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# **Nunavut Broadband Development Corporation**

## **Request for Proposal**

**Closing Date April 21, 2003**

**Version 1.0, March 21, 2003**

**Please check the NBDC Web Site for amendments.**

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# **1 Project Overview**

## **1.1 Purpose of the Request for Proposal (RFP)**

The purpose of this Request for Proposal (RFP) is to solicit proposals from vendors that wish to provide broadband services in Nunavut as part of the activities of the Nunavut Broadband Development Corporation (NBDC).

## **1.2 Nunavut Broadband Goal**

The goal of the broadband project is to identify and select one or more vendors to bring broadband connectivity to users in Nunavut. Connectivity includes:

- Providing links from the national broadband network to the 25 organized Nunavut municipalities;
- Providing commercial broadband services within communities for both public and private sector customers;
- Providing access and training related to applications that use broadband services;
- Providing technical and application support to enable users to implement broadband.

The Nunavut Broadband Project is described in more detail in the document Nunavut Broadband Development Corporation – Moving Forward which may be found in Appendix A and forms part of this RFP.

## **1.3 Major Challenges in Nunavut**

The primary challenge for Nunavut is to connect the 25 municipalities to each other and to the outside world with broadband-level services.

These 25 communities have no roads to the outside world and in all cases the distance to the next community and to the outside world precludes the use of wires on poles, buried cable and microwave towers. While every community has sea access, the cost of an undersea cable solution is financially out of the question. This leaves Nunavut communities the sole option of satellite services for connecting communities.

The second significant challenge for most Nunavut communities is to enable the technology skills and support services needed to install, maintain and use broadband in Nunavut.

#### **1.4 Scope of the RFP**

This RFP requests proposals for the provision of **broadband infrastructure services** including:

- Connection of 25 communities with each other and the outside world by satellite to a community point of presence (PoP);
- Distribution of broadband services within 25 communities from a community PoP to customers within the community;
- Installation, maintenance and evolution of the above services.

Responses to this RFP may include ideas for the provision of **broadband application services** that can be deployed on the broadband infrastructure. These applications include:

- Local (community level) support of attached computers and other devices;
- Provision of services related to E-Mail and Websites;
- Provision of E-commerce and related business services;
- Development and maintenance of local content (community level and content based on the Inuktitut language).

#### **1.5 Assistance for Broadband in Nunavut**

##### **1.5.1 Industry Canada Support**

This RFP has been developed with the assistance of a grant from the Broadband for Rural and Northern Development Program administered by Industry Canada. For more details see the website <http://broadband.gc.ca>.

##### **1.5.2 Indian and Northern Affairs Canada**

Support for the operation of the Community Champion, Nunavut Broadband Development Corporation has been provided by Indian and Northern Affairs using their innovation funds.

### **1.5.3 Private Sector Support**

A number of private sector organizations have contributed to the work of the NBDC.

## **1.6 Proposal Submission Process**

Proposals in response to this RFP must be submitted to NBDC in accordance with the details outlined in Appendix B – Proposal Submission Process. Questions and comments from vendors will be addressed as outlined in Appendix B. Proposals should follow the general format outlined in Appendix C – Sample Proposal.

Bidders should note that proposals will be reviewed by NBDC advisors and board members who may be acting as volunteers. Bidders must include prices for services offered in the proposal and should note that contents of the proposals, including prices may be included in a Business Plan distributed to the public. Bidders should not include confidential material in their proposals. Appendix B outlines a process for assessing the Financial Capability of vendors without divulging confidential material.

## **1.7 Evaluation Process**

Proposals will be evaluated as outlined in Appendix D – Evaluation Process. This process will identify one or more proposals and bidders called the Selected Proposal(s) and the Selected Bidder(s). The details of Selected Proposal(s) will be included in a NBDC Business Plan to be used to obtain funding assistance. Once funding assistance has been located and committed, NBDC will undertake contract negotiations with Selected Bidders leading to a contract award.

The identification of a Selected Proposal will not necessarily be based on the lowest price. The weighting of price and other factors is generally outlined in Appendix D.

## **1.8 Contract, Certification and Licensing Issues**

Section 9 – Contract and License Agreements and Appendix E – Contract and Certification Issues contains a number of issues that are applicable to this RFP and to proposals responding to this RFP.

