
Request for Proposals

**CITY UNDERGROUND
COMMUNICATIONS CONDUIT LEASE**

Specification No. 91072

April 13, 2011

Notice Requesting Proposals for

CITY UNDERGROUND COMMUNICATIONS CONDUIT LEASE

The City of San Luis Obispo is requesting sealed proposals for a City underground communications conduit lease pursuant to Specification No. 91072.

Proposal Closing Date

All proposals must be received by the Finance Division by **3:00 p.m. on Wednesday, May 4, 2011**, when they will be opened publicly in the City Hall Council Chambers, 990 Palm Street, San Luis Obispo, CA 93401. Proposals received after said time will not be considered. To guard against premature opening, each proposal shall be submitted to the Finance Division in a sealed envelope plainly marked with the proposal title, specification number, proposer name, and time and date of the proposal opening. Proposals shall be submitted using the forms provided in the specification package.

Pre-Proposal Conference Call

A pre-proposal conference call will be held on **Wednesday, April 27, 2011 at 3:30 p.m.** to answer any questions that the prospective proposers may have regarding the City's request for proposals. Please contact Miguel Guardado at (805) 781-7017 or mguardad@slocity.org for conference bridge information prior to the call.

For More Information

Specification packages and additional information may be obtained by contacting Miguel Guardado, Network Services Supervisor, at (805) 781-7017 or via e-mail at mguardad@slocity.org.

Specification No. 91072

TABLE OF CONTENTS

A.	Description of Work	
	Overview	
	Area Description	1
	Proposed Approach	
	Key Business Terms	2
	Proposal Submittal and Evaluation Process	2
B.	General Terms and Conditions	
	Proposal Requirements	3
	Lease Agreement and Execution	4
	Contract Performance	4
C.	Special Terms and Conditions	
	Proposal Submittal Requirements	6
	Proposal Content	6
	Proposal Evaluation and Selection	7
	Proposal Review and Award Schedule	7
	Pre-Proposal Conference	
D.	Form of Agreement	9
E.	Insurance Requirements	11
	<i>Proposal Submittal Forms</i>	
	Proposal Submittal Summary	13
	References	14
	Statement of Past Contract Disqualifications	15

Section A DESCRIPTION OF WORK

OVERVIEW

Over the past years, the Information Technology, Public Works and the Utilities Departments have worked together to place City owned communications conduit in the ground while installing water and wastewater facilities. A large part of this conduit has been utilized for the City/Cal Poly joint fiber project. The project installed fiber optic fiber cable in a ring around the City and was terminated in all City facilities as well as locations at Cal Poly.

In recent months, the County has also been allowed access to some of the fiber strands in exchange for connections to the City/County Library to allow better access to the County DOJ for Police as well as tying together the City and County's GIS Departments. Many of the City owned conduits are vacant or have available vacant space, which could easily be leased to private communications companies.

This RFP sets forth the process to be used in selecting "Lessees" and establishing a standard "price per foot" cost for this and future lease agreements.

It is important to note that while the City is open to the concept of leasing conduit space throughout the City, it is not a strategic goal for the City. As such, the City will only enter into a lease agreement if it meets revenue expectations. Because of this, the City reserves the right to reject all proposals and not enter into an agreement with anyone.

Area Description

The first section of conduit that the City intends to lease is a vacant 4-inch conduit that runs between a splice box in front of the City Corporation Yard on Prado Road, 10,750 feet to a splice box near Damon-Garcia Sports Fields, and on to a box in front of the Level 3 facility on Capitolio off Broad Street. Additional available City conduit will be discussed at the pre-proposal conference on April 20, 2011.

