



Administered by
UNIVERSITY OF MAINE SYSTEM
Office of Strategic Procurement

REQUEST FOR PROPOSALS

**LEASE EXCESS EDUCATIONAL BROADBAND SERVICE (EBS)
CAPACITY FROM THE UNIVERSITY OF MAINE SYSTEM**

RFP # 08-08

ISSUE DATE:
October 5, 2007

PROPOSALS MUST BE RECEIVED BY:
November 6, 2007

DELIVER PROPOSALS TO:

University of Maine System
Office of Strategic Procurement
Attn: Hal Wells
16 Central Street
Bangor, ME 04401

1.0 GENERAL INFORMATION

- 1.1 Purpose: The University of Maine System is seeking proposals from vendors to lease excess Educational Broadband Service (EBS) capacity as defined by the regulation of the Federal Communications Commission (FCC), on twenty-six (26) EBS stations located in the State of Maine. Please refer to Attachment A for a list of the stations, their call signs, locations, licensed channels and the channels to be leased.

The University is the sole license holder for these channels.

This Request for Proposals (RFP) states the instructions for submitting proposals, the procedure and criteria by which a vendor may be selected and the contractual terms by which the University intends to govern the relationship between it and the selected vendor.

- 1.2 Definition of Parties: The University of Maine System will hereinafter be referred to as the "University." Respondents to the RFP shall be referred to as "Bidders". The Bidder to whom the Contract is awarded shall be referred to as the "Lessee or Contractor".
- 1.3 Background: The University has operated and maintained an Instructional Television (ITV) network using licensed EBS (formerly Instruction Television Fixed Service – ITFS) channels since 1989. This ITV network delivers more than 90 live televised courses per semester which provides rural Mainers access to higher education degree programs. The ten (10) studio classrooms, located on eight (8) of the University's campuses, originate high-quality, one-way video, and are configured for students at distant locations to interact via toll-free telephone. From 7:00am to 10:00pm, the University simultaneously broadcasts four channels of programming through the state reaching 19 University locations via landline and approximately 50 contracted adult learning centers via EBS. ITV signals are transmitted from six campus locations using EBS or OFS licensed spectrum for the first hop and are retransmitted over EBS. As many as four transmissions (three hops) are required to reach some destinations.

The University has operated its EBS transmissions using analog transmission equipment which use one 6 MHz channel per channel of programming. With the FCC's move toward digitization and designation of the new band plan, the University anticipates that, through the FCC-mandated transition process, its ITV services will move to digital operations in the middle band segment while leasing excess capacity in the upper and lower band segments. The operations in the Portland/Brunswick Basic Trading Area (BTA) are currently being transitioned by the proponent, Sprint/Nextel, but excess capacity has not been leased. Capacity leasing for those channels is included in this RFP.

Education is the number one priority for the University. The University intends to deliver educational content over EBS as prescribed by the FCC. Due to a number of considerations, the University expects to operate ITV for the next 10 years and needs the middle band segment to transmit digital video signals. The University envisions an imminent shift in its overall technology infrastructure as it moves from analog to digital in compliance with the new band plan. Currently ITV signals are encoded at the origination campus using HaiVision's Hai-500 MPEG-2 codecs. After being switched by Renovo software, the MPEG-2 signals are sent to the campuses and outreach centers over ATM circuits. At regional points, the MPEG-2 signals are decoded, up-converted and sent as analog OFS/EBS signals to remote locations

where they are down-converted and displayed on analog TVs. Following transition, the University is planning for the signals to be encoded using MPEG-4 (H.264). The MPEG-4 signals will be transmitted via IP networks among the campuses and to the outreach centers. At the regional points, the MPEG-4 signals will be transmitted digitally over OFS/EBS to the remote locations. Appropriate set-top boxes will convert the signals for use on local TVs.