## 2 Project Administration

### 2.1 Community Champion

The Nunavut Broadband Development Corporation (NBDC) is a not-for-profit legal entity established under federal legislation. NBDC has the legal authority to enter into contracts with governments providing funds and with suppliers offering goods and services.

In 2001 the Minister of Sustainable Development, Government of Nunavut (GN) established the Nunavut Broadband Task Force to review issues related to Broadband and to provide recommendations. The Task Force membership was drawn primarily from the private sector and Inuit and community organizations. The Task Force report was presented to the Cabinet of the GN in August 2002 including a recommendation to create a successor of the Task Force to pursue Broadband in Nunavut. (For more details on the Task Force see the Task Force report at [www.nunavut-broadband.ca](http://www.nunavut-broadband.ca)).

In October 2002 the Nunavut Broadband Development Corporation (NBDC) was created by private individuals who had worked together as part of the Nunavut Broadband Task Force. The membership of the NBDC organization will represent community, NGO, private sector and citizen interests. The NBDC is independent of the Government of Nunavut and the Government of Canada. The overall purpose of the organization is to enable Broadband services for use by Inuit and community organizations, NGOs, the private sector and citizens. The specific purposes of NBDC may be summarized as follows:

- a) To encourage the implementation of the Nunavut Broadband Task Force recommendations directly and through the governments of Canada and Nunavut;
- b) To establish partnerships with governments, private sector organizations and NGOs for the purpose of the development and implementation of Broadband services in Nunavut;
- c) To prepare and publish reports and metrics to regularly assess the gap between the communication services available in the south compared to the services and the related costs in Nunavut.

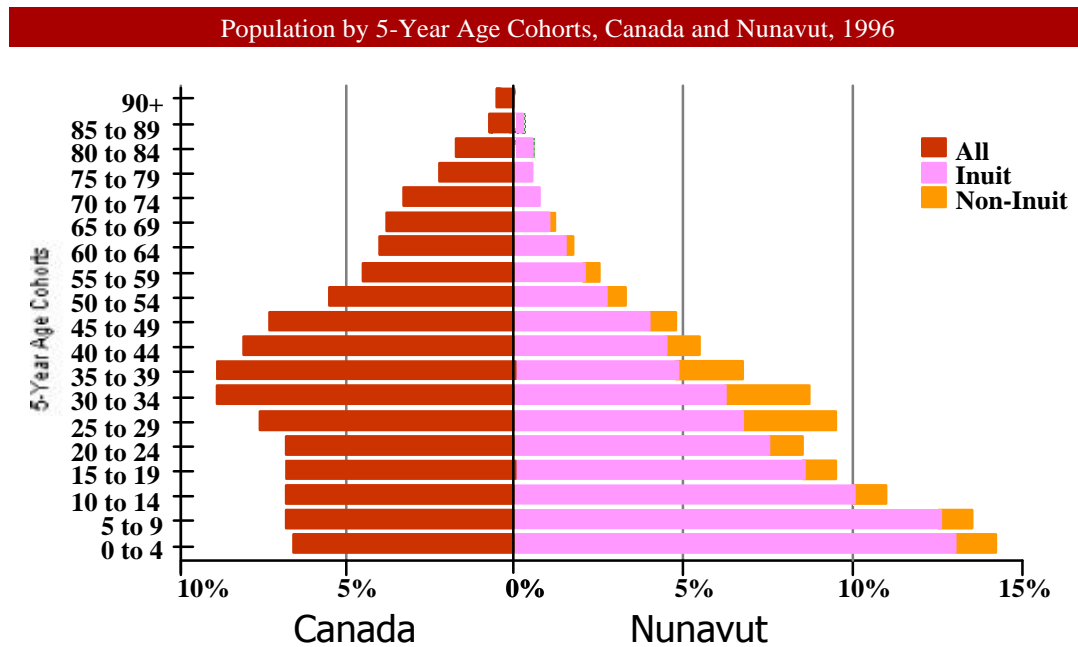
Members of the Board of Directors, advisors and staff of the NBDC are listed in Appendix F.