PROPOSED APPROACH

Key Business Terms

The key requirements include:

1. **Annual Rent.** The minimum annual rent, payable annually in advance, will be determined via negotiations with lessee. This amount will increase annually by increases in the U.S. Consumer Price Index, All Urban Consumers (CPI-U) or 3%, whichever is greater.
2. **Term.** The initial term of the lease will be 5 years; three additional renewal terms of 5 years each are available at the discretion of the lessee, for a total term of 20 years.
3. **Subtenants.** The Lessee may not sublease City facilities.
4. **Memorandum of Understanding (MOU).** After selecting the best proposal, the City will enter into an MOU with the prospective Lessee outlining the basic business terms of the lease that the City will enter into after the prospective Lessee has received all of its regulatory approvals.
5. **Lease Agreement.** After the prospective Lessee has received all of its regulatory approvals and any other pre-conditions, the City will enter into the base lease agreement.

Proposal Submittal and Evaluation Process

The guidelines for the City’s proposal submittal and evaluation process are outlined in Sections B and C. As noted in the proposal evaluation guidelines, the City will consider factors other than price in making its contract award decision.

Section B GENERAL TERMS AND CONDITIONS

PROPOSAL REQUIREMENTS

1. **Requirement to Meet All Provisions.** Each individual or firm submitting a proposal (proposer) shall meet all of the terms, and conditions of the Request for Proposals (RFP) specifications package. By virtue of its proposal submittal, the proposer acknowledges agreement with and acceptance of all provisions of the RFP specifications.
2. **Proposal Submittal.** Each proposal must be submitted on the form(s) provided in the specifications and accompanied by any other required submittals or supplemental materials. Proposal documents shall be enclosed in an envelope that shall be sealed and addressed to the Finance Division, City of San Luis Obispo, 990 Palm Street, San Luis Obispo, CA, 93401. In order to guard against premature opening, the proposal should be clearly labeled with the proposal title, specification number, name of proposer, and date and time of proposal opening. No FAX submittals will be accepted.
3. **Insurance Certificate.** Each proposal must include a certificate of insurance showing:
 - a. The insurance carrier and its A.M. Best rating.
 - b. Scope of coverage and limits.
 - c. Deductibles and self-insured retention.

The purpose of this submittal is to generally assess the adequacy of the proposer's insurance coverage during proposal evaluation; as discussed under paragraph 10 below, endorsements are not required award.

4. **Proposal Withdrawal and Opening.** A proposer may withdraw its proposal, without prejudice prior to the time specified for the proposal opening, by submitting a written request to the Director of Finance & Information Technology for its withdrawal, in which event the proposal will be returned to the proposer unopened. No proposal received after the time specified or at any place other than that stated in the "Notice Requesting Proposals" will be considered. All proposals will be opened and declared publicly. Proposers or their representatives are invited to be present at the opening of the proposals.
5. **Submittal of One Proposal Only.** No individual or business entity of any kind shall be allowed to make or file, or to be interested in more than one proposal, except an alternative proposal when specifically requested; however, an individual or business entity that has submitted a sub-proposal to a proposer submitting a proposal, or who has quoted prices on materials to such proposer, is not thereby disqualified from submitting a sub-proposal or from quoting prices to other proposers submitting proposals.

Request for Proposals: City Underground Communications Conduit Lease

6. **Communications.** All timely requests for information submitted in writing will receive a written response from the City. Telephone communications with City staff are not encouraged, but will be permitted. However, any such oral communication shall not be binding on the City.

