Contractors who submit bids must complete this form. See [Section 4.3](#).

## A. Rural Health Care Pilot Program (RHCPP) Process

### 1. Overview of Pilot Program

The FCC established the RHCPP in its *2006 Pilot Program Order*.<sup>10</sup> The goal of the Pilot Program is to “stimulate deployment of the broadband infrastructure necessary to support innovative telehealth and, in particular, telemedicine services to those areas of the country where the need for those benefits is most acute. ... Applicants [for Pilot Program grants] were instructed to present a strategy for aggregating the specific needs of health care providers within a state or region, including providers that serve rural areas, and for leveraging existing technology to adopt the most efficient and cost-effective means of connecting those providers.”<sup>11</sup> Pilot Program funds can be used to “support up to 85 percent of the costs associated with the construction of state or regional broadband health care networks and with the advanced telecommunications and information services provided over those networks.”<sup>12</sup>

### 2. Competitive Bidding Requirement Overview

The Pilot Program Selection Order<sup>13</sup> requires the selected participants (such as MPHI) to conduct a competitive bidding process to choose the most cost-effective Contractor for construction of each Work Order’s set of fiber Spans (each set of fiber Spans within a Work Order is also referred to as a Network). To satisfy the competitive bidding requirement, among other things, MPHI must (1) submit an FCC Form 465 that includes a description of the services for which the health care providers (HCPs) are seeking support (in other words, this RFP) and (2) wait at least 28 days from the date the RFP is posted on USAC’s website before making commitments with the selected Contractor(s). MPHI will post the RFP for nine weeks (63 days) and, along with the HCPs, will conduct a formal evaluation of bids that are received.

### 3. Contractor Eligibility & Miscellaneous Requirements

Any Contractor that provides services or equipment eligible for funding under the Pilot Program may submit bids. Eligible Contractors include all telecommunications providers, Internet service providers, network design firms, various types of construction companies, et al. To receive RHCPP support, Contractors must obtain a Service Provider Identification Number (SPIN) from USAC. USAC uses the SPIN to pay Contractors. For more information about SPINs,

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<sup>10</sup> FCC Order 06-144, released September 29, 2006, [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/FCC-06-144A1.doc](http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-06-144A1.doc).

<sup>11</sup> *2007 Rural Health Care Pilot Program Selection Order*, FCC Corrected Order 07-198, originally released November 19, 2007, corrected December 17, 2007, [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-279101A1.doc](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-279101A1.doc), Paragraphs 1 and 19..

<sup>12</sup> *Ibid.*, Paragraph 2.

<sup>13</sup> *2007 Rural Health Care Pilot Program Selection Order*.

see <http://www.universalservice.org/fund-administration/recipients/obtain-service-provider-id/obtain-service-provider-id.aspx>.

Contractors or service providers participating in a Pilot Program competitive bid process are prohibited from assisting with or filling out MPHI’s service request (e.g., any of the Span Specifications Sheets within the RFP).

Prior to receiving any Pilot Program support, a Contractor must complete a certification stating that it will comply with Pilot Program rules and use Pilot Program funding only for the intended purposes.

Contractors must retain their project records for 5 years.<sup>14</sup> Records are subject to USAC audit.

#### **4. Eligible Costs**

The Pilot Program will pay for the design, engineering, materials, and construction of fiber facilities or other broadband infrastructure, and engineering, furnishing, and installing network equipment.<sup>15</sup> Presumably, quality assurance activity conducted in the field during the installation of fiber optic cable, including the testing of that cable to ensure that it meets all requirements, is comprehended by the footnoted statement and is eligible for Pilot Program funding.

#### **5. RFPs on Which Contractors May Bid**

Contractors may view the posted service requests (i.e., RFPs) and associated documents on the [Search Postings](#) page of the RHCPP website. Posted information includes:

- Services requested (RFPs) in PDF format
- The associated FCC Form 465, “Description of Services Requested & Certification Form”
- Participating HCP sites
- The Project Coordinator’s (PC) name, location, and contact information. In MPHI’s case, the primary contact is not the PC; the primary contacts are the MPHI project managers noted in [Section 3.2](#) of this RFP.
- The Allowable Contract Date, or the earliest date on which a contract can be awarded, or 28 days from the day on which the RFP was posted. However, the posting period often exceeds 28 days. For this RFP, it is 35 days.

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<sup>14</sup> *Ibid.*, Footnote 277.

<sup>15</sup> *Ibid.*, Paragraph 74.

