

**Monterey, New Marlborough, Sandisfield, and Tolland Massachusetts Joint Municipal  
Light Plant (MLP) Request for Proposal (RFP) High Bandwidth Internet Services  
Procurement**

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**TOWN OF SANDISFIELD**  
**OFFICE OF THE TOWN ADMINISTRATOR**  
sandisfieldtownadm@verizon.net

March 8<sup>th</sup>, 2017

**RE: Procurement Process Summary**


As the Chief Procurement Officer (CPO) for the Municipal Light Plants (MLP) for the Towns of Monterey, New Marlborough, Sandisfield, and Tolland, it is my pleasure to provide a summary of our procurement process. I take great pride in our efforts to maintain the highest standard of transparency. Contained herein you will have access to all pertinent documents relative to this procurement. This process has been documented from the construction of our procurement instrument, the request for proposal (RFP), through to the awarding of a contract to the selected proposer, Frontier Communications.

Ours was a dynamic process of compliance with two bodies of laws M.G.L Ch.30B and M.G.L Ch. 164. Part of our journey included trying to communicate our region's needs to State agencies like the Massachusetts Broadband Institute (MBI). Our efforts exposed the need for unique approaches to the procurement of broadband internet services. In general, M.G.L Ch. 30B does not allow for contracts with vendors to exceed three years. While the reasons for said thresholds are well founded, this creates limitations in how the market for broadband internet services can respond to our region's needs.

An MLP is a mechanism which can contract beyond the thresholds defined in M.G.L Ch. 30B. The MLP has been in play since the time when Wired West was involved in the early initiatives of small town's efforts to acquire broadband services and is administered according to M.G.L Ch. 164. Given our region's particular procurement needs, we set out to procure through our town's MLP. This meant establishing a procurement process that was compliant with M.G.L Ch. 30B while affording town's broader contractual thresholds under M.G.L Ch. 164.

The process that is detailed herein is the result of incommensurable dedication of resources by the appointed and elected officials of three towns. It has been a great honor and learning experience to serve as the procurement officer for this project, and it is my sincerest hope that the product of this procurement process brings High Bandwidth Internet Services to the Towns of Monterey, New Marlborough, Sandisfield, and Tolland.

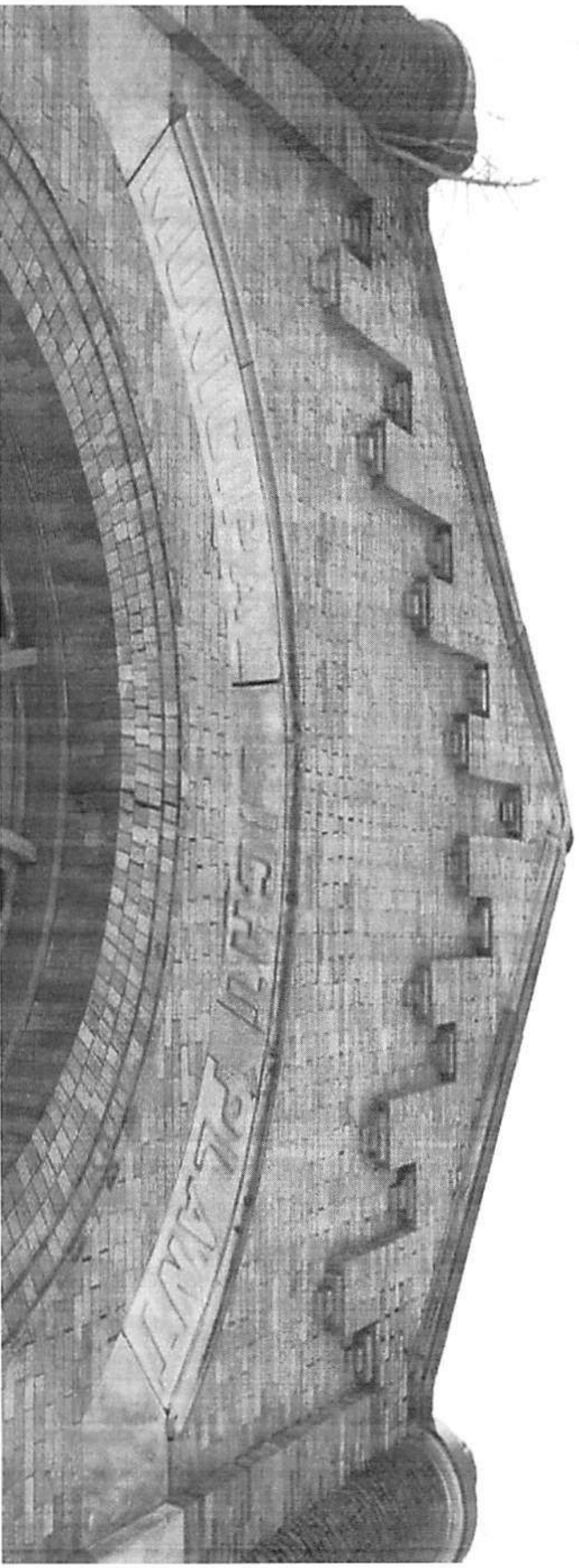
Respectfully Submitted,



Willie Morales, M.P.P  
Chief Procurement Officer  
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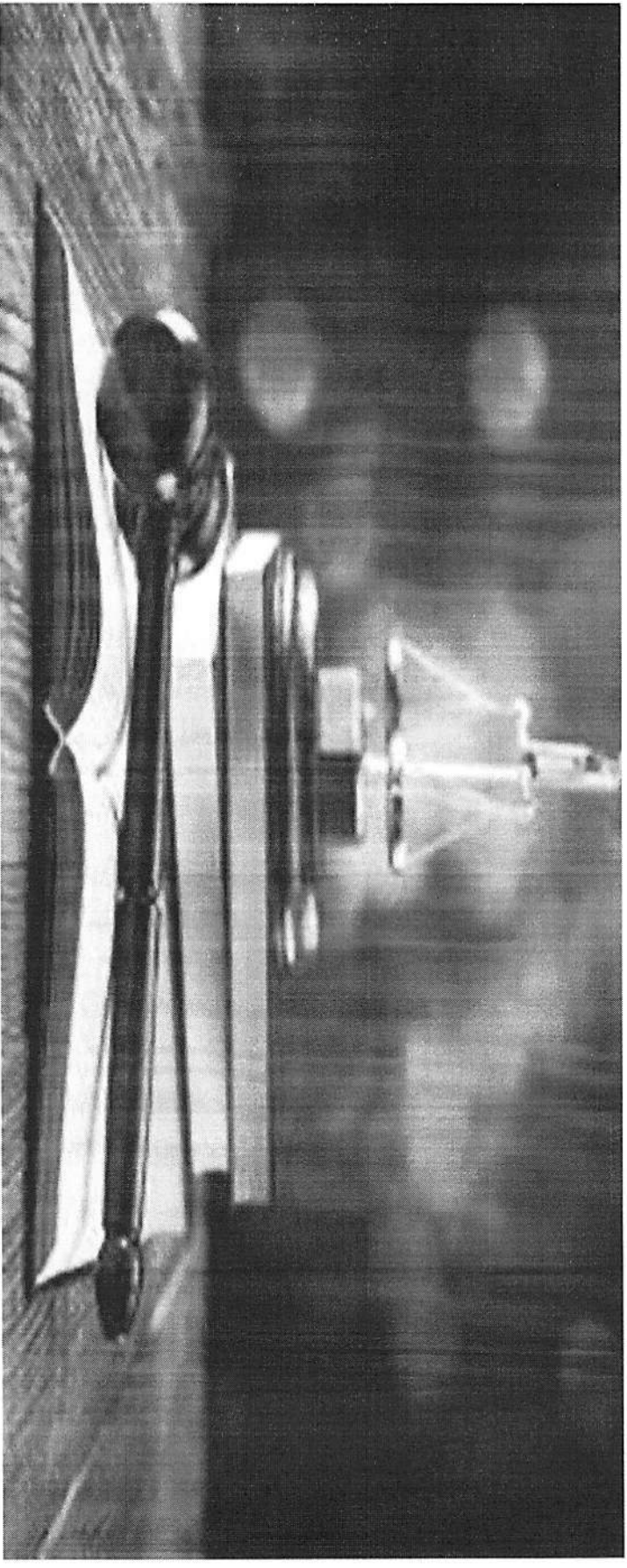


# Municipal Light Plants (MLP)





# Administrative Law





In order to provide structural context for the evolution of public policy as it pertains to MLP's, it is important to provide a brief overview for the understanding of one of public policies' foremost instruments, the law.

- Administrative Law – Law made by or about the executive branch agencies or department, the president at the federal level or the governor at the state level.
- Authority statutes – at the federal level congress delegates authority statutes to agencies, once the authority is granted, agencies engage in two types of law making; Quasi Legislative activity (Rule Making) and Quasi Judicial activity (Decision Making).



# Administrative Law Continued

**Regulations** – Are laws resulting from an agencies' quasi legislative activities, these laws look a lot like statutes.

## Rule Making:

Statutes are made by the legislator, whereas regulations are made by executive offices and agencies acting under statutory authority

Regulations are often much more specific and prescriptive than the Statutes that authorize them. They are often the result of agency dissemination of field specific, market specific, region specific, etc....legal needs, regulations also carry the force of law!

In interpreting the legal parameters of public policy we must always evaluate both Statutes and Regulations. Where statutes provide the foundational scope of the law, regulations deal with the specific implementation for laws. You can only judge the validity of regulation by reading them with the statutes that authorize them. In other words this is a legal check and balances; a regulation that exceeds the scope prescribed by a statute is invalid.

**Decisions** – Are laws resulting from an agencies' quasi judicial activities, these look a lot like case law.

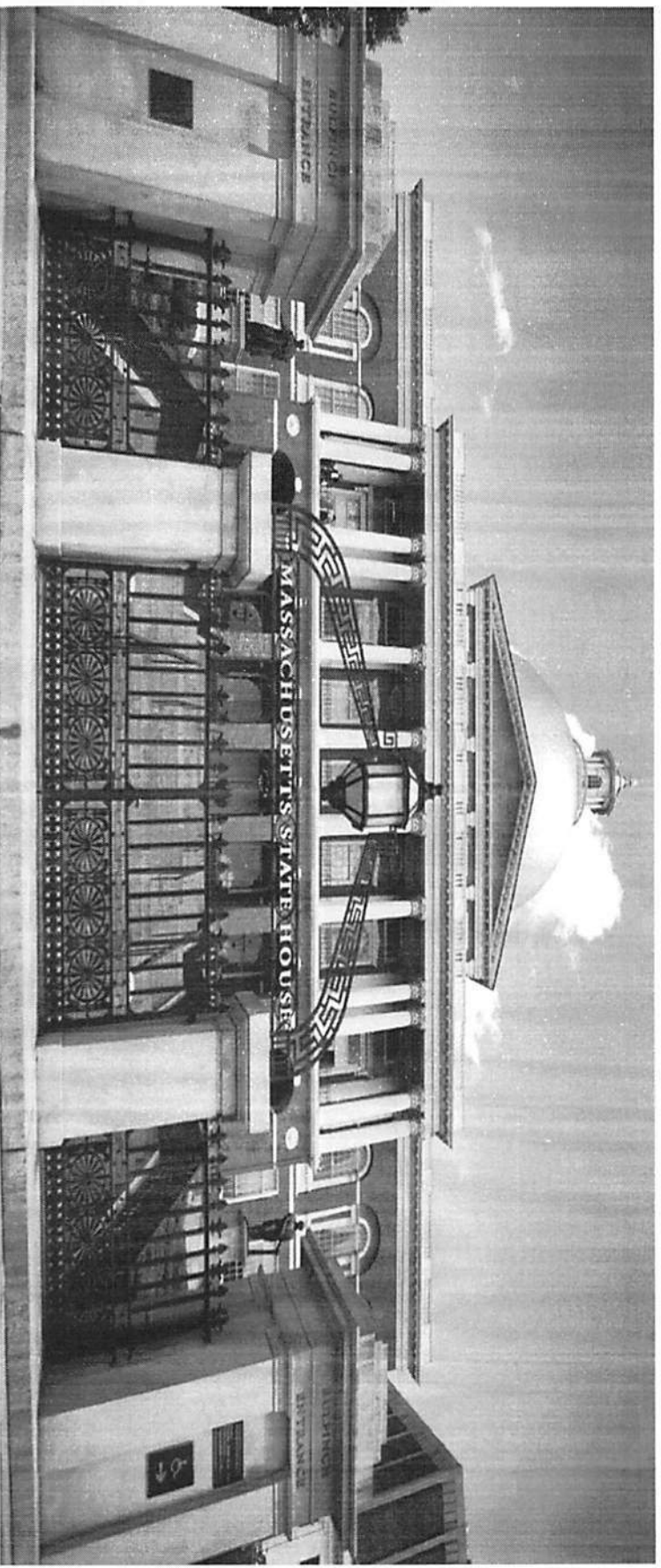
## Decision Making:

This quasi judicial process resembles case law, this segment of administrative law arises out of agencies' needs for enforcement.

Decisions are published in individual agencies' reporters. Many reporters are outdated and hard to find few libraries have said documents, perhaps to both the benefit and detriment of some agencies depending of course on contextual details.

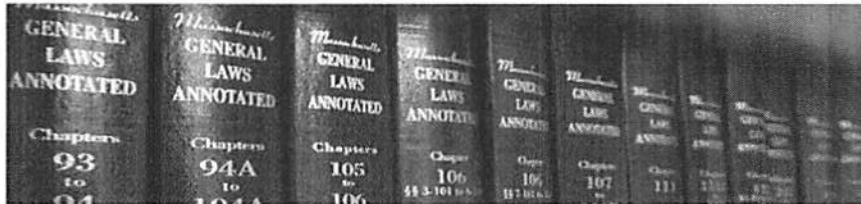


# Administrative Law as Applied: Commonwealth of Massachusetts and MLP's





## Massachusetts General Law (M.G.L.) - Statutes



- M.G.L Ch.164, §§ 34-37
- M.G.L Ch.164, §§ 47C-E
- M.G.L Ch.164, §§ 55-57A-C
- M.G.L Ch.164, §§ 63, 69, 69P-Q
- M.G.L Ch.164, §§ 75, 77, 79
- M.G.L Ch.164, §§ 83-85
- M.G.L Ch.164, §§ 91, 93
- M.G.L. Ch. 30, § 39M
- M.G.L. Ch. 149, §§ 44A-44M

## Code of Massachusetts Regulations (CMR) - Regulations



830 CMR 64H.1.6 (Telecommunications Services), § 2.

220 CMR 79.02 (Annual Return for Municipal Lighting Plants)



# Establishing an MLP

M.G.L Ch.164, §§ 47C-E – Broadband is established as a legitimate function for MLP's

- A municipal lighting plant or a cooperative public corporation and any municipal lighting plant member thereof, established pursuant to this chapter or any general or special law may construct, purchase or lease, and maintain such facilities as may be necessary for the distribution or the operation of a telecommunications system for municipal use or for the use of its customers.
- Such municipal lighting plant may incur debt for such facilities by a vote taken in the manner prescribed pursuant to section 8 of chapter 44. Such cooperative may incur debt for such facilities pursuant to the provisions of section 47C.
- Wherever apt, the provisions of this chapter and chapter 44, which apply to the operation and maintenance of a municipal lighting plant, shall apply also to the operation and maintenance of such telecommunications system.
- To make contracts and incur liabilities, borrow money at rates of interest the cooperative may determine, issue notes, bonds, certificates of indebtedness, and other obligations, receive funds from members and pay interest thereon, issue capital stock and certificates representing equity interests in assets, allocate earnings and losses at the times and in the manner the articles of incorporation or bylaws or other contract specify, create book credits, capital funds, and reserves, and secure obligations by mortgage or pledge of any of its property, franchises, and income



# Establishing an MLP Continued

## M.G.L Ch.164, § 55 - Confusion

A town which has established or votes to establish a gas or electric plant may elect a municipal light board consisting of either three or five citizens of the town, each for a term of three years. Of the three-member board, initially one shall be chosen for one year, one for two years, and one for three years, and at each annual meeting thereafter one for a term of three years. Of the five-member board, initially one shall be chosen for one year, two for two years and two for three years and thereafter, the terms shall be for three years. The municipal light board shall have authority to construct, purchase or lease a gas or electric plant in accordance with the vote of the town and to maintain and operate the same.