EXECUTION OF LEASE AGREEMENT

7. **Proposal Retention.** The City reserves the right to retain all proposals for a period of 60 days for examination and comparison. The City also reserves the right to waive non-substantial irregularities in any proposal, to reject any or all proposals, to reject or delete one part of a proposal and accept the other, except to the extent that proposals are qualified by specific limitations. See the "special terms and conditions" in Section C of these specifications for proposal evaluation and contract award criteria.
8. **Competency and Responsibility of Proposer.** The City reserves full discretion to determine the competence and responsibility, professionally and/or financially, of proposers. Proposers will provide, in a timely manner, all information that the City deems necessary to make such a decision.
9. **Contract Requirement.** The proposer to whom award is made (Lessee) shall execute a *Memorandum of Understanding* with the City within ten (10) calendar days after notice of the award has been sent by mail to it at the address given in its proposal. The *Memorandum of Understanding* and subsequent *Communications Facilities Lease* shall be made in the form adopted by the City and incorporated in these specifications.
10. **Insurance Requirements.** The Lessee shall provide proof of insurance in the form, coverages and amounts specified in *Communications Facilities Lease* within ten (10) calendar days after Notice to Proceed as a precondition to contract execution.
11. **Business Tax and License.** The Lessee must have a valid City of San Luis Obispo business tax certificate and license before execution of the *Communications Facilities Lease*. Additional information regarding the City's business tax program may be obtained by calling (805) 781-7134.

CONTRACT PERFORMANCE

12. **Ability to Perform.** The Lessee warrants that it possesses, or has arranged through subcontracts, all capital and other equipment, labor, materials, and licenses necessary to carry out and complete the work hereunder in compliance with any and all federal, state, county, city, and special district laws, ordinances, and regulations.
13. **Laws to be Observed.** The Lessee shall keep itself fully informed of and shall observe and comply with all applicable state and federal laws and county and City of San Luis Obispo ordinances, regulations and adopted codes during its performance of the work.
14. **Permits and Licenses.** The Lessee shall procure all permits and licenses, pay all charges and fees, and give all notices necessary.

Request for Proposals: City Underground Communications Conduit Lease

15. **Safety Provisions.** The Lessee shall conform to the rules and regulations pertaining to safety established by OSHA and the California Division of Industrial Safety.
16. **Public and Employee Safety.** Whenever the Lessee operations create a condition hazardous to the public or City employees, it shall, at its expense and without cost to the City, furnish, erect and maintain such fences, temporary railings, barricades, lights, signs and other devices and take such other protective measures as are necessary to prevent accidents or damage or injury to the public and employees.
17. **Preservation of City Property.** The Lessee shall provide and install suitable safeguards, approved by the City, to protect City property from injury or damage. If City property is injured or damaged resulting from the Lessee's operations, it shall be replaced or restored at the Lessee's expense. The facilities shall be replaced or restored to a condition as good as when the Lessee began work.
18. **Immigration Act of 1986.** The Lessee warrants on behalf of itself and all subcontractors engaged for the performance of this work that only persons authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986 and other applicable laws shall be employed in the performance of the work hereunder.
19. **Inspection.** The Lessee shall furnish City with every reasonable opportunity for City to ascertain that the work of the Lessee is being performed in accordance with the requirements and intentions of this contract. All work done shall be subject to the City's inspection and approval. The inspection of such work shall not relieve Lessee of any of its obligations to fulfill its lease agreement.

Section C

SPECIAL TERMS AND CONDITIONS

1. **Submittal of References.** Each proposer shall submit a statement of qualifications and references on the form provided in the RFP package.
2. **Statement of Contract Disqualifications.** Each proposer shall submit a statement regarding any past governmental agency bidding or contract disqualifications on the form provided in the RFP package.
3. **Authorized Representative.** If the individual or firm making the proposal is not an employee of the communication provider but is acting as an authorized representative for it (or them), supporting documentation for this—such as an original letter from the communication provider stating that the representative is authorized to act of their behalf on this matter—must be submitted with the proposal.
4. **Proposal Content.** Your proposal must include the following information, organized in the same order:

Submittal Forms

- a. Certificate of insurance.
- b. References from at least three firms for whom you have entered into similar leases.
- c. Statement of past contract or lease disqualifications.
- d. If the individual or firm making the proposal is not an employee of the communication provider but is acting as an authorized representative for it (or them), supporting documentation for this—such as an original letter from the communication provider stating that the representative is authorized to act of their behalf on this matter—must be submitted with the proposal.

Note: For ease of electronic preparation, proposers may prepare their own proposal submittal forms as long as they contain the same information in a similar format.