## **6. Selection Process**

MPHI must evaluate all bids and select the most cost-effective service or facility provider available. In selecting the most cost-effective bid, in addition to price, the FCC's 2007 Pilot Program Selection Order requires participants like MPHI to consider non-cost evaluation factors that include prior experience, including past performance; personnel qualifications, including technical excellence; management capability, including solicitation compliance; and environmental objectives (if appropriate). See **Section 3.5.2** of this RFP, "Evaluation of Proposals."

## **7. Submission of FCC Form 466-A**

MPHI must submit the following documentation to USAC for its review and approval before MPHI and a Contractor can sign a contract:

- FCC Form 466-A
- Form 466-A Attachment, a list of HCP sites served and the services provided
- A Network Cost Worksheet, a list of *itemized* equipment, services, and costs
- Documentation describing the competitive bidding process and the contracts to be signed
- Certifications by MPHI and the Contractor
- Network diagram(s), if applicable
- A project sustainability plan

## **8. Funding Commitment Letter and Support Acknowledgement Letter**

When USAC has approved a request for service support (FCC Form 466-A and the associated attachments listed immediately above), USAC will send a Funding Commitment Letter (FCL) to the Contractor and MPHI. The FCL indicates that the project is eligible for the support specified in the letter, contingent upon submission of a Connection Certification Form (FCC Form 467). After receiving the Form 467, USAC creates a Support Acknowledgement Letter and sends it to MPHI and the Contractor. The Support Acknowledgement Letter provides a detailed report of the approved service(s) and support information.

## **9. What to Do When the Funding Commitment Letter Is Received**

Contractors should validate the SPIN on the FCL. If the SPIN is incorrect, please contact the Rural Health Care Pilot Program.

## **10. What to Do When the Support Acknowledgement Letter Is Received**

Contractors should validate the SPIN on the Letter. Once the Contractor receives the letter, it can bill the project for services (work packages) completed. The entity that receives the bill and pays for the service is defined as the "billed entity."

## 11. USAC Invoicing Process

USAC will disburse Pilot Program funds to the Contractor based on the submission of detailed invoices for *incurred* eligible costs: hardware will have to have been installed, tested, and formally accepted; installation will have to have been completed, tested, and formally accepted; and service will have to have been rendered *before* the Contractor can invoice MPHI/USAC for *any* hardware, installation, or service, respectively.

The Contractor will invoice using the following five-step process:

- **Contractor Invoices HCP and Collects Payment.** The Contractor must first invoice the HCP for 100 percent of the cost and collect payment for the HCP's 15 percent share before it can invoice MPHI.
- **Contractor Invoices MPHI.** After receipt of payment from the HCP, the Contractor may invoice MPHI by submitting three items: (1) an invoice that shows the full cost and contains the items listed under "Invoice Requirements" immediately below; (2) proof that the HCP has paid its required percentage; and (3) a copy of the Network Cost Worksheet (NCW) page(s) that contains the invoiced items. The invoiced items should be highlighted.
- **MPHI Processes Invoice.** MPHI will review the invoice, proof of HCP payment, and marked-up NCW. MPHI will reformat the invoice to USAC specifications, certify the invoice, and return it to the Contractor. At the same time, MPHI will submit documentation supporting the invoice to USAC.
- **Contractor Certifies Invoice.** The Contractor will also certify the invoice MPHI has prepared and then submit it to USAC for payment. Invoices may be submitted on a semimonthly basis.
- **USAC Reviews and Pays.** USAC will review the invoice submitted by the Contractor and the supporting documentation submitted by MPHI and then pay the Contractor 85 percent of the total cost. As of February 2011, USAC pays invoices twice a month.

## 12. Invoice Requirements

At a minimum, every invoice a Contractor submits to MPHI must contain the following data elements:

- Invoice number
- Invoice date
- Contractor's Billing Account Number (BAN)
- Health Care Provider (name of hospital system)
- Identification of the fiber Span for which activity was performed
- Total invoice amount
- The Burdened Hourly Rate and the number of On-Site Hours worked

- For each and every On-Site Hour, documentation that includes, at a minimum, identification of the fiber Span for which activity was performed, the name of the QA Inspector, date(s) of activity, start and stop clock times to the nearest five minutes, a detailed description of the activity performed, the physical location, the name of the supervisor who oversaw and/or authorized the activity (QA Contractor, HCP Project Manager, or proxy), the signature of the QA Inspector, and the signature of the QA Inspector's QA Contractor supervisor

## B. QA Contractor Questionnaire

### Contractor Questionnaire (page 1)

#### Contractor / Corp. HQ Information

Name of legal entity			
dba, assumed, or operating names			
Total company revenue in 2009 (\$millions)			
Form of business entity (C-Corp., S-Corp., LLC, et al.)		Year co. founded	
If corp., state of incorporation / if LLC, state of formation		No. yrs. of relevant experience	
Business focus (services offered)			
Main office - street address 1			
Main office - street address 2			
Main office - city, state, & zip			
Main office - telephone #	( )	Main fax #	( )

Is another office managing this project? Y or N (circle) If Y, please provide address & tel. on an attached sheet.

