Kent ISD
We Lead Learning

April 11, 2016

TO: Ron Caniff, Superintendent

FROM: Mike Hagerty

RE: Wide Area Network (WAN) RFP

Over the past few months Kent ISD has embarked on a journey to construct a high speed WAN connecting all 20 districts in the county. The objective was to build an infrastructure to support future technologies and improve access to data hubs, while at the same time increasing access to learning opportunities for students of Kent County. The RFP for the WAN was released January 14th and was due March 2nd. Over the past five weeks Glen Finkel and our consultants from Plante Moran have worked feverously to review the proposals, interview the bidders, analyze costs, and in the end make a recommendation on a vendor. The attached letter from Judy Wright explains the rationale for the recommendation, gives background on the process, and includes a cost analysis. In the end the recommendation is for Fiber Link Inc. which is the low bidder that met specifications.

From a cost perspective the Fiber Link Inc. bid is $2,872,992. A 5% contingency is recommended along with other anticipated costs of $782,975 for a total "all-in cost" of $3,800,967. With the modernization order from E-rate, private build fibers are now eligible for E-rate funding. Without E-rate this project wouldn't be feasible. The Kent ISD E-rate percentage is 60%, meaning that is the amount eligible to be covered by E-Rate. In addition to E-rate, we are also eligible for a state match of 10% and a federal match of 10%, bringing our total potential reimbursement to 80%. We are also aware of some TRIG state education network dollars that could help with the remaining 20% although the exact amount isn't known at this time. The true cost to the ISD could range from $1,520,386 on the high side (assuming only 60% reimbursement) to $760,193 (assuming 80% reimbursement and not knowing TRIG dollars). To move this project along in the process we are recommending the Board approve the bid with Fiber

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Link Inc in the amount of $2,872,992.40 and the contingency fund of $145,000. Over the next few months we will work on the E-rate reimbursement as well as the state and federal match and TRIG dollars. Once all of those have been determined we will come back to the Board with the final cost to the ISD and discuss whether it makes sense to move forward with the project.

If you have any questions or would like additional information on the bid please let me know.

RECOMMENDATION: At the Board meeting to be held on Monday, April 18, 2016, request that the Kent ISD Board approve the bid from Fiber Link Inc in the amount of $2,872,992.40 with a contingency fund of $145,000 for the Wide Area Network.

MH/kd

Attachment

Plante & Moran, PLLC
27400 Northwestern Highway
P.O. Box 307
Southfield, MI 48037-0307
Tel: 248.352.2500
Fax: 248.352.0018
plantemoran.com

April 11, 2016

Mr. Glen Finkel
Director of Information Technologies
Kent Intermediate School District
2930 Knapp Street NE
Grand Rapids, MI 49525

Dear Glen:

Plante Moran has completed its review of the proposals received in response to the Wide Area Network (WAN) Request for Proposal (RFP). Based on our review of the proposals, discussions and clarifications with vendors, and discussions with ISD staff, we recommend that the contract be awarded to **Fiber Link Inc. for an amount not to exceed $2,872,992.40**. To address any unforeseen issues during the construction of this fiber-based WAN, we recommend that that ISD set aside $145,000 (approximately 5%) as a contingency fund. We further recommend that this award be **made contingent upon: successful contract negotiations; approval by USF for funding; and, positive results of reference checks that are being conducted by KISD staff during the week of April 11, 2016.**

Due to the nature of the fiber construction projects, costs related to the make ready work which are charged by the pole owners and building entry work will not be known until a detailed route design has been completed by the contractor. The ISD should set aside an estimated amount of $637,000 for the make ready work and an estimated amount of $126,000 for the building entry work (not included in the award amount above). A portion of the make ready cost may be funded by USF as well. Upon completion of the fiber WAN build, the annual maintenance cost is estimated to be approximately $20,000. The vendor, Fiber Link will also be installing fiber strands on portions of the network for their own use. As a result, there is the possibility to share costs for maintenance and break/fix of the fiber network on the shared segments.

Please be aware that the ISD and local districts may incur costs for network electronics to increase the overall performance / network bandwidth. Due to the length of time to construct the WAN, this equipment is not included in the proposed award.

It is our understanding that the necessary application and paperwork has been filed by the ISD to qualify the ISD for USF funding approval. The exact amount that will funded by USF will not be known until USF reviews and approves the ISD's funding application.

BACKGROUND

In January of 2016, Plante Moran, working in conjunction with your IT staff, developed a Request for Proposal (RFP) for the wide area network. The Request for Proposal was released according to USF guidelines, advertised in the local newspaper and posted on the Buy4Michigan website for the 28 days required for E-rate RFPs. The primary purpose of this RFP was to build or procure a high speed network between the ISD and 20 local school districts, applying for Universal Service Fund (USF) funds to help defray the cost of the project. The RFP included three options – private build, long term dark fiber lease, and leased bandwidth services.