### 3 The Community

#### 3.1 Community Overview

The entire Nunavut Territory is viewed as a Community for the purpose of the development of Broadband in Nunavut. More specifically the Nunavut Community consists of the people and organizations that permanently reside in the 25 hamlets and municipalities listed in Appendix G. Excluded are locations that are operated by resource companies and defense, research and tourism locations occupied on a seasonal basis.

Nunavut's population is 85% Inuit. The population resides across three time zones in one of the harshest climates in the world. None of the 25 populated locations is accessible by road. Goods may be shipped by sea on a seasonal basis but for some locations, a season may pass without sea access due to ice conditions. The population of Nunavut is compared to Canada in the following chart. Note the difference between Canada and Nunavut as to age distribution.



The following organizations or functions exist in every Nunavut location:

- An airport;
- A power plant;
- A tank farm for distribution of petroleum products;
- A municipal government including water and sewage services;
- One or more schools, a health centre (and in one case, a hospital);
- One or more retail stores selling food and consumer goods;
- Basic voice telephone services provided by Northwestel.

Some of the 25 locations also include Canada or Nunavut government offices, banks, construction companies and Nunavut Arctic College facilities. All locations have various NGO and private sector interests to service the community, to support tourism, culture and craft products, wildlife and marine activities, resource development and arctic research projects.

Several of the above organizations and functions have private low-speed data communications services for administrative purposes funded by various government and private sector budgets. Most locations have no public communications services beyond basic voice telephone services.

The current communications infrastructure in Nunavut supports applications that were typical during the 1980's in southern Canada.

Other projects and budgets address the specific needs of health, core government functions such as payroll and the administrative needs of the schools and Nunavut Arctic College. Such functions are not the subject of this proposal.

Nunavut has been very successful in installing and managing computer and communications services for internal government purposes. In addition, recent projects have been completed or are underway to install computers supplied by the Gates Foundation in libraries and to provide Telehealth services in selected health centres.

This proposal specifically addresses the needs of Nunavut beyond basic administrative and health functions including the following activities, organizations and users:

- Municipal governments;

- Inuit and community organizations (NGOs);
- Inuit language and cultural activities;
- Access to remote education services;
- Artists and carvers for creative and distribution purposes;
- Private sector organizations;
- Citizens.

### **3.2**      ***Current Levels of Connectivity***

The following material represents the current status of Internet connectivity available in Nunavut.

#### **3.2.1 Part 1: Providers of Internet Access**

Appendix H – Current Levels of Connectivity contains a list of the companies and organizations that currently provide access to Internet connectivity in Nunavut. This list does not include governments and other organizations that provide access to employees and contractors for internal use. In most communities the Internet access commercially available is limited to dial-up service that provides about 40 Kbps service when lightly loaded. Clearly, broadband is not currently available in Nunavut.

#### **3.2.2 Part 2: Users of Internet Access**

Appendix H – Current Levels of Connectivity contains a list of the major businesses and institutions currently connecting to the Internet from Nunavut communities. As noted above, broadband services are not in use commercially due to the cost of satellite services.

## **4**      **Statement of Work**

### **4.1**      ***Bidders May Address All or Part of the Scope***

The scope of the goods and services requested by this RFP is broad and some Bidders may not routinely provide goods and services that fit in all categories.

Some Bidders may wish to respond as a prime contractor with subcontractors providing portions of the service and as a result may provide solutions in all categories. Other Bidders may wish to focus their response to specific categories or specific regions or communities in Nunavut.

These various alternatives will be evaluated based on the factors outlined in Appendix D -- Evaluation Process.

## **4.2 Categories of Goods and Services**

For the purposes of the Nunavut Broadband Project, the entire Broadband space has been subdivided into 7 categories as follows:

	<b>Name of Category</b>	<b>Description of Category</b>
1	Satellite Services	Connection of Nunavut communities to each other and to the Internet through satellite communications to a community point of presence.
2	Community Broadband Services	Distribution of Internet services from the community point of presence to users within community homes and offices by means of cables, wires or wireless services.
3	Community Technology Services	Community-based provision of computers, communications equipment and the related software including sales, service, support and regional and territorial help desks.
4	E-Mail & Web Hosting	Provision of E-Mail and/or Web hosting services using local community-based or remote servers.
5	E-Commerce Services	Provision of banking, merchant and/or procurement services to assist the purchase and/or sale of goods and services.
6	Content and Application Development and Support	Design, development and support of Internet-based applications including

		training, web sites and software targeted specifically for Nunavut and Inuit use.
7	Internet Application Services	Provision of services to users within and outside Nunavut that depend on or are based on Internet access.