**\* Please note that this is not the best practice for small towns to establish an MLP, these are the guidelines for establishing a light board for the specific purpose of oversight and management of a gas or electric plant. This manner of establishing an MLP is better suited for municipalities in which the light board is desired to function separately from the board of selectmen.**



# Establishing an MLP Continued

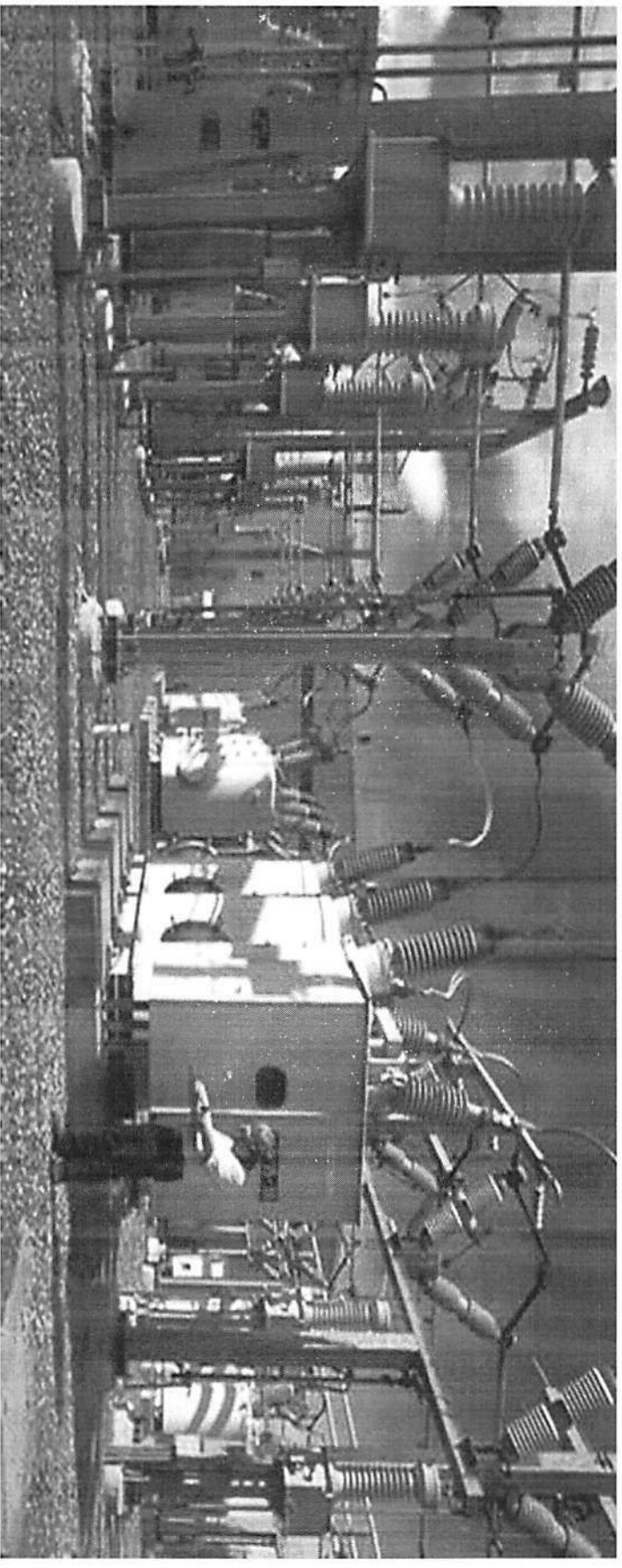
M.G.L Ch.164, §§ 34-37 – The best practice for establishing an MLP (**Clarity**)

(36) A town shall not acquire such a plant until authorized by a two thirds vote, taken by ballot with the use of the voting list, at each of two town meetings called therefor and held at intervals of not less than two nor more than thirteen months. If the first of such votes is favorable and the second unfavorable, or if both such votes are unfavorable, no similar vote shall be passed within two years thereafter.

(37) After a city or town has voted under section thirty-five or thirty-six, the city or town clerk shall forthwith transmit to the department a certified copy of so much of the records of the city council or of the town as relates to the result of the vote.



# Management of an MLP





# Management of an MLP Continued

## M.G.L Ch.164, § 56

The...selectmen or municipal light board, *if any*, of a town acquiring a...plant shall appoint a manager of municipal lighting who shall, under the direction and control of the...selectmen or municipal light board, *if any*, and subject to this chapter, have full charge of the operation and management of the plant...His compensation and term of office shall be fixed in...in towns by the selectmen or municipal light board, *if any*; and, before entering upon the performance of his official duties, he shall give bond to the city or town for the faithful performance thereof in a sum and form and with sureties to the satisfaction of...selectmen or municipal light board, *if any*, and shall, at the end of each municipal year, render to them such detailed statement of his doings and of the business and financial matters in his charge as the department may prescribe. See - 220 CMR 79.02

All moneys payable to or received by...manager...shall be paid to the...town treasurer. All accounts rendered to or kept...shall be subject to the inspection of the city auditor...The auditor or officer having similar duties, or the selectmen, may require any person presenting for settlement an account or claim against such plant to make oath before him or them, in such form as he or they may prescribe, as to the accuracy of such account or claim. The willful making of a false oath shall be punishable as perjury. The auditor or officer having similar duties in cities, and the selectmen in towns, shall approve the payment of all bills or payrolls of such plants before they are paid by the treasurer, and may disallow and refuse to approve for payment, in whole or in part, any claim as fraudulent, unlawful or excessive; and in that case the auditor or officer having similar duties, or the selectmen, shall file with the city or town treasurer a written statement of the reasons for the refusal; and the treasurer shall not pay any claim or bill so disallowed. This section shall not abridge the powers conferred on town accountants by sections fifty-five to sixty-one, inclusive, of chapter forty-one.

**\* Please note that auditor is synonymous with town accountant, also important to recognize that both the treasurer and accountant should possess critical financial aptitude to execute and monitor MLP functions.**



# Management of an MLP Continued

## M.G.L Ch.164, §§ 57 A-C – **Manager Duties**

(57) At the beginning of each fiscal year, the manager...shall furnish to the...selectmen or municipal light board, *if any*, an estimate of the...gross expenses of operation.

(57-A) Any...town having a municipal light plant may appropriate money for the maintenance and operation of such plant, specifying that the same shall be taken from the receipts...and where such appropriations are made, the...town treasurer may, in advance of the collection of said receipts, pay bills on account of the said appropriations...any sum so advanced shall be repaid to the...town from such receipts...and shall be applied as reimbursement to the...town, or to the payment of any temporary loan made by the...town in anticipation of revenue of that year.

(57-B) Any...town having a municipal light plant shall appropriate any income from the investment or deposit of proceeds of bonds or notes of said plant issued under or subject to the provisions of chapter forty-four solely for the purposes of said municipal lighting plant.

(57-C) Any city or town having a municipal light plan shall appropriate any income from the investment or deposit of funds in the insurance escrow account established by said plant solely for the purposes of said plant.

M.G.L Ch.164, § 77 – Annual reporting to the Department of Public Utility. See M.G.L Ch.83 and 220 CMR 79.02



# Legal Enforcement for MLP's

M.G.L Ch.164, § 63 – Fiscal and procedural transparency and the penalties for such infractions.

M.G.L Ch.164, §§ 69, 69P-Q

(69) – Jurisdiction over the petition to fix prices.

(69-P) – Judicial review of Board of Selectmen and Jurisdiction thereof, constitutionality of the Commonwealth and the United States.

(69-Q) – The authority to enter into compacts, hearings, and investigations with other agencies including those on State and Federal levels.

M.G.L Ch.164, §§75 – Authorizing town enforcement.

M.G.L Ch.164, § 79 – Jurisdiction over towns providing MLP services such as broadband internet services.

M.G.L Ch.164, §§ 83-85 – Failure to comply and consequences (Fees mainly).

M.G.L Ch.164, §§ 91, 93 – Establishing the authority of the courts to enforce law and enjoin performance of unlawful performance.



# Opinion Regarding Procurement Laws and MLP's

Does M.G.L. Ch. 30B, § 1(b)(14) apply to MLP procurement?

In our opinion because the Uniform Procurement Act (or “chapter 30B”), which prescribes procurement requirements for the municipal acquisition and disposition of supplies and services (and interests in real property), expressly exempts contracts or agreements entered into by an MLP, it would not apply to the procurement of a contract for the installation, operation and maintenance of broadband infrastructure as contemplated by the town(s) of Monterey, Sandisfield, and Tolland.

**The exemption reads** - any contracts or agreements entered into by a municipal gas or electric department governed by a municipal light board, as defined by section fifty-five of chapter one hundred and sixty-four or by a municipal light commission, as defined by section fifty-six A of said chapter one hundred and sixty-four; provided, however, that any such board or commission may accept the provisions of this chapter by a majority vote of its members



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## Opinion Regarding Procurement Laws and MLP's Continued

Do construction bid laws, M.G.L. Ch. 30, § 39M (non-building projects) and M.G.L. Ch. 149, §§ 44A-44M (building projects) apply?

- In our opinion Massachusetts construction bid laws do not apply because those laws apply to construction work undertaken by a municipality (Some vendors could potentially handle all construction).
- However, unlike chapter 30B the construction bid laws do not expressly exempt MLP contracts. The Massachusetts Office of Attorney General has interpreted such laws as applying to MLPs.
- That said, those laws will not apply if public funds are not used for the construction needed work (Some vendors could potentially handle all construction).



# MLP Summary and Conclusion

- The MLP is a mechanism by which public entities in the Commonwealth of Massachusetts function as a quasi-private corporations. The public policy process that developed the body of laws (Statutes/M.G.L. & Regulations/CMR) recognized the needs of municipalities to perform in private markets.
- This is supported by many sections of M.G.L Ch.164 such as § 47D that exempts MLP's from public records law for purposes like protecting trade secrets much like the body of laws that protect the intellectual property of private firms.
- Thus it is our position that the MLP can service broadband procurement contracts on behalf of municipalities. Further, we feel that the Commonwealth of Massachusetts has defined the structure of the MLP, the role of MLP officers, and the relationship between Municipalities and their MLP's within Commonwealth laws.



**Monterey, Sandisfield, and Tolland Massachusetts  
Joint Municipal Light Plant (MLP) Request for Proposal (RFP)  
High Bandwidth Internet Services Procurement**

**1.0 General Procurement Information**

RFP Release Date: January 6, 2017, Noon

Bidder's Conference: Tuesday January 17, 2017 2:00 P.M., Sandisfield Town Hall Annex

Questions Due: By Thursday January 26, 2017, Noon [Send Questions to: [aboydbos@gmail.com](mailto:aboydbos@gmail.com)]

Response to Questions: Tuesday January 31, 2017

Submittal Date deadline: Thursday February 9, 2017, 2:00 p.m. at Sandisfield Town Hall Annex

Interview Date: Thursday February 16, 2017 [Towns may choose not to interview]

Award Date: February 22, 2017

Procurement Officer and Submittal address:

Mr. Willie Morales, Town Administrator  
Sandisfield Town Hall Annex  
66 Sandisfield Road, PO Box 90  
Sandisfield, MA 01255

**2.0 Background and Purpose of Procurement**

**2.1 Background**

In 2008, Massachusetts legislators approved and the Governor signed legislation to further the goal of achieving broadband Internet access in unserved parts of the Commonwealth. Under this program, the Massachusetts Broadband Institute ("MBI") guided and funded the building of the *MassBroadband 123* middle mile network as a backbone to support ultimate delivery of last mile service to unserved Towns.

The current Last Mile Program is designed to support 44 unserved Western Massachusetts communities with residential broadband access. The MBI is building a flexible framework that will help all unserved towns achieve broadband access, allowing for a range of project models, including multi-town collaborations, locally owned networks, and industry partnerships. Many technology and operational choices will be supported, as long as they meet performance, affordability, and sustainability standards. In support of the Last Mile Program, the MBI will disburse capital from the State in aid of approved projects.

**2.2 Purpose of Procurement**

The Town MLPs for Monterey, Sandisfield, and Tolland jointly seek a telecommunications Vendor who can provide a complete 3-Town regional solution for meeting the need and primary goal of achieving high bandwidth Internet access for residents and businesses in the Towns, with the availability of related services such as high definition Voice over Internet Protocol (VOIP) telephone service, viewed as a positive addition. The Town MLPs strong desire is for such services to be provided via a state of the art Fiber To The Premises (FTTP) network. The goal is in accord with the Commonwealth's goal of extending Internet access to Towns in western Massachusetts. The MLPs understand that the lack of density of houses and businesses in the unserved Western Massachusetts communities has been an



obstacle to attracting broadband service providers who are willing to invest in infrastructure to deliver the services. The Town MLPs are hopeful that circumstances have changed and via this RFP are hoping to attract a company that will design, build, own, operate and maintain a network that can deliver, first and foremost, high bandwidth Internet access, and, secondarily, high definition telephony and perhaps television channel packages via the same high bandwidth network.

The MLP for each Town would consider a subsidy as an inducement for the Vendor to invest in and accept the risks and costs of its capital investment and continuing operation of a high bandwidth network in each Town. It is anticipated the Vendor will own and maintain full responsibility for its network and all risks related to its design, implementation, and continuing operations (including financial risks). The Town MLPs are not acquiring any interest in the Vendor's network.

To the extent they are able to do so, the MLPs will work with their respective Towns to allow Vendor to site facilities on Town-owned property or provide needed easements. Each Town MLP will facilitate any local permitting required and waive associated municipal fees. Information on some potential sites will be available at the Bidder's conference.