Work Program

- e. Description of your approach to obtaining discretionary approvals and then building wireless facilities and making other needed improvements with minimal disruption to normal park activities.
- f. Tentative schedule for obtaining discretionary approvals and completing improvements.
- g. General schematic and site plan of your proposed wireless facilities on the site.

Qualifications

- h. Experience of your firm in entering into similar site leases.
- i. Any other information that would assist us in making this lease award decision.

Proposal Length and Copies

Request for Proposals: City Underground Communications Conduit Lease

- j. Proposals should include attachments and supplemental materials.
 - k. Seven copies of the proposal must be submitted.
5. **Proposal Evaluation and Selection.** Proposals will be evaluated by a review committee based on the following criteria:
- a. Quality, clarity and responsiveness of the proposal.
 - b. Demonstrated competence and professional qualifications necessary for successfully installing the communication facilities in a timely, efficient, effective and “neighborhood-friendly” manner.
 - c. Proposed approach in completing the work.
 - d. References.
 - e. Recent experience in successfully entering into communication facilities lease agreements.
 - f. Background and related experience of the specific individuals to be assigned to this project.
 - g. Proposed annual rent, annual rent adjustment, minimum term and conformity with other terms and conditions of the City’s base lease agreement.

As reflected above, contract award will not be based solely on the proposed lease compensation, but on a combination of factors as determined to be in the best interest of the City. After evaluating the proposals and discussing them further with the finalists or the tentatively selected contractor, the City reserves the right to further negotiate the proposed work and/or method and amount of compensation.

7. **Proposal Review and Award Schedule.** The following is an outline of the anticipated schedule for proposal review and contract award:
- a. Issue RFP 4/13/11
 - b. Conduct pre-proposal conference 4/27/11
 - c. Receive proposals 5/4/11
 - d. Complete proposal evaluation 5/18/11
 - f. Finalize staff recommendation 5/25/11
 - g. Council approves Memorandum of Understanding (MOU) 7/6/11

8. **Pre-Proposal Conference Call.** A pre-proposal conference Call will be held at the following date and time to answer any questions that prospective proposers may have regarding this RFP:

April 27, 2011, 3:30 p.m.

Please contact Miguel Guardado for conference bridge information.

9. **Ownership of Materials.** All original drawings, plan documents and other materials prepared by or in possession of the Contractor as part of the work or services under these specifications shall become the permanent property of the City and shall be delivered to the City upon demand.
10. **Release of Reports and Information.** Any reports, information, data, or other material given to, prepared by or assembled by the Contractor as part of the work or services under these

Section D

FORM OF AGREEMENT

AGREEMENT

THIS AGREEMENT is made and entered into in the City of San Luis Obispo on [day, date, year] by and between the CITY OF SAN LUIS OBISPO, a municipal corporation, hereinafter referred to as City, and [CONTRACTOR], hereinafter referred to as Contractor.

WITNESSETH:

WHEREAS, on January 21, 2010, City invited requested proposals for Fire Station Alerting per Specification No. 90843.

WHEREAS, pursuant to said request, Contractor submitted a proposal that was accepted by City for said project.

NOW THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

1. **TERM.** The term of this Agreement shall be from the date this Agreement is made and entered, as first written above, until acceptance or completion of said project.

2. **INCORPORATION BY REFERENCE.** City Specification No. 90843 and Contractor's proposal dated [date], are hereby incorporated in and made a part of this Agreement.

3. **CITY'S OBLIGATIONS.** For providing Fire Station Alerting as specified in this Agreement, City will pay and Contractor shall receive therefor compensation in a total sum not to exceed [\$.00].

4. **CONTRACTOR'S OBLIGATIONS.** For and in consideration of the payments and agreements hereinbefore mentioned to be made and performed by City, Contractor agrees with City to do everything required by this Agreement and the said specification attached hereto and incorporated into this Agreement.