**The primary focus of this RFP is categories 1 and 2 above and installation and support associated with these two categories.**

Bidders must subdivide their offerings to fit the above categories. Where a Bidder offers a service that includes more than one category the Bidders must quote prices separately for each category or NBDC will not be able to effectively compare the Bidder's offering with other Bidders.

Bidders are invited to describe their offerings in other categories to assist in preparing the required Nunavut Broadband Business Plan and obtaining funding from Industry Canada and other parties.

#### **4.2.1 Category 1 -- Satellite Services**

##### *4.2.1.1 Category Description*

This category of goods and services includes the provision of satellite services suitable for use by broadband users in Nunavut communities for data, audio, video and graphics connected to other Nunavut communities and to national broadband services.

##### *4.2.1.2 Technology Evolution*

Offerings in this category should reflect the fact that urban Canada will continue to evolve in terms of services provided. Specifically, Broadband in the south is expected to rapidly increase in terms of capacity and capability while prices will continue to drop for equivalent amounts of capacity. Nunavut wishes to evolve at a pace similar to the south. Bidders should address this issue in their technology proposal over the planning horizon.

##### *4.2.1.3 Eligibility for Funding*

Services offered in this category must be eligible for funding under Industry Canada's BRAND program. (See <http://broadband.gc.ca>.) This program requires that third party access be provided at the community level.

Specifically, NBDC interprets third party access to mean that a single Bidder may be selected to provide satellite services to one or more communities with the possibility of one or more entirely different organizations in any of the communities attaching to the Point of Presence (PoP) for the purpose of distributing services to homes and offices in the community. Bidders offering this category of service must describe the details of third party access arrangements including the standards proposed and any related technology or operational processes applicable to third party users. Prices applicable to the third party organizations must be proposed by the Bidder.

The BRAND program also requires that projects be sustainable based on a one-time contribution from the BRAND program. Bidders must propose a sustainable service that fits the intent of this program.

#### *4.2.1.4 Two-tier Prices*

It is not the intention of NBDC to seek financial assistance for satellite traffic that will be consumed directly by the Governments of Canada or Nunavut or their departments or agencies. To meet this requirement, Bidders are required to quote two prices for access to each community PoP: one price (reflecting NBDC financial assistance) for citizens, small businesses and others that are supported by NBDC and a second, higher priced PoP that would be offered by the Bidder to, for example, a department of the Government of Canada. This second PoP price would reflect the costs and markup for the satellite service without financial assistance from NBDC.

Bidders may assume that the lower, subsidized price for a PoP may be applied to a Nunavut business that adds value to the satellite service and in turn resells the value-added service to the Government of Canada or Government of Nunavut. The higher price PoP will only apply to one of these governments or their agencies directly purchasing services from the satellite supplier.

Please note that the concept of two prices applicable to essentially the same service is common in many industries; for example the difference in price charged for a residential phone line compared to a single business phone line.

#### *4.2.1.5 Technology Description*

Bidders should describe the technology proposed in enough detail to allow NBDC to understand the offering and to compare the offering to other proposals in accordance with Appendix K – Functional Specifications.

#### *4.2.1.6 Relationship with other Parties and Categories*

Bidders offering this category that also offer services applicable to Community Broadband Distribution should address the potential concern (from other Bidders and third parties) that their own community distribution services may be favored over a competitive third party.

Bidders that plan to use wires, antennas, dishes or other infrastructure owned or managed by a third party shall attach a statement from the owner or manager confirming their knowledge of and agreement to the arrangement. Where existing or shared infrastructure is to be used (owned or otherwise) Bidders shall quote the expected cost of using the existing or shared infrastructure. Where existing or shared infrastructure is proposed, NBDC reserves the right to ask for more information regarding the business and financial prospects of the owner or operator of the shared infrastructure as if the owner or operator was a significant subcontractor all as outlined in Appendix D – Evaluation Process, Financial Capability section.