The purpose and goal of the procurement is to identify and contract with an experienced and financially strong telecommunications provider to maximize the provision of Internet and related services consistent with the most economic cost, or in other words, to maximize the value proposition for the Towns by choosing the most advantageous Vendor proposal.

### **3.0 Scope of Vendor Service**

#### **3.1 Broadband Network Service**

The Town MLPs for Monterey, Sandisfield, and Tolland jointly seek a telecommunications vendor who can provide a complete regional solution for meeting the need and goal of achieving high bandwidth Internet access for all residents and businesses in the Towns. Provision of this service will require that the Vendor provide connection to their network for all premises, residential and business, within Town boundaries, including those on private roadways and driveways. The selected Vendor will be responsible for program management, make-ready assessment and permitting, design and engineering, obtaining premise-entry consents, network implementation, network operations, subscriber marketing and billing, customer support, network maintenance and emergency response and network renewal, as needed. In responding to this RFP, the proposing Vendor will need to provide plans for how it will proceed to implement its service to the Towns involved in this joint procurement.

#### **3.2 Service Area Description**

##### **3.2.1 Monterey**

Exhibit B.1 attached is a map of Monterey, MA prepared by MBI. The map shows the existing *MassBroadband 123* middle mile and Town roadways. National Grid is the power distribution provider in the Town and holds maintenance responsibility for poles. The Town estimates a count of 844 premises, 1950 poles and 57 route miles of roadway.

##### **3.2.2 Sandisfield**

Exhibit B.2 attached is a map of Sandisfield, MA prepared by MBI. The map shows the existing *MassBroadband 123* middle mile and Town roadways. National Grid is the power distribution provider



in the Town and holds maintenance responsibility for poles. The Town estimates a count of 677 premises, 1,762 poles and 91 route miles of roadway.

### **3.2.3 Tolland**

Exhibit B.3 attached is a map of Tolland, MA prepared by MBI. The map shows the existing *MassBroadband 123* middle mile and Town roadways. National Grid is the power distribution provider in the Town and holds maintenance responsibility for poles. The Town estimates a count of 535 premises, 801 poles and 41 route miles of roadway.

## **3.3 Required Services**

The Towns of Monterey, Sandisfield, and Tolland require high bandwidth connection to the Internet, referred to as broadband, to all households/living units and businesses within the geographic boundaries of the Towns. Within this proposal request "subscriber" refers to each household/living unit and business that consents to a network connection on its property. As noted above, the Town MLPs highly desire for services to be offered via a Vendor-provided FTTP network. The MLPs will consider the Vendor to have provided ubiquitous service to all premises if the Vendor is able to offer connection to at least 96% of the premises in each Town. Services standards will be determined through the contract negotiation process.

In order to meet the needs of all potential subscribers, the Town MLPs consider it highly desirable for a Vendor to be capable of offering different levels (tiers) of broadband Internet service for subscribers to choose from, with each level of service supporting different network connection bandwidths for downstream and upstream data transfers. In order to be considered broadband service, a Vendor's Internet service, by FCC definition, must be capable of supporting a connection bandwidth no less than 25 megabits per second (Mbps) for downstream data transfer, and no less than 3 Mbps for upstream data transfer. It is highly desirable for the lowest tier of broadband service offered to be capable of supporting a network connection bandwidth of at least 50 Mbps for downstream data transfers. Symmetric data transfer service is not required, but highly desirable. What is required for all tiers of broadband Internet service offered, is the upstream connection bandwidth to be no less than 20% of the downstream connection bandwidth. So for a tier that offers a downstream connection bandwidth of 50 Mbps, this requires the tier to also provide an upstream connection bandwidth no less than 10 Mbps. In addition to tiers of service offered that will meet the needs of most subscribers, a proposal that offers subscribers the option of a network connection that supports a connection bandwidth equal to or exceeding 1 gigabit per second (Gbps) for both downstream and upstream data transfers, will be considered to be highly advantageous in the selection process. A proposal that also offers basic Internet service options to choose from for subscribers that do not require high bandwidth connection to the Internet will also be considered to be advantageous in the selection process.

Within this proposal request "bandwidth" refers to the sustained downstream or upstream data transfer rate supported for a given level of Internet service, not a peak (up to) transfer rate. This definition applies to both point-to-point and point-to-multipoint service connections.

## **3.4 Optional Services**

The Town MLPs highly desire a Vendor to be capable of offering high definition VOIP telephone service via its network. The Town MLPs believe that dramatic changes continue to shape both telephone and television services going forward. To that end, a Vendor capable of offering high definition (HD) and standard definition television channel package service to all premises via the Vendor's high bandwidth



network is seen as a nice to have but not necessarily a requirement. A proposing Vendor must allow subscribers the availability of third party services (e.g. telemedicine, security, etc.) via its network.

### **3.5 Subscriber Options**

Vendors who are able to offer telephony and television channel package services in addition to the required high-bandwidth Internet access, must afford subscribers the option of Internet access only. For all bundled service packages offered by a Vendor, subscribers must be afforded the level of Internet service per Section 3.3 requirements.

## **4.0 Minimum Qualifying Criteria for Vendors**

If the entity responding to this proposal differs from the entity that would enter into a Broadband Services Agreement with the Town MLPs, then that disclosure should be clearly made in the response. Further, if the proposing entity differs, then a statement must be provided by the proposing Vendor stating whether it will or will not provide a guaranty for the performance of the entity entering into the Agreement.

### **4.1 History and experience**

The proposing Vendor must provide a brief history of the firm, noting its evolution of telecommunication services, and in particular broadband services. Further, a concise statement of its current business strategy must be provided. A proposal must include history of completing projects to provide Internet service similar to that required here. The Town MLPs require that a proposing Vendor be authorized to conduct relevant business in Massachusetts and the Towns. However, Vendors not currently authorized may respond. Vendors not currently authorized will need to provide details for the process and schedule for obtaining the required authorization.

### **4.2 Financial resources**

The Town MLPs expect a proposing Vendor to finance the full capital cost of make-ready, design, commissioning, and provisioning of the network required for providing high-bandwidth Internet access and services in each Town. Further, the proposing Vendor must offer credible evidence of its ability to finance the project. If the proposing Vendor is a privately held corporation, it may enclose its audited financial statements in a sealed envelope marked "Proprietary and Confidential." The Town MLPs will hold confidential records submitted in such an envelope so marked until completion of evaluations and as otherwise permitted by law.

### **4.3 Minimum existing customer base for requested services**

The proposing Vendor must provide evidence of currently providing high-bandwidth Internet services to rural communities similar to the Towns involved in this procurement. In the case where the Vendor does not currently provide Internet access and service to at least 1000 subscribers in rural communities, the Vendor must provide detail on existing contracts and provide a plan showing their ability to deploy (funding, resources and organization) and support a multi-town broadband Internet service.

## **5.0 Requirements for Proposal Content**



Vendors are encouraged to prepare responses using clear and concise language that responds to the RFP in a straightforward manner. All acronyms and technical terms must be explained. Vendors are requested to organize their RFP submission to follow the same order as in Section 5.0, and to label any additional attachments deemed appropriate to match the Section number it addresses. A response to the RFP must address the complete service area identified in Section 3.2.

The proposing Vendor must address the following in the presentation of its proposal:

#### **A. Minimum Qualification Requirements**

The responses to Sections 5.1 through 5.3 should address the minimum qualification criteria required in Section 4.0.

**5.1 Business history and experience.**

**5.2 Financial resources.**

**5.3 Description and size of broadband Internet service customer base.**

#### **B. Comparative Criteria**

##### **5.4 Internet Service Performance Requirements**

The proposing Vendor must provide a description of the tiers of Internet service that will be available to subscribers to choose from, for both downstream and upstream services per the requirements provided in Section 3.3.

*-Highly Advantageous:* Vendor offers more than one tier of high bandwidth broadband service, as well as a level of service that supports a connection bandwidth equal to or greater than 1 Gbps for both downstream and upstream data transfers. No tier of service offered supports a connection bandwidth less than 100 Mbps for downstream data transfers. For each tier offered the upstream connection bandwidth is no less than 20% of the downstream connection bandwidth. Vendor also offers basic Internet service via connection bandwidths less than the minimum bandwidths required to be considered broadband service.

*-Advantageous:* Vendor offers more than one tier of high bandwidth broadband service, as well as a level of service that supports a connection bandwidth equal to or greater than 1 Gbps for both downstream and upstream data transfers. No tier of service offered supports a connection bandwidth less than 50 Mbps for downstream data transfers. For each tier offered the upstream connection bandwidth is no less than 20% of the downstream connection bandwidth. Vendor also offers basic Internet service via connection bandwidths less than the minimum bandwidths required to be considered broadband service.

*-Not Advantageous:* Vendor offers a single tier high bandwidth broadband service that supports a connection bandwidth no greater than 50 Mbps for downstream data transfers, and no greater than 10 Mbps for upstream data transfers. Vendor also offers basic Internet service via connection bandwidths less than the minimum bandwidths required to be considered broadband service.

*-Not Acceptable:* Vendor only offers basic Internet service via network connection bandwidths for downstream and upstream data transfers that are less than the minimum bandwidths required to be considered broadband service. [An Unacceptable rating will disqualify entire proposal.]



**5.4.1** Proposing Vendor must provide evidence of being able to provide high-bandwidth Internet service to the consumer. The preferred method for providing such evidence is via recent results from an independent study that measures broadband service performance as delivered by an Internet service provider to the consumer, such as the Federal Communication Commission's (FCC) Measuring Broadband America Program. Via evidence Vendor's actual connection bandwidths for all levels of broadband service offered must be shown to be greater than 80% of the advertised bandwidths across all time periods.

*-Highly advantageous:* Study results or other evidence shows Vendor's actual measured connection bandwidths for all levels of broadband service offered are greater than 90% of the advertised bandwidths.

*-Advantageous:* Study results or other evidence shows Vendor's actual measured connection bandwidths for all levels of broadband service offered are between 85 and 90% of the advertised bandwidths.

*-Not Advantageous:* Study results or other evidence shows Vendor's actual measured connection bandwidths for all levels of broadband service offered are between 80 and 85% of the advertised bandwidths.

*-Unacceptable:* Study results or other evidence shows Vendor's actual measured connection bandwidths for all levels of broadband service offered are less than 80% of the advertised bandwidths. [An Unacceptable rating will disqualify entire proposal.]

**5.4.2** Proposing Vendor must provide evidence of being able to satisfy its existing broadband Internet service customers with respect to service performance, service options available, subscriber billing, service pricing, maintenance and emergency response, and service problem handling. The preferred method for providing such evidence is via independent survey results, such as the report released by the American Customer Satisfaction Index that measures the level of national cross-industry customer satisfaction for products and services. Via evidence the Vendor's current level of customer satisfaction for all levels of broadband service offered must be shown to be greater than 70%.

*-Highly advantageous:* Evidence shows that Vendor's customer satisfaction rating is greater than 90% for Internet services.

*-Advantageous:* Evidence shows that Vendor's customer satisfaction rating is between 80 and 90% for Internet services.

*-Not Advantageous:* Evidence shows that Vendor's customer satisfaction rating is between 70 and 80% for Internet services.

*-Unacceptable:* Evidence shows that Vendor's customer satisfaction rating is less than 70% for Internet services. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

**5.4.3** Proposing Vendor must provide evidence of being able to provide broadband Internet service that is highly available. Within this proposal request "availability" refers to the proportion of time broadband Internet access and services (per performance requirements specified in Section 3.3) are expected to be provided to all subscribers. Evidence for availability can be measured for existing broadband Internet customers, or calculated based on the Vendor's proposed network design. Network design features that will drive service availability are network component reliability, component and



system-level redundancy, backup power generation, etc. Within this proposal request the term "downtime" refers to periods of time when Internet access and service is unavailable to subscribers, exclusive of periods of time required for the Vendor to perform scheduled maintenance.

*-Highly Advantageous:* Evidence shows that the Vendor can commit to providing broadband Internet service for all levels of broadband service offered with an average downtime in any given month no more than 5 minutes per week (99.95% availability).

*-Advantageous:* Evidence shows that the Vendor can commit to providing broadband Internet service for all levels of broadband service offered with an average downtime in any given month no more than 10 minutes per week (99.9% availability).

*-Not Advantageous:* Evidence shows that the Vendor can commit to providing broadband Internet service for all levels of broadband service offered with an average downtime in any given month no more than 50 minutes per week (99.5% availability).

*-Unacceptable:* Evidence shows that the Vendor will not be able to commit to providing broadband Internet service for all levels of broadband service offered with an availability of at least 99.5% in any given month. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

## **5.5 Service Schedule Requirements**

Proposing Vendor must be able to provide broadband Internet service to all subscribers within three years from contract commencement. To the extent service availability is delayed due to causes that could not be anticipated and/or are beyond the Vendor's control, and the Vendor can demonstrate it is exercising diligence in its efforts, the contract will be amended as appropriate.

*-Highly advantageous:* The Vendor commits to providing broadband Internet service to all subscribers within two years of contract commencement.

*-Advantageous:* The Vendor commits to providing broadband Internet service to all subscribers within two and one-half years of contract commencement.

*-Not advantageous:* The Vendor commits to providing broadband Internet service to all subscribers within three years of contract commencement.

*-Unacceptable:* The Vendor commits to providing broadband Internet service to all subscribers in excess of three years of contract commencement. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating]

**5.5.1** Proposing Vendor must provide Internet service to all subscribers located on public and private roads in the Towns, to the extent such subscribers are currently connected to existing utility poles or conduit with space available for additional cables. If a Vendor proposes a linear connection allowance for reaching subscribers on a private road or driveway, the Vendor must propose a per foot unit price applicable to the overage allowed per connection.

*-Highly advantageous:* The Vendor commits to connecting and providing Internet service to all subscribers on public and private roads, regardless of linear connection distance, to the extent such subscribers are currently connected to existing utility poles or conduit with usable space available for additional cables.



**-Advantageous:** The Vendor commits to connecting and providing Internet service to all subscribers on public and private roads, with a linear connection allowance of 500 feet, to the extent such subscribers are currently connected to existing utility poles or conduit with usable space available for additional cables.

**-Not advantageous:** The Vendor commits to connecting and providing Internet service to all subscribers on public and private roads, with a linear connection allowance of 300 feet, to the extent such subscribers are currently connected to existing utility poles or conduit with usable space available for additional cables.

**-Unacceptable:** The Vendor commits to connecting and providing Internet service to all subscribers on public roads only with a linear connection allowance to be negotiated, to the extent such subscribers are currently connected to existing utility poles or conduit with usable space available for additional cables. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

**5.5.2** Proposing Vendor must provide a plan, including equipment and cost to subscribers, if any, for initial installation of on-premises equipment (e.g. network terminal units, modems, routers, uninterruptible power supply, etc.).

**-Highly Advantageous:** Proposing Vendor plans to provide and install on-premises equipment at no cost to subscribers.

**-Advantageous:** Proposing Vendor plans to provide and install on-premises equipment at a cost to subscribers not exceeding \$100.

**-Not advantageous:** Proposing Vendor plans to provide and install on-premises equipment at a cost to subscribers exceeding \$100 but less than \$250.