5. **AMENDMENTS.** Any amendment, modification or variation from the terms of this Agreement shall be in writing and shall be effective only upon approval by the City Manager of the City.

6. **COMPLETE AGREEMENT.** This written Agreement, including all writings specifically incorporated herein by reference, shall constitute the complete agreement between the parties hereto. No oral agreement,

understanding or representation not reduced to writing and specifically incorporated herein shall be of any force or effect, nor shall any such oral agreement, understanding or representation be binding upon the parties hereto.

7. **NOTICE.** All written notices to the parties hereto shall be sent by United States mail, postage prepaid by registered or certified mail addressed as follows:

City Steve Schmidt, Information Technology Manager
City of San Luis Obispo
990 Palm Street
San Luis Obispo, CA 93401

Contractor Name
Address

8. **AUTHORITY TO EXECUTE AGREEMENT.** Both City and Contractor do covenant that each individual executing this agreement on behalf of each party is a person duly authorized and empowered to execute Agreements for such party.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

ATTEST: CITY OF SAN LUIS OBISPO

City Clerk City Manager

APPROVED AS TO FORM: CONTRACTOR

City Attorney

By: _____

Section E

INSURANCE REQUIREMENTS

Contract Services

The Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

Minimum Scope of Insurance. Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Errors and Omissions Liability insurance as appropriate to the consultant's profession.

Minimum Limits of Insurance. Contractor shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
4. Errors and Omissions Liability: \$1,000,000 per occurrence.

Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City, its officers, officials, employees, agents and volunteers are to be covered as insureds as respects: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, occupied or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, official, employees, agents or volunteers.
2. For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
3. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

4. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

Verification of Coverage. Contractor shall furnish the City with a certificate of insurance showing maintenance of the required insurance coverage. Original endorsements effecting general liability and automobile liability coverage required by this clause must also be provided. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by the City before work commences.

PROPOSAL SUBMITTAL SUMMARY

The undersigned declares that she or he has carefully examined Specification No. 91072, which is hereby made a part of this proposal; is thoroughly familiar with its contents; is authorized to represent the proposing firm; and agrees to lease terms as follows:

Price per foot of conduit space	
Annual Rent: First Year (Corp Yard to Level 3)	
Annual Percent Rent Increase Thereafter (Fixed Dollar Amount or Percent)	

Term. The initial term will be five years, which may be extended for three additional five-year terms at the lessee’s option. In essence, this is a 20-year agreement, unless the lessee decides to end it sooner after the first five years.

Certificate of insurance attached; insurance company’s A.M. Best rating: _____.

Firm Name and Address

Contact:		
Phone:	Fax:	Email:

Attach additional page(s) if more than one communications provider is proposing to enter into a lease agreement with the City under one proposal listing firm names, address, contact, phone, fax and email for each one. See below if the Authorized Representative is representing more than one firm.

Signature of Authorized Representative

<i>Date</i>

If the individual or firm making the proposal is not an employee of the communication provider(s) but is acting as an authorized representative for it (or them), supporting documentation for this—such as an original letter from the communication provider stating that the representative is authorized to act of their behalf on this matter—must be submitted with the proposal.

REFERENCES

Number of years engaged in providing the services included within the scope of the specifications under the present business name:_____.

Describe fully the last three contracts performed or leases entered into by your firm that demonstrates your ability to successfully execute the terms and conditions of the “base” lease agreement included with the scope of the specifications. Attach additional pages if required. The City reserves the right to contact each of the references listed for additional information regarding your firm's qualifications.

Reference No. 1

Customer Name	
Contact Individual	
Telephone & FAX number	
Street Address	
City, State, Zip Code	
Contract or Lease Description	

Reference No. 2

Customer Name	
Contact Individual	
Telephone & FAX number	
Street Address	
City, State, Zip Code	
Contract or Lease Description	

Reference No. 3

Customer Name	
Contact Individual	
Telephone & FAX number	
Street Address	
City, State, Zip Code	
Contract or Lease Description	