#### *4.2.1.7 Common Nunavut Standards*

NBDC has the view that the communications services across Nunavut should be common in terms of attachment standards and the look and feel from the perspective of a local user or customer. This does not require that the same vendor be used in all communities. However, Bidders that propose to serve only one or a portion of the communities in Nunavut should outline the arrangements that they propose to ensure the standardization intended by NBDC. In particular, in this case Bidders should explain how users in a community served by the Bidder will communicate with users in a community not served by the Bidder for activities that imply that the communicating users are on-line with each other (e.g. video conferencing).

Bidders should precisely define their view of the point of demarcation where satellite services ends and community distribution begins. Bidders should expect that some contract negotiation will be required on this issue to align the definitions of selected Bidders on this subject.

#### *4.2.1.8 Price Format and Options*

Prices are to be submitted as outlined in detail in Appendix C – Sample Proposal. Prices quoted shall cover all costs of providing the service up to and including the Point of Presence (PoP) in each community to be serviced by the Bidder. All costs of providing the proposed service must be contained in the price tables submitted by the Bidder. The NBDC will not accept proposals that may attract additional costs not quoted in the price tables and will not accept additional charges related to the service which are identified after a contract is signed.

Bidders shall propose what portion of the total cost should reasonably be borne by the third parties attaching to the PoP (which may include the Bidder's own community distribution facilities) and what remaining portion should be supplied by funding through NBDC. This information will be used in the NBDC Business Plan. As outlined above, prices for PoP attachment must be quoted with and without subsidy.

Prices quoted shall be submitted on the tables in the Sample Proposal. In addition, Bidders should include prices for various volume levels by community and should include all standard options and services. Prices should clearly separate charges for connection, charges for a particular maximum burst capacity and charges for committed information rate (CIR) where applicable. Bidders must clearly state situations where capacity is shared with other users or between communities that can impact throughput or service levels.

Bidders offering services in this category should carefully review the evaluation criteria for this category and especially the issue of proposing to serve all or less than all communities.

#### *4.2.1.9 Security and Privacy*

Bidders should describe and discuss the proposed service from the perspective of security (is the equipment or the information vulnerable to loss, damage, modification or prolonged periods of unavailability?) and privacy (can the information be retrieved by unauthorized parties?).

#### *4.2.1.10 Performance Targets*

Bidders shall explicitly define the expected service outage time as a percentage of the planned up time per month. Performance targets may be addressed community by community at the option of the Bidder. When

selecting an appropriate expected service outage time the Bidder should expect that the quoted outage rate will be documented in any resulting contract. Bidders shall quote prices that assume financial penalties of 10 times the average cost of unavailable time for outages greater than quoted.

Bidders must make statements of intent regarding local spare parts and equipment redundancy and should expect these statements will be documented in any resulting contracts.

#### **4.2.1.11**      *Installation, Service and Support*

Services quoted and the related prices shall cover all activities related to the service including installation of new services, installation of existing services for new customers, changes in services and services related to termination of services or customers. Support must include activities related to equipment failure and damage caused by weather or related issues.

Generally, NBDC expects that installation costs should reflect the reasonable parts, travel and labour cost (including markup) of providing installation services for each new customer, not the incremental cost of infrastructure that might be needed to support the latest customer. NBDC expects that on-going support costs will be imbedded in the cost of the service, not charged as an extra price component.

Bidders must individually address the issue of installation and support by community and must specify whether local staff and/or subcontractors will be used. Proposals will be evaluated on this issue as outlined in Appendix D – Evaluation Process.

### **4.2.2 Category 2 -- Community Broadband Services**

#### **4.2.2.1**      *Category Description*

This category includes the goods and services needed in each community from the point of attaching as a third party to the community Point of Presence (PoP) as defined for the previous category through to delivering and supporting services to homes and offices in the community. Delivery of services within a community may be by means of telephone wires, cable TV, wires specifically installed for this service or by means of wireless transmission within the community or a combination thereof.

#### *4.2.2.2 Target Markets*

Offerings should be described in terms of markets to be served (e.g. home, small business). The services proposed should be roughly comparable in scope to commercial services currently available in urban Canada for similar markets. It is the objective of NBDC to obtain financial assistance to close the price gap between similar services in the south and services in Nunavut. Bidders should carefully review the prices of similar services in the south and provide comparison details to justify the proposed Nunavut price levels.