**-Unacceptable:** Proposing Vendor plans to provide and install on-premises equipment at a cost to subscribers exceeding \$250. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

**5.5.3** Proposing Vendor must provide a plan for addressing how broadband service will be provided to new premises after the network construction has been completed. To the extent possible the plan shall include the applicable terms, conditions, and costs that will apply, as well as who will be responsible for future costs.

**-Highly Advantageous:** The proposing Vendor commits to providing broadband service to future premises, and provides a detailed plan for the terms, costs, and responsibilities of the involved parties.

**-Advantageous:** The proposing Vendor commits to providing broadband service to future premises, and provides a general plan for the terms, costs, and responsibilities of the involved parties.

**-Not advantageous:** The proposing Vendor commits to providing broadband service to future premises, but defers the determination of terms, costs, and responsibilities of the involved parties to the future.

**-Unacceptable:** The proposing Vendor does not commit to providing broadband service to future premises after the network construction has been completed. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]



**5.6** Proposing Vendor must provide a comprehensive description of its business proposition for each Town and its subscribers, including all offered service options and the associated rates (cost) for each service. The Vendor must provide broadband Internet service. Other services, such as high definition telephone service, high definition television channel package service, and basic Internet are not required, but are considered by the Town MLPs to be highly desirable. The Vendor shall provide a complete description of the television packages available to subscribers if applicable.

*-Highly advantageous:* Proposing Vendor offers different tiers of broadband Internet service to choose from per Section 3.3, as well as basic Internet service. The Vendor also offers high definition telephone service (G.722 codec quality or better), and high definition television channel packages (comparable to satellite-based television channel package services) to choose from combined with the Internet services. The Vendor offers all of these services as a Triple Play package. The Vendor demonstrates that its subscription rate charge for such Triple Play package is reasonable and generally comparable to similar packages offered in Northeastern U.S. markets.

*-Advantageous:* Proposing Vendor offers different tiers of broadband Internet service to choose from per Section 3.3, as well as basic Internet service. The Vendor also offers high definition telephone service (G.722 codec quality or better), or high definition television channel packages (comparable to satellite-based television channel package services) to choose from that can be bundled together with the Internet services, but not as a Triple Play package. The Vendor demonstrates that its subscription rate charges for these offered services are reasonable and generally comparable with those offered in Northeastern U.S. markets.

*-Not advantageous:* Proposing Vendor offers different tiers of broadband Internet service per Section 3.3, as well as basic Internet service. The Vendor demonstrates that its subscription rate charges for these offered services are reasonable and generally comparable with those offered in Northeastern U.S. markets.

*-Unacceptable:* Proposing Vendor offers only the minimum required level of broadband Internet service per Section 3.3, as well as basic Internet service, or the Vendor fails to demonstrate that its subscription rate charges for any offered service, bundled services, or Triple Play package are reasonable and generally not comparable with those offered in Northeastern U.S. markets. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

**5.7** Proposing Vendor shall identify and specify any service value enhancements it plans to offer the Towns, such as a minimal fee or no fee for basic Internet service for all subscribers, and free or discounted broadband Internet service fees for Town institutions (Town Hall, Schools, Library, Fire Station, etc.).

*-Highly Advantageous:* The Vendor offers basic Internet service value enhancements for all subscribers, plus offers free broadband Internet service for all Town institutions.

*-Advantageous:* The Vendor offers basic Internet service value enhancements for all subscribers, plus offers discounted rate broadband Internet service for all Town institutions.

*-Not advantageous:* The Vendor offers basic Internet service value enhancements for all subscribers.

*-Unacceptable:* The Vendor offers no service value enhancements. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]



### **C. Other Proposal Content**

**5.8** If the proposing Vendor takes exception to any portion of the requirements of this Proposal, the Vendor shall concisely and clearly articulate its exception and its reasoning therefore. Vendor should consider that a material exception may lead to the Vendor being deemed non-responsive. A proposing Vendor, however, may suggest alternative approaches to those required here that in its judgment provides similar, equal to or greater value. Any alternative approach(s) will be subjected to the same comparative criteria herein.

**5.9** If any part of the Scope of Vendor Service is to be provided or completed by a Sub-Vendor or Subcontractor, the proposing Vendor certifies that they will be responsible for all work and/or services provided by the Sub-Vendor or Subcontractor.

**5.10** Proposing Vendor must provide contact information for all similar contracts with a town for broadband Internet service completed in the last two years in the Northeast.

**5.11** Proposing Vendor must agree to be responsible for obtaining consents from premise owners to make connections.

**5.12** Proposing Vendor must disclose company policies as respects the following:

**5.12.1** The Town MLPs require the selected Vendor to adhere to the principle of Net Neutrality whereby access is available to all content and applications regardless of the source, and without blocking particular products, content, or websites. To that end, describe your network management or non-discrimination policy as regards to (a) types (network protocols) of traffic, (b) sources or destinations of traffic (including Vendor's own), and (c) traffic content.

**5.12.2** The Town MLPs require the selected Vendor to maintain the privacy of all subscribers, and not track, publish, or share information related to the content accessed by individual or groups of subscribers. To that end, describe what monitoring and statistics you maintain regarding network traffic. Include in the description what customer specific information is logged and how long those logs are retained.

**5.12.3** Describe in detail your network management in regards to bandwidth and capacity planning with a particular focus on bandwidth between a Town's users and the Internet. If you are providing diverse Internet circuits/gateways, address capacity planning for each circuit as appropriate.

**5.12.4** Describe in detail your monitoring of Customer Premises Equipment and customer usage.

**5.12.5** Describe in detail any limitations on the use of the service that will be applied to customer usage.

**5.12.6** Describe in detail what would constitute abuse of the network or network service, and what steps would be taken regarding an abuser.

**5.12.7** Describe in detail processes for requesting new or modifications to services (e.g. cancellation, temporary and/or seasonal stoppage, etc.).



**5.12.8** Describe in detail plans and processes that minimize operational cost increases to subscribers (e.g. minimization of truck rolls and other high cost support services via the use of local resources and sub-contractors). The Town MLPs will view a network self-service portal designed to reduce resources at a service call center as highly desirable .

**5.13** The Town MLPs desire to gain insight into the design of high bandwidth networks the Vendor typically constructs to provide customers with broadband Internet services. In support of this desire the proposing Vendor must provide a description of the proposed regional network design it will plan to construct to provide customers in each Town with required services listed in Sections 5.4 and 5.6. The description of the network design should include content such as system-level schematics and block diagrams for the proposed network architecture and topology, identification of the network component technologies to be used, a list of the user equipment for each premise, a list of equipment to be centrally located (regionally or within each Town) and operated by the Vendor, etc.

**5.14** Proposing Vendor must provide the Town MLPs with options for offering broadband Internet services to subscribers located within Town boundaries on private roads and driveways, not connected via utility poles or underground conduit. Options should address situations where utility poles are not permitted.

**Special Town areas to assess:**

Monterey - Stevens Lake Association

Sandisfield - Otis Woodlands

Tolland - North Tolland (~95 homes), Beldon Road, East Otis

**5.15** Proposing Vendor must describe its process for performing network maintenance and responding to emergencies. The Vendor must also describe its existing operating and maintenance infrastructure. Vendor should also address its current policy and plans for as-needed renewal and future upgrades, such as frequency of replacement of core network equipment, technology upgrades, or proactive replacement of parts, for its existing broadband Internet customers.

**5.16** Proposing Vendor must provide a copy of its current customer service plan made available to existing broadband Internet customers. The customer service plan must address subscriber billing and customer service problem handling.

**5.17** In support of each Town MLP's desire for the proposing Vendor to be responsible for all customer-marketing efforts, the proposing Vendor should provide its plan for marketing its available broadband Internet services.

**5.18** Proposing Vendor must provide a copy of its Customer Terms and Conditions governing its relationship with customers, currently provided to all existing broadband Internet subscribers.

**5.19** Proposing Vendor must describe its process for addressing life-line services, E911, and emergency handling in outage situations for existing broadband Internet customers. The Vendor must provide a description of any subscriber fees and billing associated with these services.

**5.20** Proposing Vendor must provide a list and description of the Internet Service Provider (ISP) services (e.g. Internet access, email, domain name registration, web hosting, online distributed discussion services (e.g. Usenet), cloud services, online storage services, etc.) provided to existing broadband Internet customers. The Vendor must provide a detailed description for the fees and fee structure associated with the ISP services offered.



**5.21** Proposing Vendor must provide its plan for supporting third party services, at both the subscriber and third party level.

## **6.0 Vendor Price Proposal**

### **VENDOR IS TO SUBMIT ITS PRICE PROPOSAL IN RESPONSE TO THIS SECTION IN A SEPARATE, SEALED ENVELOPE**

The proposing Vendor must complete and submit the Price Proposal Form for each Town included as Exhibit C.1-C.3 to this RFP. The price proposal for each Town will be the payment required, if any, separate from and in addition to any subscriber fees to be charged to individual subscribers in a Town for broadband and related services. If the proposing Vendor offers to provide the services at no cost to the Town, the proposing Vendor should enter "Zero" on the price form.

As noted on the Price Proposal Form, the proposed price must be stated in two ways:

- 1) The lump sum price
- 2) The price stated as monthly payments to be made each month over the proposed contract term, which shall not exceed 15 years. Vendor may quote level monthly payments or stepped monthly payments.

The proposing Vendor shall indicate whether it will agree to negotiate the payment structure of the alternative monthly payment plan (not the fixed lump sum price), if requested by any of the Town MLPs.

The Town MLPs acknowledge that they will not gain any residual ownership interest in the network thereby. Any default by the Vendor during the contract term, however, may result in a security or potential ownership interest accruing to the Towns.

## **7.0 Evaluation criteria and selection of Vendor Submittal and Price Proposal**

The Town MLPs will make its selection in the following manner:

**7.1** A joint Town selection committee will determine those vendors meeting the minimum qualification requirements of Section 4.0. Those not meeting the Section 4.0 requirements will be deemed non-responsive and discarded.

**7.2** Excluding items 5.1 through 5.3, those items of Section 5.0 grouped under Comparative Criteria (Items 5.4 through 5.7) will be ranked as described in Section 5.0. The joint Town selection committee, in their judgment, will assign a heavier weighting of 50% of the overall composite rating to Sections 5.4, 5.4.1, 5.4.2, and 5.6. During the evaluation period, the Town MLPs reserve the right to request clarification from any proposing Vendor as respects material included in its proposal.

**7.3** The joint Town selection committee will carefully consider and assess the combined results of 7.1 and 7.2 above and by majority vote assign a composite rating for each Vendor, based on its considered judgment as to most advantageous and responsive, and then rank the qualifying proposals by that rating.



**7.4** Only after the ranking is completed under Section 7.3 will the joint Town selection committee consider the separately submitted price proposals. The lump sum price proposals will be reviewed and ordered from lowest cost to highest cost. Each alternative payment proposal will be reviewed and ordered from lowest to highest based on a net present value analysis of the entire payment stream at a uniform discount rate to be determined at the sole discretion of the Towns. All price proposals (both lump sum and present value) will be ordered from lowest to highest (i.e. the Lump Sum plus net present value of payment stream).

**7.5** The joint Town selection committee will consider its prior ranking under Section 7.3 in combination with the associated price under Section 7.4 and select the combined proposal that, in its considered judgment, maximizes overall value to the Towns. The selected Proposal will be recommended to each Town MLP Board for approval and award, but the Boards retain at their discretion the authority to accept or reject the recommendation.

## **8.0 Other Information**

### **8.1 Contracting Commencement and Contingencies**

Attached, as Exhibit D is a draft of the proposed contract between each Town MLP and the selected Vendor. Each Town MLP will negotiate a contract with the selected Vendor. The contractual terms and conditions applicable to this procurement that are not negotiable are identified in Section 8.3 below. The proposing Vendor must identify each and every provision of the proposed contract (other than those identified below as non-negotiable) the Vendor finds unacceptable and provide alternative language acceptable to the Vendor (each a "Rejected Contract Provision"). The Town MLPs reserve the right, but are not obligated, to negotiate with the selected Vendor any or all Rejected Contract Provisions.

Within fifteen calendar days of award, the selected Vendor will begin contract negotiations with each Town MLP to finalize the Agreement. For each proposed plan for providing the required supplies or services, if evaluations of the proposal identify portions of such proposed plan that should be obtained by negotiation, such portions shall be negotiated. Given the complexity of the services to be provided, the selected Vendor shall be permitted to recommend provisions it believes should be included that may be unique or specific to the nature of the services to be provided. Any such Vendor-recommended provisions shall also be negotiated.

The Town MLP's execution of a contract will be contingent on reaching acceptable terms and conditions between the parties.

### **8.2 Contracting parties**

MLP for the Towns of Monterey, Sandisfield, Tolland, Massachusetts, and selected Vendor

### **8.3 Mandatory contractual terms and conditions**

The following contract provisions reference the Agreement in Exhibit E and are mandatory and not negotiable:

#### **8.3.1 Police Powers. Article 2.4**



- 8.3.2 Indemnification, Performance Bond, Insurance Carriers.** Articles 3.1, 3.3 and 3.4.
- 8.3.3 Subscriber Rights and Consumer Protection.** Article 4 in its entirety.
- 8.3.4 Contract Payments.** Article 9.6.
- 8.3.5 Records and Reports.** Articles 11.1, 11.2, and 11.3.
- 8.3.6 Enforcement or Termination.** Article 12 in its entirety.
- 8.3.7 Miscellaneous Provisions.** Articles 13.3, 13.5, 13.6, and 13.8.

#### **8.4 Procedural Matters**

**8.4.1** Proposing Vendors with questions regarding this RFP may submit their questions via email no later than Noon, Thursday, January 26, 2017. Inquires received after this time will not be considered. All inquiries and requests for information or clarification regarding this RFP must be submitted by written email to Alice Boyd (email: [aboydbos@gmail.com](mailto:aboydbos@gmail.com)).

The manner in which the Town MLPs respond to inquiries or questions shall be by the issuance of written Addenda. Addenda responses will be distributed to all entities known to have requested a copy of this RFP on Tuesday January 31, 2017. Additional Addenda may be issued.

**8.4.2.1** Submission instructions and deadline. The proposing Vendor shall deliver its Proposal in a sealed envelope to the Town of Sandisfield Procurement Officer no later than Thursday February 9, 2017 at 2:00 p.m., all as specified in Section 1.0. Please include six (6) hard copies and one CD in .pdf format of the complete proposal and other required submittals as outlined in Section 9.0, along with a transmittal letter signed by an authorized official of the firm.

**8.4.2.2** If a proposal is submitted prior to the due date, modifications may be submitted in a sealed envelope prior to the deadline submittal date of Tuesday, February 09, 2017, 2:00 p.m.

**8.4.2.3** No proposal may be withdrawn within ninety (90) days after the submission due date.

**8.4.3** Interviews. The Town MLPs reserve the right to interview all proposing Vendors in which case the award date will be extended by three days. Proposing Vendors that meet minimum required qualifications and are deemed responsive may be invited to meet with the Town MLP Boards to discuss their proposals and answer questions. Vendors who are so invited shall bring an executive, the person who will be the program manager and alternate program manager, and other members of the team as the Vendor deems appropriate, but not more than five individuals.