#### Primary Point of Contact for Questions about RFP

Title (Mr., Mrs., Ms., Dr., etc.)

Printed name	First	Middle Initial	Last
Job Title			
Street Address 1			
Street Address 2			
City, State, Zip			
Office telephone #	( )	Fax #	
Cell phone #	( )	( )	
E-mail address			

#### Alternate Point of Contact

Title (Mr., Mrs., Ms., Dr., etc.)

Printed name	First	Middle Initial	Last
Job Title			
Street Address 1			
Street Address 2			
City, State, Zip			
Office telephone #	( )	Fax #	
Cell phone #	( )	( )	
E-mail address			

#### Project Manager

Title (Mr., Mrs., Ms., Dr., etc.)

Printed name	First	Middle Initial	Last
Job Title			
Street Address 1			
Street Address 2			
City, State, Zip			
Office telephone #	( )	Fax #	
Cell phone #	( )	( )	
E-mail address			

### Contractor Questionnaire (page 2)

<b>Accounting Liaison</b>	Title (Mr., Mrs., Ms., Dr., etc.)	
Printed name	First	Middle Initial
Job Title		
Street Address 1		
Street Address 2		
City, State, Zip		
Office telephone #	(      )	Fax #
Cell phone #	(      )	(      )
E-mail address		

### Interrogatories

<p>During the past five (5) years, has the Contractor incurred any damages or penalties or given up or traded anything of value under any of its existing or past contracts as they relate to services performed that are similar to the services contemplated by this RFP and the resulting Contract? Y or N? (circle one) If Y, attach a separate page indicating the reason for the damages/penalties/etc. and an estimated cost of each incident to the Contractor.</p>
<p>During the past five (5) years, under any order, judgment, or decree issued by a Federal or State authority, has the Contractor been barred, suspended, or otherwise limited from engaging in any business, practice, activity? Y or N? (circle one) If Y, attach a separate page that provides the legal citation to the administrative and/or court case(s) and describes the nature of the order/judgment/decrees and the reason for its(their) issuance.</p>
<p>As a result of any fiber optic installation or quality assurance work the Contractor has performed within the last ten (10) years, were any lawsuits filed or legal actions taken against the Contractor? Y or N? (circle one) If Y, attach a separate page describing the litigation or action(s).</p>
<p>The person signing below certifies under penalty of perjury that the responses to the three questions immediately above are truthful and accurate to the best of his or her knowledge, information, and belief. This is also to certify that this person/firm/corporation has neither been barred from submitting a proposal on contracts by any agency in the State of Michigan, nor is this person/firm/corporation a part of any firm/corporation that has been barred from submitting a proposal on contracts by any agency in the State of Michigan.</p>

Signature of Certifying Officer		
Printed Name		Date
Job Title		
Company Name		
Company Address		

**Contractor Questionnaire (page 3)**

**References from Similar, Previous Projects**

<b>1</b> Printed Name Job Title Employer Street Address 1 Street Address 2 City, State, Zip Office telephone #  Description of Work and Dates Completed (Attach separate sheet if necessary)	Title	First	M.I.	Last
	( )		Cell phone # ( )	
<b>2</b> Printed Name Job Title Employer Street Address 1 Street Address 2 City, State, Zip Office telephone #  Description of Work and Dates Completed (Attach separate sheet if necessary)	Title	First	M.I.	Last
	( )		Cell phone # ( )	
<b>3</b> Printed Name Job Title Employer Street Address 1 Street Address 2 City, State, Zip Office telephone #  Description of Work and Dates Completed (Attach separate sheet if necessary)	Title	First	M.I.	Last
	( )		Cell phone # ( )	

## C. QA Contractor Certifications and Assurances

The QA Contractor must complete and sign this document and initial each page. It must be signed by an individual empowered to bind the QA Contractor to the provisions of this RFP and any Contract awarded pursuant to it.