#### *4.2.2.3 Technology Description*

Bidders should describe the technology proposed in enough detail to allow NBDC to understand the offering and to compare the offering to other proposals in accordance with Appendix K – Functional Specifications.

#### *4.2.2.4 Relationship with other Parties*

Bidders that plan to use wires, antennas, dishes or other infrastructure owned or managed by a third party shall attach a statement from the owner or manager confirming their knowledge of and agreement to the arrangement. Where existing or shared infrastructure is to be used (owned or otherwise) Bidders shall quote the expected cost of using the existing or shared infrastructure. Where existing or shared infrastructure is proposed, NBDC reserves the right to ask for more information regarding the business and financial prospects of the owner or operator of the shared infrastructure as if the owner or operator was a significant subcontractor all as outlined in Appendix D – Evaluation Process, Financial Capability section.

Bidders should precisely define their view of the point of demarcation where satellite services ends and community distribution begins. Bidders should expect that some contract negotiation will be required on this issue to align the definitions of selected Bidders on this subject.

#### *4.2.2.5 Price Format and Options*

For the purpose of this RFP, Bidders should assume that the required satellite services are provided at no charge at the Point of Presence (PoP) and quote only the price of distribution of the communications services within the proposed communities. (The actual cost of the satellite services

to customers will be dependent on the Bidder(s) selected in the previous section.)

Bidders that require financial assistance from NBDC may propose classes of services to serve different markets with different prices. However, the classes should be clearly defined and be related to the underlying cost of providing different types of service. Bidders that do not ask for financial assistance are entirely free to price their service any way they choose.

Based on a Business Plan for each community, Bidders should clearly identify the prices to be charged to customers for local distribution and separately the financial assistance needed from NBDC separately by community. **It is the expectation of NBDC that in most communities, support will not be required in this category provided that the cost of subsidized satellite services at the PoP in the community is reasonable.** Bidders should carefully examine the evaluation section to understand how distribution services will be evaluated.

Bidders should identify the number of customers they assume over time to justify their quoted prices. Bidders should also outline their assumptions regarding bad debt.

#### *4.2.2.6 Security and Privacy*

Bidders should describe and discuss the proposed service from the perspective of security (is the equipment or the information vulnerable to loss, damage, modification or prolonged periods of unavailability?) and privacy (can the information be retrieved by unauthorized parties?).

#### *4.2.2.7 Performance Targets*

Performance targets may be addressed community by community at the option of the Bidder. Bidders shall explicitly define the expected service outage time as a percentage of the planned up time per month. When selecting an appropriate expected service outage time the Bidder should expect that the quoted outage rate will be documented in any resulting contract. Bidders shall quote prices that assume financial penalties of 10 times the average cost of unavailable time for outages greater than quoted.

Bidders must make statements of intent regarding local spare parts and equipment redundancy and should expect these statements will be documented in any resulting contracts.

#### *4.2.2.8 Installation, Service and Support*

Services quoted and the related prices shall cover all activities related to the service including installation of new services, installation of existing services for new customers, changes in services and services related to termination of services or customers. Support must include activities related equipment failure and damage caused by weather or related issues.

Generally, NBDC expects that installation costs should reflect the reasonable parts, travel and labour cost (including markup) of providing installation services for each new customer, not the incremental cost of infrastructure that might be needed to support the latest customer. NBDC expects that on-going support costs will be imbedded in the cost of the service, not charged as an extra price component.

Bidders must individually address the issue of installation and support by community and must specify whether local staff and/or subcontractors will be used. Proposals will be evaluated on this issue as outlined in Appendix D – Evaluation Process.

#### **4.2.3 Other Categories**

Bidders are invited to describe their offerings in other categories to assist in preparing the required Nunavut Broadband Business Plan and obtaining funding from Industry Canada and other parties.

## **5 Technical and Volume Requirements**

### ***5.1 Projected Broadband Requirements and Time Lines***

The NBDC Business Plan will include plans and projections for the following time perspectives:

#### **5.1.1 Planning Horizon**

The overall Business Plan will address the subject of Broadband from a 10 year perspective. This term has been chosen as it represents the likely life of certain portions of the Broadband Infrastructure. For example, the technology decisions made now related to video services and the ability to video conference from any community to any other community will be with

us for the next decade. In addition to technology issues, much of the infrastructure for satellite services will have a life of a decade or more. Of course, we cannot provide firm projections or expect to receive firm prices related to services over such a long period.