**8.4.4** Award Date and Contract Negotiations. February 22, 2017, or February 24, 2017 if interviews scheduled. Within fifteen calendar days the selected Vendor shall begin contract negotiations with the Town MLPs subject to contingencies noted in Sections 8.1.1 through 8.1.2.

**8.4.5** Contract Completion. Negotiations and contract acceptance shall be complete no later than sixty (60) days from the Award Date.

**8.4.6** Any Addendum subsequently issued by the Town MLPs following the release of this RFP must be acknowledged by Vendor. All information given by the MLPs except by written addenda shall be informal and shall not be binding upon the Town nor shall it furnish a basis for legal action by any proposing Vendor or prospective Vendor against any of the Towns.

#### **8.5 Miscellaneous provisions**



**8.5.1** All submitted proposals shall be prepared at the sole cost and expense of the proposing Vendor, and all proposals shall become the property of the Town MLPs.

**8.5.2** The Town MLPs reserve the right to waive minor informalities or obvious clerical errors in a proposal, subject to the extent allowed by law, subject to being notified no later than 48 hours prior to final consideration and price opening.

**8.5.3** The Town MLPs reserve the right to decline the making of an award based on its sole judgment that the proposals received do not meet its needs.

**8.5.4** Unless clearly marked and submitted according to the instructions below, submitted materials are a matter of public record and will be open to public inspection.

If proposing Vendor wishes to maintain confidentiality of certain information, such as company financials for example, such information should be submitted in a separate sealed envelope clearly marked "Confidential and Proprietary Information Submitted by [Company Name and Contact Person] in Support of Broadband Network Service Proposal." Note that meetings of the all Town Committees are open to the public and are recorded, in compliance with the Massachusetts Open Meeting Law. The law permits confidential proprietary information (but only such information) to be discussed in closed Executive Session.

The Town MLPs are subject to the requirements concerning disclosure of public records under the Massachusetts Public Records Act, Mass. G.L. ch. 66 (the "Public Records Act"), which governs the retention, disposition and archiving of public records. For purposes of the Public Records Act, "public records" include all books, papers, maps, photographs, recorded tapes, financial statements, statistical tabulations, or other documentary materials or data, regardless of physical form or characteristics, made or received by the Towns. As a result, any information submitted to the Town MLPs by a respondent to a request for response to an RFP, contractor, or any other party is subject to public disclosure as set forth in the Public Records Act, unless exempt. The Town MLPs disclaim liability for disclosure or damages arising from disclosure, and Vendor agrees to indemnify and hold the Towns harmless, resulting from any Town action or inaction, as relates to disclosure.

**8.5.5** Proposals that are late, incomplete, not properly endorsed or signed, or otherwise contrary to instructions will be rejected by the Town MLPs as non-responsive.

**8.5.6** The Town MLPs are exempt from Federal and Massachusetts State Sales and Excise Taxes, and no such taxes should be included in the proposal.

## **9.0 Submittal Requirements**

All proposing Vendors must submit the following:

**9.1** Evidence of meeting or exceeding the Minimum Qualification Requirements of Sections 5.1 through 5.3 including audited financial statements of the entity proposing to enter into a Broadband Services Agreement with the Town MLPs. If a project subsidiary is to be formed, then provide a statement of parent indicating whether it is or is not willing to provide a guaranty of the performance of the subsidiary.



**9.2** Completed Vendor proposal including all responses and specified plans as required in Sections 5.4 through 5.21.

**9.3** Completed and signed Exhibit A.

**9.4** Completed and signed Price Proposals, Exhibit C.1-C.4.

**9.5** Any Vendor-prepared attachments clearly labeled and not among items listed below.

**9.6** Proposing Vendor must name its primary and alternate Program Manager for the proposed project and provide full contact information.

**9.7** Vendor submission of Rejected Contract Provision(s) and suggested alternate language, Section 8.1.



**Exhibit A  
Certification and Signature Page**

Must be completed and submitted with proposal.

The Undersigned proposing Vendor submits this Proposal to deliver a Broadband Network Service to the Towns of Monterey, Sandisfield, and Tolland.

\_\_\_\_\_  
Signature of authorized individual submitting proposal

Date:

Name of business:

**Certificate of Non-Collusion**

The undersigned certifies under penalties of perjury that this proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.

\_\_\_\_\_  
Signature of authorized individual submitting proposal

Date:

Name of business:

**Tax Compliance Certification**

Pursuant to M.G.L. c. 62C, §49A, I certify under the penalties of perjury that, to the best of my knowledge and belief, I am in compliance with all laws of the Commonwealth of Massachusetts relating to taxes, reporting of employees and contractors, and withholding and remitting child support.

\_\_\_\_\_  
Signature of authorized individual submitting proposal

Date

Name of business



**Exhibit B.1**  
**MBI Last Mile Planning Map –**  
**Monterey**  
**(See Attachment on Following Page)**



# **Last Mile Planning** Broadband Infrastructure and Service in: **MONTEREY, MA**

## **Serviceable Premises**

- Connected CAI Locations (3)
- Unserved Locations (874)

## **Existing Broadband Infrastructure**

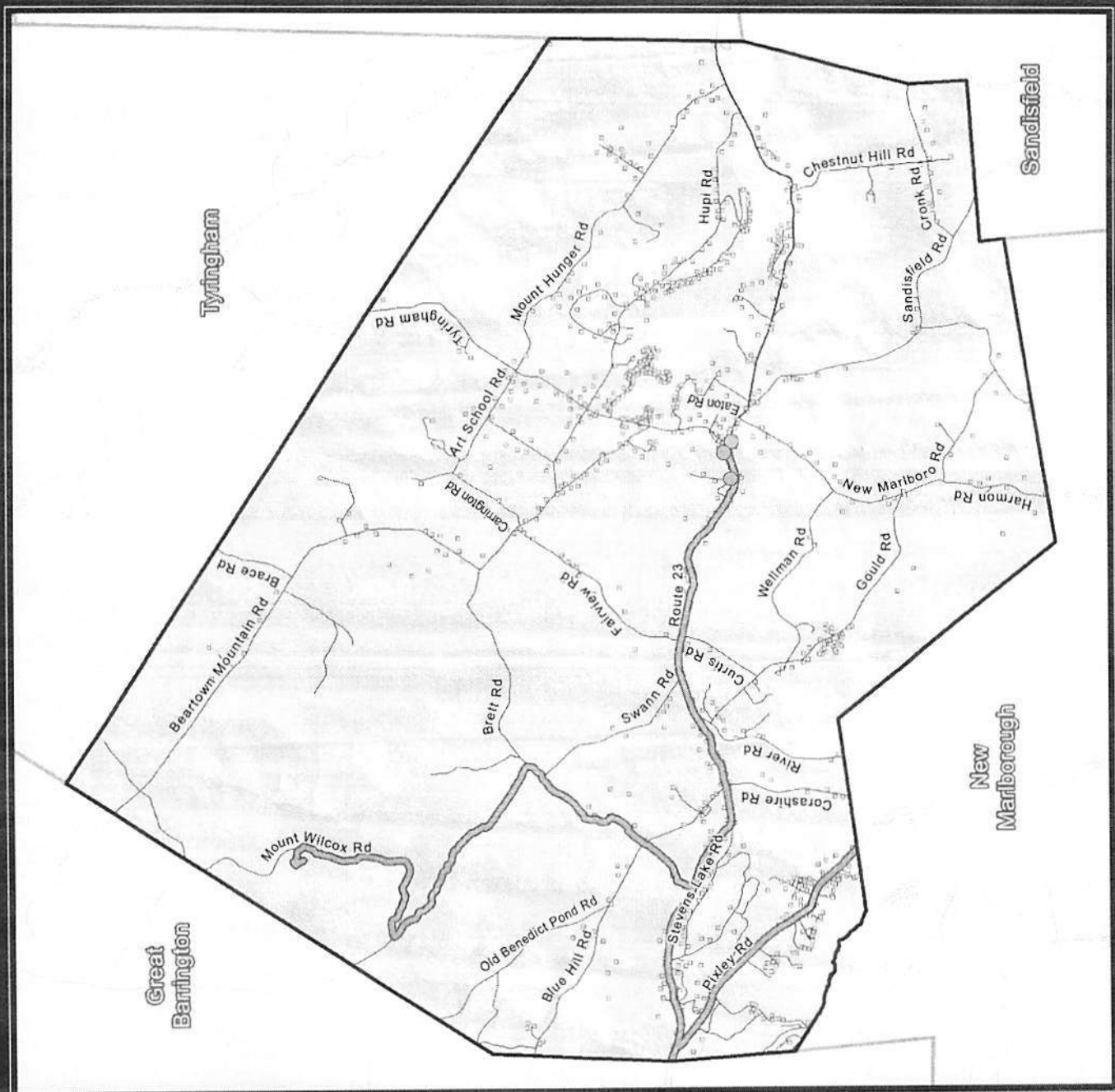
- ◆ MassBroadband 123 Interconnection Points
- ~ MassBroadband 123 Fiber-Optic Cable

## **Base Map**

- Building Locations
- ▭ Town Boundaries
- Roads
- Water Bodies



Map Date: 05 February 2015





**Exhibit B.2**  
**MBI Last Mile Planning Map -**  
**Sandisfield**  
**(See Attachment on Following Page)**



# **Last Mile Planning** **Broadband Infrastructure and Service In:** **SANDISFIELD, MA**

## **Serviceable Premises**

- Connected CAl Locations (5)
- Unserved Locations (687)

## **Existing Broadband Infrastructure**

- MassBroadband 123 Interconnection Points
- ~ MassBroadband 123 Fiber-Optic Cable

## **Base Map**

- Building Locations
- ⬢ Town Boundaries
- ~ Roads
- Water Bodies



Map Date: 05 February 2016  
 0 0.5 1 2 3 Miles





**Exhibit B.3**  
**MBI Last Mile Planning Map -**  
**Tolland**  
**(See Attachment on Following Page)**



## Last Mile Planning

Broadband Infrastructure and Service in:  
**TOLLAND, MA**

### Serviceable Premises

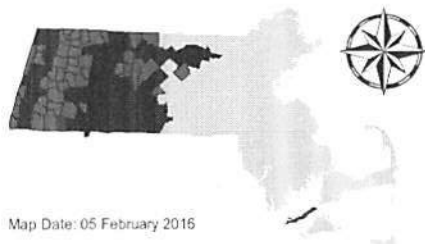
- Connected CAI Locations (3)
- Unserved Locations (537)

### Existing Broadband Infrastructure

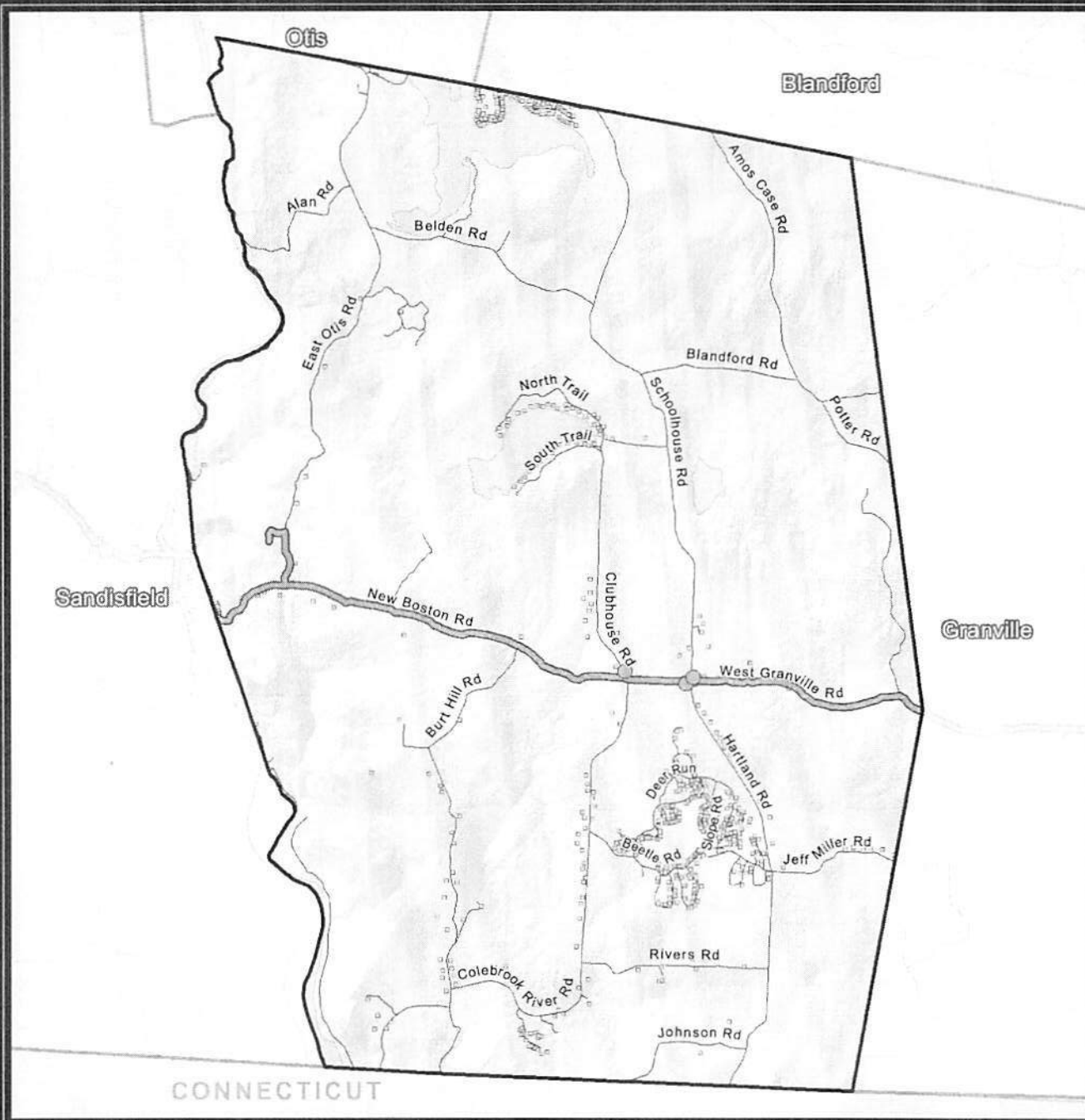
- ◆ MassBroadband 123 Interconnection Points
- MassBroadband 123 Fiber-Optic Cable

### Base Map

- Building Locations
- ▭ Town Boundaries
- Roads
- Water Bodies



0 0.5 1 2  
Miles





**Exhibit C.1**  
**Price Proposal Form - Monterey**

The undersigned Vendor submits the following as its Price Proposal to the MLP for the Town of Monterey Broadband Network Service Procurement:

1. A lump sum price of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), or alternatively, at the Town's election,
2. Monthly payments in the amount of \$ \_\_\_\_\_ to be made each month over the term of the contract, which shall not exceed 15 years. (Vendor may quote level monthly payments or stepped payments.)