QA Contractor's Legal Entity Name: \_\_\_\_\_

QA Contractor's Federal Employer Identification Number: \_\_\_\_\_

QA Contractor's USAC SPIN: \_\_\_\_\_

I/we make the following certifications and assurances as a required element of the proposal to which it is attached, understanding that the truthfulness of the facts affirmed here and the continuing compliance with these requirements are conditions precedent to the award or continuation of the related Contract(s):

1. I/we declare that all answers and statements made in the proposal are true and correct.
2. The price data have been determined independently, without consultation, communication, or agreement with others for the purpose of restricting competition. However, I/we may freely join with other persons or organizations for the purpose of presenting a single proposal.
3. The attached proposal is a firm offer for a period of 120 calendar days following receipt, and it may be accepted by MPHI and the Health Care Provider (HCP) for whom the fiber Network is built without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 120-day period.
4. In preparing this proposal, I/we have not been assisted by any current or former employee(s) of the State of Michigan, the Michigan Public Health Institute (MPHI), or the participating HCP whose duties relate (or did relate) to this proposal or prospective contract and who was assisting in other than his or her official, public capacity. Any exceptions to these assurances are described in full detail on a separate page and attached to this document.
5. I/we understand that MPHI will not reimburse me/us for any costs incurred in the preparation of this proposal. All proposals become the property of the MPHI, and I/we claim no proprietary right to the ideas, writings, items, or samples, unless so stated in this proposal.
6. Unless otherwise required by law, the price data that have been submitted have not been, and will not be, knowingly disclosed by the above-named QA

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Contractor, directly or indirectly, to any other contractor or to any competitor prior to MPHI opening bids.

7. I/we agree that submission of the attached proposal constitutes acceptance of the Request for Proposals (RFP) contents. If there are any exceptions to these terms, I/we have described those exceptions in detail on a page(s) attached to this document.
8. No attempt has been made or will be made by the QA Contractor to induce any other person or firm to submit or to not submit a proposal for the purpose of restricting competition.
9. I/we grant MPHI the right to contact references and others, who may have pertinent information regarding the QA Contractor’s prior experience and ability to perform the services contemplated in this procurement.
10. I/we have read and understand the RFP, all related legal documents, and related laws applicable to this proposal and shall comply with all aforementioned items, including, but not limited to:
  - FCC Order 06-144
  - FCC Order 07-198 including correction
  - The Telecommunications Act of 1996
  - USAC’s Pilot Program process
  - Local, State, and Federal Laws
11. I/we understand and, if selected, will comply with the all terms, conditions, and specifications of this RFP, including supplements or revisions thereto published on MPHI’s “fiber-build” project website (<http://fcc.mphi.org/fiber>), *except* as expressly stated below:

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(Use a separate sheet of paper, if necessary. List the Contractor’s proposed alternative(s) to each exception.)

12. I/we agree to use the “standard QA Contractor-HCP-MPHI Contract” written by MPHI and published on MPHI’s “fiber-build” project website (<http://fcc.mphi.org/fiber/RFP04/>)<sup>16</sup> under the conditions described in **Section 3.5.3** of the RFP, except for sections to which the QA Contractor objects and wishes to negotiate if it wins the bid. The QA Contractor should attach a separate page listing each such section and a request to either delete the section or to substitute the Contractor’s alternative language as proposed and presented on the separate page. Also list on the separate page the text of additional provisions that the QA Contractor wishes to add to the standard Contract.

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13. Neither the QA Contractor nor any employee of the QA Contractor has any familial relationship with any member of the MPHI Board of Directors or the individuals identified in **Section 3.2** of the RFP, and neither the Contractor nor any employee of the Contractor has any familial relationship with any member of the HCP’s Board of Directors or the HCP’s executive management, except as disclosed in full detail on a separate page and attached to this document.

14. The information contained in the attached bid proposal is true and accurately portrays all aspects of the goods and services or both contemplated by this RFP. The QA Contractor is aware that any substantive misinformation or misrepresentation may disqualify the bid proposal from further consideration.

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<sup>16</sup> The standard Contract will be posted on MPHI’s “fiber-build” project website (<http://fcc.mphi.org/fiber/RFP04/>) around the time of the Allowable Contract Date (ACD—see **Section 3.3** in the main body of the RFP).

RFP 04 – Quality Assurance Inspection Services for Oversight of Outside Plant Fiber Construction

*On behalf of the firm submitting this proposal, my Signature below attests to the accuracy of the above statements.*

Authorized Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Date: \_\_\_\_\_  
Title: \_\_\_\_\_  
QA Contractor (firm name): \_\_\_\_\_  
Telephone Number(s): \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Fax Number: \_\_\_\_\_