### **5.1.2 Contract Period**

The NBDC intends to obtain funding for Broadband services and if and when funding is achieved, to enter contract negotiations with the Selected Bidders. For planning purposes, NBDC intends to award contracts for a term of 5 years plus 2 option years for a total term of 7 years. The actual term selected will be dependent on factors discussed in Appendix D – Evaluation Process.

Projections for the term of 5 years are provided in Appendix J – Projected Requirements. While the projection represents the best information available at the time the RFP was issued it is likely that the actual requirements will be more or less than the projection. Bidders should construct their financial plan and their prices to accommodate situations that may be different than the attached projections.

### **5.1.3 Evaluation Period**

The financial evaluation as outlined in Appendix D – Evaluation Process will be based on the prices quoted by the Bidders applied to the five years of estimated demand as outlined in Appendix J – Projected Requirements.

## ***5.2 Expected Broadband Customer Base***

NBDC has projected broadband use in Nunavut based on the profile of a set of customers as outlined in Appendix I – Expected Customer Base.

## ***5.3 Description of Proposed Services***

Bidders are required to provide a detailed description of the proposed Broadband services separately by category of service. The functional and performance specifications for the proposed services are outlined in detail in Appendix K – Functional and Performance Specifications.

**Bidders are entirely free to provide any level or aspect of Broadband services to customers and markets within Nunavut at any time without the involvement of NBDC.** The purpose of NBDC is to obtain financial and other assistance to encourage the evolution of Broadband. Bidders

that wish to implement Broadband projects with NBDC assistance should respond to this RFP.

To meet the requirements of the Industry Canada BRAND program, the following items should be addressed when providing a description of the proposed services as outlined in more detail in Appendix C – Sample Proposal.

- a) The broadband infrastructure and architecture (Including network diagrams for how the community broadband network will connect to the Nunavut and national systems and how users will access the local service) and technologies for broadband communication of voice, video, data and graphics.
- b) How the proposed service will meet the broadband connectivity requirements of the community.
- c) Broadband applications and the bandwidth required to support these applications.
- d) The technical standards that the vendor will use for this project.
- e) How the broadband service will connect to the specific customers identified in the RFP.
- f) The terms under which a third party service provider could interconnect to the vendor's facilities to offer their own broadband services
- g) The scalability of the proposed broadband service; that is, how the service can be extended to the new customers who may wish to sign up for the service at a later date, and how the level of service can be upgraded to provide a higher level of service to the customers who have already signed up for the service.
- h) The security of the physical infrastructure and the safeguarding from unauthorized access established for the service.
- i) The redundancy (if any) of the facilities.

## **6 Project Management Requirements**

To meet the requirements of the Industry Canada BRAND program, a Detailed Project Management Plan for implementing the broadband project

must be submitted as noted below and as outlined in more detail in Appendix C – Sample Proposal.

## **6.1 Implementation Plan**

Bidders shall provide the information necessary to allow NBDC to evaluate the quality, cost and risk associated with the implementation project. Specifically, the Bidder shall cover at least the following:

- a) Project Management: A description of the vendor's management team for this project, listing all key personnel.
- b) Project Schedule: An implementation schedule for the broadband service, including delivery dates, implementation milestones, task relationships and dependencies, and a timeline.
- c) Broadband System Design and Development: Descriptions of how the broadband service will be designed, including details of customer testing and final implementation, the extent to which broadband connectivity to the community will be guaranteed, how the broadband service will deliver differentiated levels of service depending on the different bandwidth needs of the potential users.
- d) Training: Detailed description of all training that is required for this project and how this will be accomplished.

## **6.2 Ongoing Service Maintenance and Assistance**

Bidders shall provide the information necessary to allow NBDC to evaluate the quality, cost and risk associated with ongoing service maintenance and support of the proposed service. Specifically, the Bidder shall cover at least the following:

- a) Details of all maintenance activities and how assistance will be provided to customers.
- b) Service levels by day of week and hour per day.
- c) Response time targets by category of issue.
- d) Proposed service level monitoring and reporting including proposed software tools.
- e) Plans for growth of services.
- f) Description of documentation and change management.