The price quoted should assume all Town premises to be connected, subject to adjustment for the actual number of premises connected

Vendor acknowledges and agrees that any grant, to be negotiated with and paid by the MBI directly to the selected Vendor, will offset when paid, on a dollar for dollar basis, the sum of the monthly payments stated above in a manner to be agreed between the Vendor and a Town. Further, the Vendor agrees to negotiate the structure of the application of any grant.

Acknowledged and Agreed:

\_\_\_\_\_  
Authorized Vendor Official



**Exhibit C.2**  
**Price Proposal Form - Sandisfield**

The undersigned Vendor submits the following as its Price Proposal to the MLP for the Town of Sandisfield Broadband Network Service Procurement:

1. A lump sum price of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), or alternatively, at the Town's election,

2. Monthly payments in the amount of \$ \_\_\_\_\_ to be made each month over the term of the contract, which shall not exceed 15 years. (Vendor may quote level monthly payments or stepped payments.)

The price quoted should assume all Town premises to be connected, subject to adjustment for the actual number of premises connected

Vendor acknowledges and agrees that any grant, to be negotiated with and paid by the MBI directly to the selected Vendor, will offset when paid, on a dollar for dollar basis, the sum of the monthly payments stated above in a manner to be agreed between the Vendor and a Town. Further, the Vendor agrees to negotiate the structure of the application of any grant.

Acknowledged and Agreed:

\_\_\_\_\_  
Authorized Vendor Official



**Exhibit C.3  
Price Proposal Form - Tolland**

The undersigned Vendor submits the following as its Price Proposal to the MLP for the Town of Tolland Network Service Procurement:

1. A lump sum price of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), or alternatively, at the Town's election,
2. Monthly payments in the amount of \$\_\_\_\_\_ to be made each month over the term of the contract, which shall not exceed 15 years. (Vendor may quote level monthly payments or stepped payments.)

The price quoted should assume all Town premises to be connected, subject to adjustment for the actual number of premises connected

Vendor acknowledges and agrees that any grant, to be negotiated with and paid by the MBI directly to the selected Vendor, will offset when paid, on a dollar for dollar basis, the sum of the monthly payments stated above in a manner to be agreed between the Vendor and a Town. Further, the Vendor agrees to negotiate the structure of the application of any grant.

Acknowledged and Agreed:

\_\_\_\_\_  
Authorized Vendor Official



**Exhibit D**  
**Contract Terms and Conditions**

**Please see attached template contract. Final contract to be negotiated.**



**Monterey, Sandisfield, and Tolland Massachusetts  
Joint Municipal Light Plant (MLP) Request for Proposal (RFP)  
High Bandwidth Internet Services Procurement**

**1.0 General Procurement Information**

This collective procurement is undertaken on behalf of the MLPs of the Towns of Monterey, Sandisfield and Tolland, Massachusetts. The lead MLP administering the procurement for all three MLPs shall be the Sandisfield MLP.

RFP Release Date: January 6, 2017, Noon

Pre-Proposal Conference: January 17, 2017 2:00 P.M., Sandisfield Town Hall Annex

Questions Due: By January 26, 2017, Noon [Send Questions to: [aboydbos@gmail.com](mailto:aboydbos@gmail.com)]

Response to Questions: January 31, 2017

Submittal Date deadline: February 9, 2017, 2:00 p.m. at Sandisfield Town Hall Annex

Interview Date: February 16, 2017 [Towns may choose not to interview]

Award Date: February 22, 2017

Procurement Officer and Submittal address:

Mr. Willie Morales, Town Administrator  
Sandisfield Town Hall Annex  
66 Sandisfield Road, PO Box 90  
Sandisfield, MA 01255

**2.0 Background and Purpose of Procurement**

**2.1 Background**

In 2008, Massachusetts General Court approved and the Governor signed legislation to further the goal of achieving broadband Internet access in unserved parts of the Commonwealth. Under this program, the Massachusetts Broadband Institute ("MBI") guided and funded the building of the *MassBroadband 123* middle mile network as a backbone to support ultimate delivery of last mile service to unserved Towns.

The current Last Mile Program is designed to support 44 unserved Western Massachusetts communities with residential broadband access. The MBI is building a flexible framework that will help all unserved towns achieve broadband access, allowing for a range of project models, including multi-town collaborations, locally owned networks, and industry partnerships. Many technology and operational choices will be supported, as long as they meet performance, affordability, and sustainability standards. In support of the Last Mile Program, the MBI will disburse capital from the State in aid of approved projects.

**2.2 Purpose of Procurement**

The MLPs for Monterey, Sandisfield, and Tolland jointly seek a telecommunications Vendor who can provide a complete 3-Town regional solution for meeting the need and primary goal of achieving high bandwidth Internet access for residents and businesses in the Towns, with the availability of related services such as high definition Voice over Internet Protocol (VOIP) telephone service, viewed as a positive addition. The Town MLPs strong desire is for such



services to be provided via a state of the art Fiber To The Premises (FTTP) network. The goal is in accord with the Commonwealth's goal of extending Internet access to Towns in western Massachusetts. The MLPs understand that the lack of density of houses and businesses in the unserved Western Massachusetts communities has been an obstacle to attracting broadband service providers who are willing to invest in infrastructure to deliver the services. The Town MLPs are hopeful that circumstances have changed and via this RFP are hoping to attract a company that will design, build, own, operate and maintain a network that can deliver, first and foremost, high bandwidth Internet access, and, secondarily, high definition telephony and perhaps television channel packages via the same high bandwidth network.

The Vendor will own and maintain full responsibility for its network and all risks related to its design, implementation, and continuing operations (including all associated financial risks). The Town MLPs are not acquiring any interest in the Vendor's network.

To the extent they are able to do so, and subject to applicable laws, the MLPs will work with their respective Towns to allow Vendor to site facilities on Town-owned property or provide needed easements. Each Town MLP will, to the extent practicable, facilitate any local permitting required and waive associated municipal fees. Information on some potential sites will be available at the pre-proposal conference.

The purpose and goal of the procurement is to identify and contract with an experienced and financially strong telecommunications provider to maximize the provision of Internet and related services consistent with the most economic cost, or in other words, to maximize the value proposition for the MLPs and their respective Towns by choosing the most advantageous Vendor proposal.

### **3.0 Scope of Vendor Service**

#### **3.1 Broadband Network Service**

The Town MLPs jointly seek a telecommunications vendor who can provide a complete regional solution for meeting the need and goal of achieving high bandwidth Internet access for all residents and businesses in the Towns. Provision of this service will require that the Vendor provide connection to their network for all premises, residential and business, within Town boundaries, including those on private roadways and driveways. The selected Vendor will be responsible for program management, make-ready assessment and permitting, design and engineering, obtaining premise-entry consents, network implementation, network operations, subscriber marketing and billing, customer support, network maintenance and emergency response and network renewal, as needed. In responding to this RFP, the proposing Vendor will need to provide plans for how it will proceed to implement its service to the Towns involved in this joint procurement, as described in this RFP.

#### **3.2 Service Area Description**

##### **3.2.1 Monterey**

Exhibit B.1 attached is a map of Monterey, MA prepared by MBI. The map shows the existing *MassBroadband 123* middle mile and Town roadways. National Grid is the power distribution provider in the Town and holds maintenance responsibility for poles. The Town estimates a count of 844 premises, 1,950 poles and 57 route miles of roadway.



### **3.2.2 Sandisfield**

Exhibit B.2 attached is a map of Sandisfield, MA prepared by MBI. The map shows the existing *MassBroadband 123* middle mile and Town roadways. National Grid is the power distribution provider in the Town and holds maintenance responsibility for poles. The Town estimates a count of 677 premises, 1,762 poles and 91 route miles of roadway.

### **3.2.3 Tolland**

Exhibit B.3 attached is a map of Tolland, MA prepared by MBI. The map shows the existing *MassBroadband 123* middle mile and Town roadways. National Grid is the power distribution provider in the Town and holds maintenance responsibility for poles. The Town estimates a count of 535 premises, 801 poles and 41 route miles of roadway.

## **3.3 Required Services**

The Towns of Monterey, Sandisfield, and Tolland require high bandwidth connection to the Internet, referred to as broadband, for all households/living units and businesses within the geographic boundaries of the Towns. Within this proposal request "subscriber" refers to each household/living unit and business that consents to a network connection on its property. As noted above, the Town MLPs highly desire for services to be offered via a Vendor-provided FTTP network. The MLPs will consider the Vendor to have provided ubiquitous service to all premises if the Vendor is able to offer connection to at least 96% of the premises in each Town. Services standards will be determined through the contract negotiation process.

In order to meet the needs of all potential subscribers, the Town MLPs consider it highly desirable for a Vendor to be capable of offering different levels (tiers) of broadband Internet service for subscribers to choose from, with each level of service supporting different network connection bandwidths for downstream and upstream data transfers. In order to be considered broadband service, a Vendor's Internet service, by FCC definition, must be capable of supporting a connection bandwidth no less than 25 megabits per second (Mbps) for downstream data transfer, and no less than 3 Mbps for upstream data transfer. It is highly desirable for the lowest tier of broadband service offered to be capable of supporting a network connection bandwidth of at least 50 Mbps for downstream data transfers. Symmetric data transfer service is not required, but highly desirable. For all tiers of broadband Internet service offered, the upstream connection bandwidth must be no less than 20% of the downstream connection bandwidth. So, for a tier that offers a downstream connection bandwidth of 50 Mbps, this requires the tier to also provide an upstream connection bandwidth of no less than 10 Mbps. In addition to offering tiers of service that will meet the needs of most subscribers, a proposal that offers subscribers the option of a network connection that supports a connection bandwidth equal to or exceeding 1 gigabit per second (Gbps), for both downstream and upstream data transfers, will be considered to be highly advantageous in the selection process. A proposal that also offers subscribers basic Internet service options that do not require high bandwidth connection to the Internet will also be considered to be advantageous in the selection process.

As used in this RFP, the term "bandwidth" refers to the sustained downstream or upstream data transfer rate supported for a given level of Internet service, not a peak (up to) transfer rate. This definition applies to both point-to-point and point-to-multipoint service connections.



### **3.4 Optional Services**

The Town MLPs highly desire a Vendor to be capable of offering high definition VOIP telephone service via its network. The Town MLPs believe that dramatic changes continue to shape both telephone and television services going forward. To that end, a Vendor capable of offering high definition (HD) and standard definition television channel package service to all premises via the Vendor's high bandwidth network is seen as a nice to have but not necessarily a requirement. A proposing Vendor must allow subscribers the opportunity of third party services (e.g. telemedicine, security, etc.) via its network.

### **3.5 Subscriber Options**

Vendors who are able to offer telephony and television channel package services in addition to the required high-bandwidth Internet access must afford subscribers the option of Internet access only. For all bundled service packages offered by a Vendor, subscribers must be afforded the level of Internet service per Section 3.3 requirements.

## **4.0 Minimum Qualifying Criteria for Vendors**

If it is anticipated that the entity responding to this RFP will differ from the entity that would enter into a Broadband Services Agreement with the Town MLPs, then that disclosure should be clearly made in the response. Further, if the proposing entity so differs, a statement must be provided by the proposing Vendor stating its legal relationship with the contracting entity and whether it will or will not provide a guaranty for the performance of the entity entering into the Agreement or other satisfactory financial assurance. In addition, the proposing Vendor and the contracting entity shall each be required to provide the information required herein as joint proposers. The Town MLPs reserve the right to reject any proposal from a Vendor who will not also be the contracting entity unless a satisfactory financial assurance is provided by Vendor.

### **4.1 History and experience**

The proposing Vendor must provide a brief history of the firm, noting its evolution of telecommunication services, and in particular broadband services. Further, a concise statement of its current business strategy must be provided. A proposal must include history of completing projects to provide Internet service similar to that required here. The Town MLPs require that a proposing Vendor be authorized to conduct relevant business in Massachusetts and the Towns. However, Vendors not currently authorized may respond. Vendors not currently authorized will need to provide details for the process and schedule for obtaining the required authorization.

### **4.2 Financial resources**

The Town MLPs expect a proposing Vendor to finance the full capital cost of make-ready, design, commissioning, and provisioning of the network required for providing high-bandwidth Internet access and services in each Town. Further, the proposing Vendor must offer credible evidence of its ability to finance the project. If the proposing Vendor is a privately held corporation, it may enclose its audited financial statements in a sealed envelope marked "Proprietary and Confidential." The Town MLPs will, subject to the requirements of the Massachusetts Public Records Law, hold confidential records submitted in such an envelope so marked until completion of evaluations and as otherwise permitted by law.



#### **4.3 Minimum existing customer base for requested services**

The proposing Vendor must provide evidence of currently providing high-bandwidth Internet services to rural communities similar to the Towns involved in this procurement. In the case where the Vendor does not currently provide Internet access and service to at least 1,000 subscribers in rural communities, the Vendor must provide detail on existing contracts and provide a plan showing their ability to deploy (funding, resources and organization) and support a multi-town broadband Internet service.

#### **5.0 Requirements for Proposal Content**

Vendors are encouraged to prepare responses using clear and concise language that responds to the RFP in a straightforward manner. All acronyms and technical terms must be explained. Vendors are requested to organize their RFP submission to follow the same order as in this Section 5.0, and to label any additional attachments to their proposal to identify the RFP Section number it addresses or to which it relates. A response to the RFP must address the complete service area identified in Section 3.2.

The proposing Vendor must address/include the following in its proposal:

##### **5.1 Minimum Qualification Requirements**

Proposals must include/satisfy the following in order to be deemed responsive and proceed to an evaluation in accordance with the Comparative Criteria set forth in Section 5.2. Note that Sections 5.1.1 through 5.1.3, below, refer to the minimum qualification criteria required and described in Section 4.0.

**5.1.1** Evidence of business history and experience.

**5.1.2** Evidence of financial resources.

**5.1.3** Description and size of broadband Internet service customer base.

**5.1.4** Proposal addresses the complete service area identified in Section 3.2.

**5.1.5** Proposal includes all forms, certifications, and information required by this RFP, including information (whether or not expressly requested) that is referenced in Section 5.2, below, as being necessary for a full and proper evaluation of proposals pursuant to the Comparative Criteria set forth in that section. (The Town MLPs reserve the right to waive the timing of submission of any such forms, certifications, and information.)

##### **5.2 Comparative Criteria**

Proposals meeting the minimum qualification criteria set forth above shall be evaluated in accordance with the Comparative Criteria in this Section 5.2. Each proposal will receive a rating for each criteria as Highly Advantageous, Advantageous, Not Advantageous, or Not Acceptable, as set forth below. A composite rating will then be assigned to each proposal, as further described below, and this composite rating will be used to compare proposals.



## **5.2.1 Internet Service Performance Requirements (Four Criteria)**

### **5.2.1.1 Service Tiers**

The proposing Vendor must provide a description of the tiers of Internet service that will be available to subscribers to choose from, for both downstream and upstream services per the requirements provided in Section 3.3.