The University envisions a migration of video-delivered distance learning from a traditional TV model to a new model that will rely more heavily on Internet-based technologies. Continued use of the EBS spectrum to deliver educational content will shift from ITV to advanced fixed and mobile services that will facilitate anytime anywhere education.

- 1.4 Scope: The University is prepared to enter into a long term lease arrangement for an initial term of at least ten (10) years with an overall term not-to-exceed thirty (30) years and with end-of-term provisions customary in the industry. The University is prepared to lease channels: A1, A2, A3, B1, B2, B3, C1, C2, C3, D1, D2, D3, G1, G2, and G3 in all EBS station's channel groups (as stated in Attachment A) for which the University is licensed. At this time, the University will not lease any capacity in channels A4, B4, C4, D4 or G4, as those channels will be retained for ITV transmissions. Pursuant to the FCC's new band plan, the selected lessee would be granted the rights to establish facilities for upstream and downstream digital pathways under a "de facto transfer lease" under FCC rules and policies. The University does NOT contemplate providing any option for a bidder to acquire the University's channels at any time.

The University desires a proposal which includes a funding schedule tailored to its need to operate and maintain up-to-date technology. Specifically, the University needs initial funds to enable it to accommodate the transition to the new band plan, funds to migrate from ITV in 10 years, and funds to support anticipated and unanticipated technology changes in 20 years. The desired funding schedule would provide an upfront payment of at least \$1.2 million, lump sum payments of at least \$1 million thereafter at ten-year intervals, and monthly (or annual) payments increasing annually by the CPI or other index.

The University has a strong preference for a single lease with a single operator for all its stations however the University will consider proposals for less than all the stations.

- 1.5 Evaluation Criteria: Proposals will be evaluated on many criteria deemed to be in the University's best interests, including, but not limited to the financial value (revenue) of the proposal; transition plans; compliance with contractual requirements and preferences stated in this RFP; plan to adhere to FCC rules and protection of University's licenses; bidder experience and qualifications to include technical strength and financial stability.
- 1.6 Communication with the University: It is the responsibility of the bidder to inquire about any requirement of this RFP that is not understood. Responses to inquiries, if they change or clarify the RFP in a substantial manner, will be forwarded by addenda to all parties that have received a copy of the RFP. Addenda will also be posted on our web site, www.maine.edu/strategic/upcoming_bids.php. The University will not be bound by oral responses to inquiries or written responses other than addenda.

The deadline for written inquiries is October 22, 2007.

If it is required, the final addendum will be submitted to bidders on October 29, 2007.

Inquiries must be made to: Hal Wells
Office of Strategic Procurement
University of Maine System
16 Central Street
Bangor, Maine 04401
(207) 973-3302

- 1.7 Award of Proposal: Presentations may be requested of two or more bidders deemed by the University to be the best suited among those submitting proposals on the basis of the selection criteria. After presentations have been conducted, the University may select the bidder which, in its opinion, has made the proposal that is the most responsive, most responsible and in the best interests of the University and may award the Contract to that bidder. The University reserves the right to waive any irregularities. Scholarships, donations, or gifts to the University, will not be considered in the evaluation of proposals. The University reserves the right to reject any or all proposals, in whole or in part, and is not necessarily bound to accept the highest cash value proposal if that proposal is contrary to the best interests of the University. The University may cancel this Request for Proposals or reject any or all proposals in whole or in part. The University may also seek best and final offers from one or more bidders. To obtain best and final offers, the University may, at its option, disclose elements of the highest bids such as net present value. Should the University determine in its sole discretion that only one bidder is fully qualified, or that one bidder is clearly more qualified than any other under consideration, a contract may be awarded to that bidder without further action.
- 1.8 Confidentiality: The information contained in proposals submitted for the University's consideration will be held in confidence until all evaluations are concluded and an award has been made. At that time, the winning proposal will be available for public inspection. Pricing and other information that is an integral part of the offer cannot be considered confidential after an award has been made. The University will honor requests for confidentiality for information of a proprietary nature to the extent allowed by law. Clearly mark any information considered confidential.
- 1.9 Costs of Preparation: The bidder assumes all costs of preparation of the proposal and any presentations necessary to the proposal process.
- 1.10 Debarment: Submission of a signed proposal in response to this solicitation is certification that your firm (or any subcontractor) is not currently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any State or Federal department or agency. Submission is also agreement that the University will be notified of any change in this status.
- 1.11 Proposal Submission: A SIGNED original plus two (2) copies of the proposal must be received at the Office of Strategic Procurement, University of Maine System, 16 Central Street, Bangor, Maine 04401, by close of business on Tuesday, November 6, 2007. There will be no public opening of proposals (see Confidentiality clause). Vendors assume the risk of the methods of dispatch chosen. FAXED OR E-MAIL PROPOSALS WILL NOT BE ACCEPTED.