- g) Description of Service Desk Methodology, including incident management procedures, problem escalation procedures, hours of normal operation and off-hours problem escalation depending on escalation procedures.

## **7 Vendor Qualifications and References**

To allow the NBDC to evaluate the vendor's ability and competency to complete the proposed project, Bidders shall provide the material outlined below and as defined in more detail in Appendix C – Sample Proposal.

- a) A brief outline of the vendor company and services offered, including full legal company name, year business was established, number of people currently employed and most recent annual report if a public company.
- b) An outline of the relationship between the vendor and the product manufacturers that supply the vendor, in order to ensure availability of product.
- c) A description of the qualifications, experience, capability and/or capacity of the vendor to successfully provide the broadband service and complete the project in a timely manner.
- d) A description of the qualifications of the members of the proposed project team that will be assigned to the project.
- e) Information on current broadband clients including
  - f) Total number of current clients
  - g) A list of broadband services provided to similar communities
  - h) Evidence of successful completion of a project of a similar size and complexity
  - i) References: Contact information for three references from projects similar in size, application and scope and a brief description of their broadband installations.

## **8 Revenue, Costs and Pricing**

### **8.1 Community Aggregator Model**

NBDC is using the Community Aggregator Model to develop an appropriate Business Plan for Nunavut (see Industry Canada BRAND web site for more details). Use of this model includes the following steps:

- identify potential customers for broadband (See Appendix I – Expected Customer Base);
- prepare projections of broadband usage over the expected contract period (See Appendix J – Projected Requirements);
- determine the revenue that can be expected from the community for the expected services (estimates to be provided by the Selected Bidder(s));
- determine the cost of providing the required infrastructure and on-going services (estimates to be provided by the Selected Bidder(s));
- calculate the need for financial or other assistance (called the Project Deficit) to result in a sustainable business case for broadband in Nunavut (to be calculated by NBDC for the Business Plan based on all the above factors).

See Section 8.3 for more details on this subject.

### **8.2 Overview of Financial Information**

To gather the appropriate information from bidders and to ensure that the information is consistent between bidders, all information related to revenue, costs and prices shall be submitted on forms contained in Appendix C – Sample Proposal.

The forms require that bidders separate various revenue, costs and price components into the categories shown in the charts below. Two charts are present, one for Satellite Services and one for Community Broadband Distribution. Note that the legend on the charts indicates that the information is:

- provided by NBDC in the RFP (boxes 1 and 2 on each Chart);
- provided by the Bidders in their proposal (boxes with cross hatching);
- calculated by NBDC after receiving the proposals (boxes 4, 8, 9 & 11).

It is necessary that bidders base their prices and costs on the customer base and broadband requirements prepared by NBDC to ensure that all bidders are on an equal footing. Bidders should also note that information must be submitted for separately each of the 25 Nunavut communities selected by the Bidder and separately by Satellite Services and Community Broadband Distribution.

Bidders responding to the Community Broadband Distribution section should note that the price of access to the PoP is one of the cost components for delivering “last mile” services. But the cost to users of the PoP will not be known until a Satellite Services proposal is selected and the amount of the subsidy is known. In the meantime, Bidders and NBDC must estimate the price of the service to the end customer.

To deal with this issue NBDC will assume that the cost of Satellite Services at the PoP is zero. After a proposal has been selected for Satellite Services, the actual price at the PoP will be known and the numbers can be adjusted for the purposes of the Business Plan. Bidders are invited to complete an optional Table that contains the Bidder’s views related to the price at the PoP. But in fact the actual price will be related to the selected Bidder’s price after funding has been committed.

The above process ensures that every Bidder is treated equally while the Business Plan contains the best information possible.

See Appendix C – Sample Proposal for more details and the actual forms to be completed.

### **8.3 Financial Overview Charts**

The following two charts summarize the various financial components of the RFP and the Bidder’s proposal and their interrelationship.

The charts contain boxes which represent Tables that are contained in either the RFP or in the proposals prepared by Bidders. For example in Chart 1, Box 1-2 labeled Projected Broadband Requirements represents Table 1-2 which is in the RFP. Chart 2, Box 2-6 labeled Capital Costs represents Table 2-6 which must be completed by the Bidder. Together these charts and boxes indicate the relationship of all the financial data in the RFP and the responses.