*-Highly Advantageous:* Vendor offers more than one tier of high bandwidth broadband service, as well as a level of service that supports a connection bandwidth equal to or greater than 1 Gbps for both downstream and upstream data transfers. No tier of service offered supports a connection bandwidth less than 100 Mbps for downstream data transfers. For each tier offered, the upstream connection bandwidth is no less than 20% of the downstream connection bandwidth. Vendor also offers basic Internet service via connection bandwidths less than the minimum bandwidths required to be considered broadband service.

*-Advantageous:* Vendor offers more than one tier of high bandwidth broadband service, as well as a level of service that supports a connection bandwidth equal to or greater than 1 Gbps for both downstream and upstream data transfers. No tier of service offered supports a connection bandwidth less than 50 Mbps for downstream data transfers. For each tier offered, the upstream connection bandwidth is no less than 20% of the downstream connection bandwidth. Vendor also offers basic Internet service via connection bandwidths less than the minimum bandwidths required to be considered broadband service.

*-Not Advantageous:* Vendor offers a single tier high bandwidth broadband service that supports a connection bandwidth no greater than 50 Mbps for downstream data transfers, and no greater than 10 Mbps for upstream data transfers. Vendor also offers basic Internet service via connection bandwidths less than the minimum bandwidths required to be considered broadband service.

*-Not Acceptable:* Vendor only offers basic Internet service via network connection bandwidths for downstream and upstream data transfers that are less than the minimum bandwidths required to be considered broadband service. [An Unacceptable rating will disqualify entire proposal.]

### **5.2.1.2 Service Bandwidth**

Proposing Vendor must provide evidence of being able to provide high-bandwidth Internet service to the consumer. The preferred method for providing such evidence is via recent results from an independent study that measures broadband service performance as delivered by an Internet service provider to the consumer, such as the Federal Communication Commission's (FCC) Measuring Broadband America Program. Vendor's actual connection bandwidths for all levels of broadband service offered must be shown to be greater than 80% of the advertised bandwidths across all time periods.

*-Highly advantageous:* Study results or other evidence shows Vendor's actual measured connection bandwidths for all levels of broadband service offered are greater than 90% of the advertised bandwidths.

*-Advantageous:* Study results or other evidence shows Vendor's actual



measured connection bandwidths for all levels of broadband service offered are between 85 and 90% of the advertised bandwidths.

*-Not Advantageous:* Study results or other evidence shows Vendor's actual measured connection bandwidths for all levels of broadband service offered are between 80 and 85% of the advertised bandwidths.

*-Unacceptable:* Study results or other evidence shows Vendor's actual measured connection bandwidths for all levels of broadband service offered are less than 80% of the advertised bandwidths. [An Unacceptable rating will disqualify entire proposal.]

#### **5.2.1.3 Customer Satisfaction**

Proposing Vendor must provide evidence of being able to satisfy its existing broadband Internet service customers with respect to service performance, service options available, subscriber billing, service pricing, maintenance and emergency response, and service problem handling. The preferred method for providing such evidence is via independent survey results, such as the report released by the American Customer Satisfaction Index that measures the level of national cross-industry customer satisfaction for products and services. Vendor's current level of customer satisfaction for all levels of broadband service offered must be shown to be greater than 70%.

*-Highly advantageous:* Evidence shows that Vendor's customer satisfaction rating is greater than 90% for Internet services.

*-Advantageous:* Evidence shows that Vendor's customer satisfaction rating is between 80 and 90% for Internet services.

*-Not Advantageous:* Evidence shows that Vendor's customer satisfaction rating is between 70 and 80% for Internet services.

*-Unacceptable:* Evidence shows that Vendor's customer satisfaction rating is not more than 70% for Internet services. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

#### **5.2.1.4 Service Availability**

Proposing Vendor must provide evidence of being able to provide broadband Internet service that is highly available. Within this proposal request "availability" refers to the proportion of time broadband Internet access and services (per performance requirements specified in Section 3.3) are expected to be provided to all subscribers. Evidence for availability can be measured for existing broadband Internet customers, or calculated based on the Vendor's proposed network design. Network design features that will drive service availability are network component reliability, component and system-level redundancy, backup power generation, etc. Within this proposal request the term "downtime" refers to periods of time when Internet access and service is unavailable to subscribers, exclusive of periods of time required for the Vendor to perform scheduled maintenance.

*-Highly Advantageous:* Evidence shows that the Vendor can commit to providing broadband Internet service for all levels of broadband service offered with an average downtime in any given month no more than 5 minutes per week (99.95% availability).



**-Advantageous:** Evidence shows that the Vendor can commit to providing broadband Internet service for all levels of broadband service offered with an average downtime in any given month no more than 10 minutes per week (99.9% availability).

**-Not Advantageous:** Evidence shows that the Vendor can commit to providing broadband Internet service for all levels of broadband service offered with an average downtime in any given month no more than 50 minutes per week (99.5% availability).

**-Unacceptable:** Evidence shows that the Vendor will not be able to commit to providing broadband Internet service for all levels of broadband service offered with an availability of at least 99.5% in any given month. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

## **5.2.2 Service Connection Requirements (Four Criteria)**

### **5.2.2.1 Commencement of Service**

Proposing Vendor must be able to provide broadband Internet service to all subscribers within two to three years from contract date. [To the extent service availability is delayed due to causes that could not be anticipated and/or are beyond the Vendor's control, and the Vendor can demonstrate it is exercising diligence in its efforts to provide service to all subscribers notwithstanding such delay, the contract will be amended as appropriate to extend the time required to furnish service to all subscribers.]

**-Highly advantageous:** The Vendor commits to providing broadband Internet service to all subscribers within two years of contract commencement.

**-Advantageous:** The Vendor commits to providing broadband Internet service to all subscribers within two and one-half years of contract commencement.

**-Not advantageous:** The Vendor commits to providing broadband Internet service to all subscribers within three years of contract commencement.

**-Unacceptable:** The Vendor commits to providing broadband Internet service to all subscribers in excess of three years of contract commencement. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

### **5.2.2.2 Connection Coverage Area (Existing premises)**

Proposing Vendor must provide Internet service to all subscribers located on public and private roads in the Towns, to the extent such subscribers are currently connected to existing utility poles or via underground conduit, with space available for additional cables. [If a Vendor proposes a linear connection allowance for reaching subscribers on a private road or driveway, the Vendor must propose a per foot unit price applicable to the overage allowed per connection in its Price Proposal.]

**-Highly advantageous:** The Vendor commits to connecting and



providing Internet service to all subscribers on public and private roads, regardless of linear connection distance, to the extent such subscribers are currently connected to existing utility poles or via underground conduit, with usable space available for additional cables.

*-Advantageous:* The Vendor commits to connecting and providing Internet service to all subscribers on public and private roads, with a linear connection allowance of 500 feet, to the extent such subscribers are currently connected to existing utility poles or via underground conduit, with usable space available for additional cables.

*-Not advantageous:* The Vendor commits to connecting and providing Internet service to all subscribers on public and private roads, with a linear connection allowance of 300 feet, to the extent such subscribers are currently connected to existing utility poles or via underground conduit, with usable space available for additional cables.

*-Unacceptable:* The Vendor commits to connecting and providing Internet service to all subscribers on public roads only with a linear connection allowance to be negotiated, to the extent such subscribers are currently connected to existing utility poles or via underground conduit, with usable space available for additional cables. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

#### **5.2.2.3 Subscriber Equipment**

Proposing Vendor must provide a plan, including equipment and cost to subscribers, if any, for initial installation of on-premises equipment (e.g. network terminal units, modems, routers, uninterruptible power supply, etc.).

*-Highly Advantageous:* Proposing Vendor plans to provide and install on-premises equipment at no cost to subscribers.

*-Advantageous:* Proposing Vendor plans to provide and install on-premises equipment at a cost to subscribers not exceeding \$100.

*-Not advantageous:* Proposing Vendor plans to provide and install on-premises equipment at a cost to subscribers exceeding \$100 but less than \$250.

*-Unacceptable:* Proposing Vendor plans to provide and install on-premises equipment at a cost to subscribers exceeding \$250. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

#### **5.2.2.4 Service For Future Premises**

Proposing Vendor must provide a plan for addressing how broadband service will be provided to new premises after the network construction has been completed. The plan shall include the material terms, conditions, and costs that will apply, as well as who will be responsible for future costs.

*-Highly Advantageous:* The proposing Vendor commits to providing broadband service to future premises, and provides a detailed plan for the terms, costs, and responsibilities of the involved parties.



**-Advantageous:** The proposing Vendor commits to providing broadband service to future premises, and provides a general plan for the terms, costs, and responsibilities of the involved parties.

**-Not advantageous:** The proposing Vendor commits to providing broadband service to future premises, but defers the determination of terms, costs, and responsibilities of the involved parties to the future.

**-Unacceptable:** The proposing Vendor does not commit to providing broadband service to future premises after the network construction has been completed. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

### **5.2.3 Business Terms/Plan (Two Criteria)**

#### **5.2.3.1 Service Options and Rates**

Proposing Vendor must provide a comprehensive description of its business proposition for each Town and its subscribers, including all offered service options and the associated rates (cost) for each service. The Vendor must provide broadband Internet service. Other services, such as high definition telephone service, high definition television channel package service, and basic Internet are not required, but are considered by the Town MLPs to be highly desirable. The Vendor shall provide a complete description of the television packages available to subscribers if applicable.

**-Highly advantageous:** Proposing Vendor offers different tiers of broadband Internet service to choose from per Section 3.3, as well as basic Internet service. The Vendor also offers high definition telephone service (G.722 codec quality or better), and high definition television channel packages (comparable to satellite-based television channel package services) to choose from, combined with the Internet services. The Vendor offers all of these services as a Triple Play package. The Vendor demonstrates that its subscription rate charge for such Triple Play package is reasonable and generally comparable to similar packages offered in Northeastern U.S. markets.

**-Advantageous:** Proposing Vendor offers different tiers of broadband Internet service to choose from per Section 3.3, as well as basic Internet service. The Vendor also offers high definition telephone service (G.722 codec quality or better), or high definition television channel packages (comparable to satellite-based television channel package services) to choose from, that can be bundled together with the Internet services, but not as a Triple Play package. The Vendor demonstrates that its subscription rate charges for these offered services are reasonable and generally comparable with those offered in Northeastern U.S. markets.

**-Unacceptable:** Proposing Vendor offers only the minimum required level of broadband Internet service per Section 3.3, as well as basic Internet service, or the Vendor fails to demonstrate that its subscription rate charges for any offered service, bundled services, or Triple Play package are reasonable and generally comparable with those offered in Northeastern U.S. markets. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

The Town MLPs reserve the right to condition a rating on this criterion



(and any composite rating of any proposal) on a Vendor's agreement to make revisions, requested by the Town MLPs, to the plan provided by the Vendor pursuant to this criterion (Business Terms/Plan).

#### **5.2.3.2 Value Enhancements**

Proposing Vendor shall identify and specify any service value enhancements it plans to offer the Towns, such as a minimal fee or no fee for basic Internet service for all subscribers, and free or discounted broadband Internet service fees for Town institutions (Town Hall, Schools, Library, Fire Station, etc.).

*-Highly Advantageous:* The Vendor offers basic Internet service value enhancements for all subscribers, plus offers free broadband Internet service for all Town institutions.

*-Advantageous:* The Vendor offers basic Internet service value enhancements for all subscribers, plus offers discounted rate broadband Internet service for all Town institutions.

*-Not advantageous:* The Vendor offers basic Internet service value enhancements for all subscribers.

*-Unacceptable:* The Vendor offers no service value enhancements. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

### **5.3 Other Proposal Content**

#### **5.3.1 Subcontractors**

If any part of the Scope of Vendor Service is to be provided or completed by a Sub-Vendor or Subcontractor, the proposing Vendor must provide a complete description of the services to be so performed along with a full description of the qualifications and capabilities of the Sub-Vendor or Subcontractor. As part of the contract award for services, the Town MLPs reserve the right to approve or disapprove any and all such Sub-Vendors or Subcontractors.

#### **5.3.2 Contact Information**

Proposing Vendor must provide contact information for all similar contracts with a town for broadband Internet service completed in the last two years in the Northeast.

#### **5.3.3 Vendor Policies**

Proposing Vendor must disclose company policies as respects the following:

##### **5.3.3.1 Net Neutrality**

The Town MLPs require the selected Vendor to adhere to the principle of Net Neutrality whereby access is available to all content and applications regardless of the source, and without blocking particular products, content, or websites. To that end, describe your



network management or non-discrimination policy as regards to (a) types (network protocols) of traffic, (b) sources or destinations of traffic (including Vendor's own), and (c) traffic content.

#### **5.3.3.2 Subscriber Privacy**

The Town MLPs require the selected Vendor to maintain the privacy of all subscribers, and not track, publish, or share information related to the content accessed by individual or groups of subscribers. To that end, describe what monitoring and statistics you maintain regarding network traffic. Include in the description what customer specific information is logged and how long those logs are retained.

#### **5.3.3.3 Network Management**

Describe in detail your network management in regards to bandwidth and capacity planning with a particular focus on bandwidth between a Town's users and the Internet. If you are providing diverse Internet circuits/gateways, address capacity planning for each circuit as appropriate.

#### **5.3.3.4 Equipment Monitoring**

Describe in detail your monitoring of Customer Premises Equipment and customer usage.

#### **5.3.3.5 Service Limitations**

Describe in detail any limitations on the use of the service that will be applied to customer usage.

#### **5.3.3.6 Service Abuse**

Describe in detail what would constitute abuse of the network or network service, and what steps would be taken regarding an abuser.

#### **5.3.3.7 Service Modifications**

Describe in detail processes for requesting new or modifications to services (e.g. cancellation, temporary and/or seasonal stoppage, etc.).

#### **5.3.3.8 Operational Cost Efficiencies**

Describe in detail plans and processes that minimize operational cost increases to subscribers (e.g. minimization of truck rolls and other high cost support services via the use of local resources and sub-contractors). The Town MLPs will view a network self-service portal designed to reduce resources at a service call center as highly desirable .

### **5.3.4 Regional Network Design**

The Town MLPs desire to gain insight into the design of high bandwidth networks the Vendor typically constructs to provide customers with broadband Internet services. In support of this desire the proposing Vendor must provide a description of the proposed regional



network design it will plan to construct to provide customers in each Town with required services listed in Sections 5.2.1-5.2.3. The description of the network design should include content such as system-level schematics and block diagrams for the proposed network architecture and topology, identification of the network component technologies to be used, a list of the user equipment for each premise, a list of equipment to be centrally located (regionally or within each Town) and operated by the Vendor, etc.

#### **5.3.5 Service Options for Special Areas**

Proposing Vendor must provide the Town MLPs with options for offering broadband Internet services to subscribers located within Town boundaries on private roads and driveways, not connected via utility poles or underground conduit. Options should address situations where utility poles are not permitted.