2.0 GENERAL TERMS AND CONDITIONS:

- 2.1 Contract Documents: A separate contract will be written.
- 2.2 Contract Administration: The Associate Director for Academic Technologies and End-

user Support or his designee shall be the University's authorized representative in all matters pertaining to the administration of this Contract.

- 2.3 Contract Term: The Contract term shall be for a period of at least ten (10) years commencing upon a date to be mutually agreed upon by the University and the Lessee.
- 2.4 Litigation: This Contract and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Maine without reference to its conflicts of laws principles. The Lessee agrees that any litigation, action or proceeding arising out of this Contract, shall be instituted in a state court located in the State of Maine.
- 2.5 Indemnification: The Lessee shall indemnify, hold harmless and defend the University, its Trustees, employees and agents from and against all losses, expenses, claims, lawsuits, damages, judgments and costs, including reasonable attorneys' fees, suffered or sustained by the University or for which the University may be held or become liable by reason of injury (including death) to persons or property or other causes whatsoever, in connection with the acts, omissions or operations of the Contractors or any subcontractor under this agreement.

The University agrees to indemnify and hold the Lessee harmless from and against any and all claims, actions, lawsuits, judgments and costs, including reasonable attorney's fees, that the Lessee may become liable to pay or defend due to bodily injury or property damage caused by the negligent acts or omissions of the University, arising out of or in connection with the University's performance of its obligations under this Agreement; PROVIDED that any liability of the University under this Agreement shall be limited by the provisions and limitations of the Maine Tort Claims Act, 14 M.R.S.A. §8101, et seq.

3.0 PERFORMANCE TERMS AND CONDITIONS:

- 3.1 Payments: Lease payments will be made to UMS-ITS, 46 University Drive, Augusta, ME 04330.
- 3.2 The Lessee will assume all costs associated with use of the leased capacity, including but not limited to, equipment, tower space, permits, taxes and insurance.

4.0 PROPOSAL CONTENT:

Bidders shall ensure that all information required herein is submitted with the proposal. Bidders are encouraged to provide any additional information describing operational abilities.

In formulating your responses, bidders should carefully review the current background (Section 1.3); scope (Section 1.4) to get a sense of the University's current situation and expectations. Bidders are also advised to review the evaluation criteria (Section 1.5).

- 4.1 Business Profile: Submit a short introduction to the bidder's history, financial capability and business plan including contemplated use of the University's channels, likely service offerings, technologies, build-out and service timing and milestones.
- 4.2 Financial Proposal: Bidders shall provide information regarding;