Six vendor proposals were received and reviewed. Clarifications were issued as necessary and vendor interviews were conducted. Through this process, two of the responses were rejected due to non-compliance with RFP requirements. Based on the anticipated bandwidth needs of the school districts, a scalable solution that addresses current and future needs is recommended. As shown by the analysis, the option to build a fiber based WAN by Fiber Link Inc. is the lowest cost solution that meets all of the specifications identified in the RFP while providing the ability to scale the network as future needs change.

Plante Moran appreciates the opportunity to be of assistance to Kent Intermediate School District. Please call Jim Qualls at 248.470.6580 or me at 248.223.3304 if you have any questions.

Sincerely,

PLANTE MORAN, PLLC

Judy Wright

cc: Jim Qualls, Sri Chalasani

plante moran

Kent Intermediate School District
Wide Area Network RFP Proposal Analysis

Vendor Profile	AMcomm Telecommunications	Fiber Link Inc.	Geotech	Comcast	US Signal	AT&T
Contact Name	Matthew Higgins	Karl Wuestenberg	Stephen M. Klusovsky	John Markatos	Jeremi Hunter	Jay Van Duzen
Address	10431 Highland Road, White Lake MI 48386	3529 W Genesee Suite 6 Lapeer MI 48446	4900 Cascade RD SE, Grand Rapids, MI 49546	1701 JFK Boulevard Philadelphia PA 19103	201 Ionia Ave SW Grand Rapids MI 49503	23500 Northwestern Hwy, Southfield MI 48075
Geographical area of operations	Midwest US	Midwest USA	Midwest USA	Nation Wide	Nation Wide	Nation Wide
References	Livingston ESA Fowlerville Public Schools Saginaw Valley St. Univ.	Merit Network, Inc Macomb ISD Washtenaw County Gov.	City of Portage City of Kalamazoo AECOM	Grosse Pointe PS Macomb ISD Grand Rapids Schools	No references provided	Wayne County RESA Merit Network, Inc. City of Detroit
Services provided:	WAN design, construction maintenance and structured cabling	WAN design, construction maintenance and leased fiber services	WAN design, construction maintenance	Internet, cable services	WAN services	Communication Provider
Contracting Classification:	General	General	Sub Contractor	General	Supplier	General
Years in business as company named above:	22	25	44	10	12	100
Bid Compliant?	No	Yes	Yes	Yes	No	Yes
Bid Bond / Cashier Check included?	Yes	Check	Yes	Yes	No	Yes
All Required Forms Included?	Yes	Yes	Yes	Missing school safety	No	No
Exceptions taken to RFP Specifications?	Yes	Yes	No	Yes	Yes	Yes
Required forms & Addendums						
Non-Familial Affidavit Received	Yes	Yes	Yes	Yes	Yes	Yes
Bid Bond or Certified Check Received	Yes	Yes	Yes	Yes	No	Yes
Iran Economic Sanctions Act	Yes	Yes	Yes	Yes	No	
Addendums Received:	Addendum #1, #2 and #3	Addendum #1, #2 and #3	Addendum #1, #2 and #3	not indicated	not indicated	not indicated
Solution Type	Private Build (Fiber)	Private Build (Fiber)	Private Build (Fiber)	Leased Bandwidth	Leased Bandwidth	Leased Bandwidth
Performance Bond Cost	$15/$1000	$11.23/$1000	$20/$1000			
Base Bid Costs (As Presented)						
Private Build (Fiber) / Self Provisioned						
Total Excluding Building Entry Cost	$ 1,725,000.00	$ 2,841,079.78	$ 2,983,116.00			
Network Electronics (Equip & Services)	Not Included	Not Included	$ 1,200,336.00			
Base Bid - Performance Bond	$ 25,000.00	$ 31,912.62	$ 59,662.00			
Total Bid for Private Build	**$ 1,750,000.00**	**$ 2,872,992.40**	**$ 4,243,114.00**			
Leased Bandwidth						
1G - 3Yr Leased Bandwidth				No Bid	$ 2,755,800.00	$ 803,700.00
1G - 5Yr Leased Bandwidth				$ 2,108,322.00	$ 3,990,000.00	$ 1,205,550.00
10G - 3Yr Leased Bandwidth				No Bid	No Bid	$ 3,762,720.00
10G - 5Yr Leased Bandwidth				$ 4,685,472.00	No Bid	$ 5,642,400.00
Normalization	Removed from consideration				Removed from consideration	
Deduct Network Electronics			$ (1,200,336.00)			
Impact on performance bond			$ (24,006.72)			
Base Bid after normalization (Fiber build or **10G - 5Yr** leased bandwidth)		**$ 2,872,992.40**	**$ 3,018,771.28**	**$ 4,685,472.00**		**$ 5,642,400.00**
Recommendation		**$ 2,872,992.40**				
Contingency (5%)		**$ 145,000.00**				
Other Anticipated Costs						
Est. Make Ready (One time) - Vendor provided estimate		$ 636,800.00	$ 308,000.00	Included		Included
Est. Building Entry Cost (One time)		$ 126,000.00	$ 126,000.00	Included		$ 31,500.00
Est. Annual Recurring Cost - Vendor provided estimate		$ 20,175.66	$ 10,390.78	Included		Included
Network Electronics		TBD	TBD	Included		Included