- 4.2.1 Timing and amount of up-front payments
- 4.2.2 Fixed monthly (or annual) payments
- 4.2.3 Periodic increases of monthly payments
- 4.2.4 Lump-sum payments at the ten and twenty year intervals
- 4.3 Describe the proposed length and structure of the term of the agreement and end of term provisions (such as rights of first refusal) or any other proposed restrictions and/or limitations on the University's freedom of action during and after the agreement.
- 4.4 Describe how much excess capacity is to be leased. Under FCC rules, a maximum of 95% of the University's capacity can be leased. The University intends on retaining channels A4, B4, C4, D4 and G4 during the initial term of the Contract, but subsequent leasing of these channels will be considered.
- 4.5 Discuss your willingness to commit to meeting the FCC band plan transition and the satisfaction of the FCC's substantial service deadline of May 1, 2011.
- 4.6 Discuss your commitment to protect the University's licenses by abiding with all FCC rules during the term of the Contract.
- 4.7 With regard to this Contract, provide a statement of how your firm would comply with FCC technical and leasing rules.
- 4.8 Describe your willingness to guarantee that the University's agreement will be no less favorable than any other agreement that your firm enters into with any other EBS licensee in the market, taking into account the MHz/population provided under the respective leases.

SIGNATURE PAGE

COMPANY NAME: _____

By: _____
(Signature)

(Print Name)

(Title)

(Date)

ATTACHMENT A

Call Sign	Site Name	Transmitter City/State	Licensed channels	Channels to be leased
WHR987	Parkhurst	PRESQUE ISLE, ME	B1, B2, B3, B4	B1, B2, B3
WHR965	Ragged Mtn	CAMDEN, ME	D1, D2, D3, D4	D1, D2, D3
WHR966	Cook Hill	VASSALBORO, ME	B1, B2, B3, B4	B1, B2, B3
WHR967	Applesas	LEWISTON, ME	C1, C2, C3, C4	C1, C2, C3
WHR968	Litchfield	LITCHFIELD, ME	A1, A2, A3, A4	A1, A2, A3
WHR969	Sand Hill	AUGUSTA, ME	G1, G2, G3, G4	G1, G2, G3
WHR982	Portland Law	PORTLAND, ME	B1, B2, B3, B4	B1, B2, B3
WHR983	Bull Hill	CHARLESTON, ME	G1, G2, G3, G4	G1, G2, G3
WHR985	York Hill	NEW SHARON, ME	C1, C2, C3, C4	C1, C2, C3
WHR986	Smyrna	SMYRNA, ME	C1, C2, C3, C4	C1, C2, C3
WHR988	Blackcap	EAST EDDINGTON, ME	D1, D2, D3, D4	D1, D2, D3
WHR991	Fish Hill	LINCOLN, ME	B1, B2, B3, B4	B1, B2, B3
WHR992	Peaked Mtn	DIXMONT CENTER, ME	C1, C2, C3, C4	C1, C2, C3
WHR996	Charrette Hill	FORT KENT, ME	A1, A2, A3, A4	A1, A2, A3
WHR998	Quaggy Joe Mtn	PRESQUE ISLE, ME	G1, G2, G3, G4	G1, G2, G3
WHR999	Number Nine Mtn	BRIDGEWATER, ME	A1, A2, A3, A4	A1, A2, A3
WLX202	Aggie	YORK, ME	D1, D2, D3, D4	D1, D2, D3
WLX203	Greenville	GREENVILLE, ME	A1, A2, A3, A4	A1, A2, A3
WLX205	Winn Mtn	SEBAGO, ME	G1, G2, G3, G4	G1, G2, G3
WLX215	Blue	BLUE HILL, ME	A1, A2, A3, A4	A1, A2, A3

WLX216	Cooper	COOPER, ME	A1, A2, A3, A4	A1, A2, A3
WLX217	Machias	EAST MACHIAS, ME	G1, G2, G3, G4	G1, G2, G3
WLX218	Musquash	TOPSFIELD, ME	D1, D2, D3, D4	D1, D2, D3
WLX219	Daigle	STOCKHOLM, ME	C1, C2, C3, C4	C1, C2, C3
WLX305	Streaked Mtn	BUCKFIELD, ME	D1, D2, D3, D4	D1, D2, D3
WLX580	Sugarloaf Mtn	CARRABASSETT, ME	A1, A2, A3, A4	A1, A2, A3