##### **Special Town areas to assess:**

Monterey - Stevens Lake Association

Sandisfield - Otis Woodlands

Tolland - North Tolland (~95 homes), Beldon Road, East Otis

#### **5.3.6 Network Maintenance**

Proposing Vendor must describe its process for performing network maintenance and responding to emergencies. The Vendor must also describe its existing operating and maintenance infrastructure. Vendor should also address its current policy and plans for as-needed renewal and future upgrades, such as frequency of replacement of core network equipment, technology upgrades, or pro-active replacement of parts, for its existing broadband Internet customers.

#### **5.3.7 Customer Service Plan**

Proposing Vendor must provide a copy of its current customer service plan made available to existing broadband Internet customers. The customer service plan must address subscriber billing and customer service problem handling.

#### **5.3.8 Marketing Plan**

In support of each Town MLP's desire for the proposing Vendor to be responsible for all customer-marketing efforts, the proposing Vendor should provide its plan for marketing its available broadband Internet services.

#### **5.3.9 Customer Terms & Conditions**

Proposing Vendor must provide a copy of its Customer Terms and Conditions governing its relationship with customers, currently provided to all existing broadband Internet subscribers.

#### **5.3.10 Life-Line Services**

Proposing Vendor must describe its process for addressing life-line services,



E911, and emergency handling in outage situations for existing broadband Internet customers. The Vendor must provide a description of any subscriber fees and billing associated with these services.

#### **5.3.11 ISP Services**

Proposing Vendor must provide a list and description of the Internet Service Provider (ISP) services (e.g. Internet access, email, domain name registration, web hosting, online distributed discussion services (e.g. Usenet), cloud services, online storage services, etc.) provided to existing broadband Internet customers. The Vendor must provide a detailed description for the fees and fee structure associated with the ISP services offered.

#### **5.3.12 Third Party Services**

Proposing Vendor must provide its plan for supporting third party services, at both the subscriber and third party level.

### **6.0 Vendor Price Proposal**

**EACH VENDOR IS TO SUBMIT ITS PRICE PROPOSAL AND NON-PRICE PROPOSAL IN SEPARATELY SEALED ENVELOPES, WITH EACH ENVELOPE MARKED "PRICE PROPOSAL, MLP BROADBAND PROJECT" OR "NON-PRICE PROPOSAL, BROADBAND PROJECT," AS APPROPRIATE. IF THE PROPOSALS ARE MAILED, THE ENVELOPES MUST BE ENCLOSED IN A THIRD ENVELOPE FOR MAILING.**

The proposing Vendor must complete and submit the Price Proposal Form for each Town MLP included as Exhibit C.1-C.3 to this RFP. The price to be inserted in the price proposal for each Town will be the fixed monthly payment required of each Town, if any, separate from and in addition to any subscriber fees to be charged to individual subscribers in a Town, that the Vendor intends to charge the Town MLP for broadband and related services furnished to each Town's residents and businesses. If the proposing Vendor offers to provide the services at no cost to the Town, the proposing Vendor should enter "Zero" on the price form. (For the purpose of determining price, please note that the Town MLPs intend the term of any contract to be 15 years.)

As noted on the Price Proposal Form, the proposed price must be stated in two ways:

1) The lump sum price (to be paid, if at all, directly to Vendor by MBI in accordance with an MBI grant, if any, to be applied for by Vendor in consultation with the Town MLPs); and, in lieu of such price and at the sole discretion of each Town MLP,

2) The price stated as monthly payments to be made each month over the proposed contract term, which shall not exceed 15 years. Vendor may quote level monthly payments or stepped monthly payments.

The Town MLPs acknowledge that they will not gain any residual ownership interest in the network by making any payments to Vendor.



## **7.0 Evaluation criteria and selection of Vendor Submittal and Price Proposal**

The Town MLPs will make its selection in the following manner:

**7.1** A joint Town selection committee made up of representatives of the Town MLPs will determine those vendors whose proposals meet the minimum qualification criteria of Section 4.0. Proposals not meeting the Section 4.0 criteria will be deemed non-responsive and discarded.

**7.2** Proposals satisfying the minimum qualification criteria of Section 4.0 will be evaluated by the selection committee using the Comparative Evaluation Criteria set forth in Section 5.2. A rating will be assigned for each evaluation criterion for each proposal. After a proposal has been so evaluated, a single, composite rating will be assigned to the entire proposal. As for the weighting that will be used in establishing a composite rating, 50 percent of a proposal's composite rating shall be assigned to the comparative evaluation criteria set forth in Sections 5.2.1(A), 5.2.1(B), 5.2.1(C), and 5.2.2(E); the remaining 50 percent of the composite rating will be based on the other criteria in Section 5.2. During the evaluation period, the Town MLPs reserve the right to request clarification or additional information from any proposing Vendor as respects information included in or omitted from its proposal, and may request interviews.

**7.3** The selection committee will by majority vote assign a composite rating for each Vendor as aforesaid, and shall then rank the qualifying proposals using the composite ratings.

**7.4** Only after the ranking is completed under Section 7.3 will the joint Town selection committee consider and review the separately submitted price proposals.

**7.5** The selection committee will then select the most advantageous proposal, taking into consideration price and the comparative evaluation criteria used to evaluate proposals. The selected Proposal will be recommended to each Town MLP for approval and award, but each Town MLP retains, at its discretion, the authority to accept or reject the recommendation.

**7.6** The Town MLPs reserve the right to condition a composite rating for any proposal on the agreement of a Vendor to make, and to such Vendor's making, revisions requested by the Town MLPs to the plan provided by Vendor pursuant to the Comparative Criterion in Section 5.2.3.

## **8.0 Other Information**

### **8.1 Contracting and Procedures for Submission of Proposals**

The successful Vendor shall execute a contract substantially in the form to be presented by the Town MLPs. If the Vendor and the Town MLPs are unable, despite negotiations, to enter into an agreement within thirty (30) days of presentment of a contract, the Town MLPs may cancel negotiations and commence negotiations with the next highest-ranked Vendor, or in the Town MLPs' discretion, cancel the RFP.

### **8.2 Contracting parties**



MLPs for the Towns of Monterey, Sandisfield, Tolland, Massachusetts, and selected Vendor. Each Town MLP shall have its own contract with the successful vendor.

### **8.3 Procedural Matters**

**8.3.1 Vendor Questions.** Proposing Vendors with questions regarding this RFP may submit their questions via email no later than Noon, Thursday, January 26, 2017. Inquiries received after this time will not be considered. All inquiries and requests for information or clarification regarding this RFP must be submitted by written email to Alice Boyd (email: aboydbos@gmail.com).

The manner in which the Town MLPs respond to inquiries or questions shall be by the issuance of written Addenda to this RFP. Addenda will be distributed to all entities known to have requested a copy of this RFP on Tuesday January 31, 2017 at the email address to be provided by the Vendor at the time it requests a copy of this RFP. Vendors are solely responsible for ensuring that they have received all addenda before submission of their proposals.

**8.3.2 Submission Instructions and Deadline.** The proposing Vendor shall deliver its Proposal in a sealed envelope to the Town of Sandisfield Procurement Officer no later than the deadline, all as specified in Section 1.0. Please include six (6) hard copies and one digital copy on CD in .pdf format of the complete proposal and other required submittals as outlined in Section 9.0, along with a transmittal letter signed by an authorized official of the firm.

**8.3.3 Modifications to Proposals.** If a proposal is submitted prior to the due date, modifications may be submitted in a sealed envelope prior to the deadline submittal date of Tuesday, February 09, 2017, 2:00 p.m.

**8.3.4 Withdrawal of Proposals.** No proposal may be withdrawn within ninety (90) days after the submission due date.

**8.3.5 Interviews.** The Town MLPs reserve the right to interview all proposing Vendors in which case the award date will be extended by three days. Proposing Vendors that meet minimum required qualifications and are deemed responsive may be invited to meet with the Town MLP Boards to discuss their proposals and answer questions. Vendors who are so invited shall bring an executive, the person who will be the program manager and alternate program manager, and other members of the team as the Vendor deems appropriate, but not more than five individuals.

**8.3.6 Award Date and Contract Negotiations.** February 22, 2017, or February 24, 2017 if interviews scheduled. Within fifteen calendar days the selected Vendor shall begin contract negotiations with the Town MLPs.

**8.3.7 Contract Completion.** Negotiations and contract acceptance shall be complete no later than sixty (60) days from the Award Date.

**8.3.8 Addenda.** Any Addendum subsequently issued by the Town MLPs following the release of this RFP must be acknowledged by Vendor. All information given by the MLPs except by written addenda shall be informal and shall not be binding upon the Town nor shall it furnish a basis for legal action by any proposing Vendor or prospective Vendor against any of the Towns.



#### **8.4 Miscellaneous provisions**

**8.4.1** All submitted proposals shall be prepared at the sole cost and expense of the proposing Vendor, and all proposals shall become the property of the Town MLPs.

**8.4.2** The Town MLPs reserve the right to waive minor informalities or obvious clerical errors in a proposal and to take such other action with respect to any nonconformities in a proposal to the fullest extent allowed by law.

**8.4.3** The Town MLPs reserve the right to decline the making of an award based on its sole judgment that the proposals received do not meet its needs, or to cancel the procurement before or after receipt of proposals for any reason, or no reason.

**8.4.4** Proposals that are late, incomplete, not properly endorsed or signed, or otherwise contrary to instructions will be rejected by the Town MLPs as non-responsive.

**8.4.5** The Town MLPs are exempt from Federal and Massachusetts State Sales and Excise Taxes, and no such taxes should be included in the proposal.



**Exhibit A**  
**Certification and Signature Page**

**Must be completed and submitted with proposal.**

**The Undersigned proposing Vendor submits this Proposal to deliver a Broadband Network Service to the Towns of Monterey, Sandisfield, and Tolland.**

\_\_\_\_\_  
**Signature of authorized individual submitting proposal**

**Date:**

**Name of business:**

**Certificate of Non-Collusion**

**The undersigned certifies under penalties of perjury that this proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.**

\_\_\_\_\_  
**Signature of authorized individual submitting proposal**

**Date:**

**Name of business:**

**Tax Compliance Certification**

**Pursuant to M.G.L. c. 62C, §49A, I certify under the penalties of perjury that, to the best of my knowledge and belief, I am in compliance with all laws of the Commonwealth of Massachusetts relating to taxes, reporting of employees and contractors, and withholding and remitting child support.**

\_\_\_\_\_  
**Signature of authorized individual submitting proposal**

**Date**

**Name of business**



**Exhibit B.1**  
**MBI Last Mile Planning Map - Monterey**



## Last Mile Planning

Broadband Infrastructure and Service in:  
**MONTEREY, MA**

### Serviceable Premises

- Connected CAI Locations (3)
- Unserved Locations (874)

### Existing Broadband Infrastructure

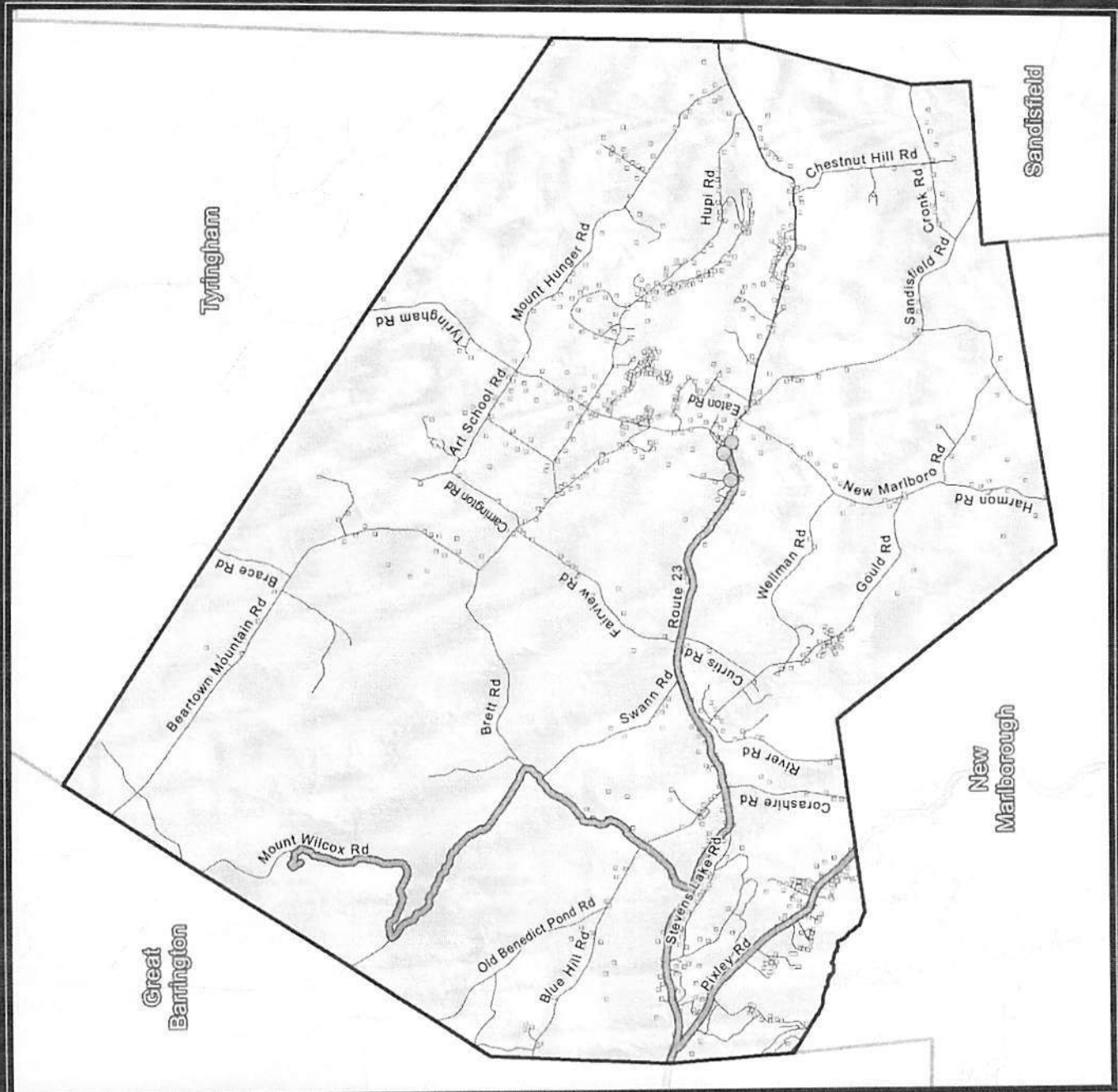
- MassBroadband 123 Interconnection Points
- MassBroadband 123 Fiber-Optic Cable

### Base Map

- Building Locations
- Town Boundaries
- Roads
- Water Bodies



Map Date: 05 February 2016





**Exhibit B.2**  
**MBI Last Mile Planning Map - Sandisfield**



# **Last Mile Planning** Broadband Infrastructure and Service in: **SANDISFIELD, MA**

## **Serviceable Premises**

- Connected CAI Locations (5)
- Unserved Locations (637)

## **Existing Broadband Infrastructure**

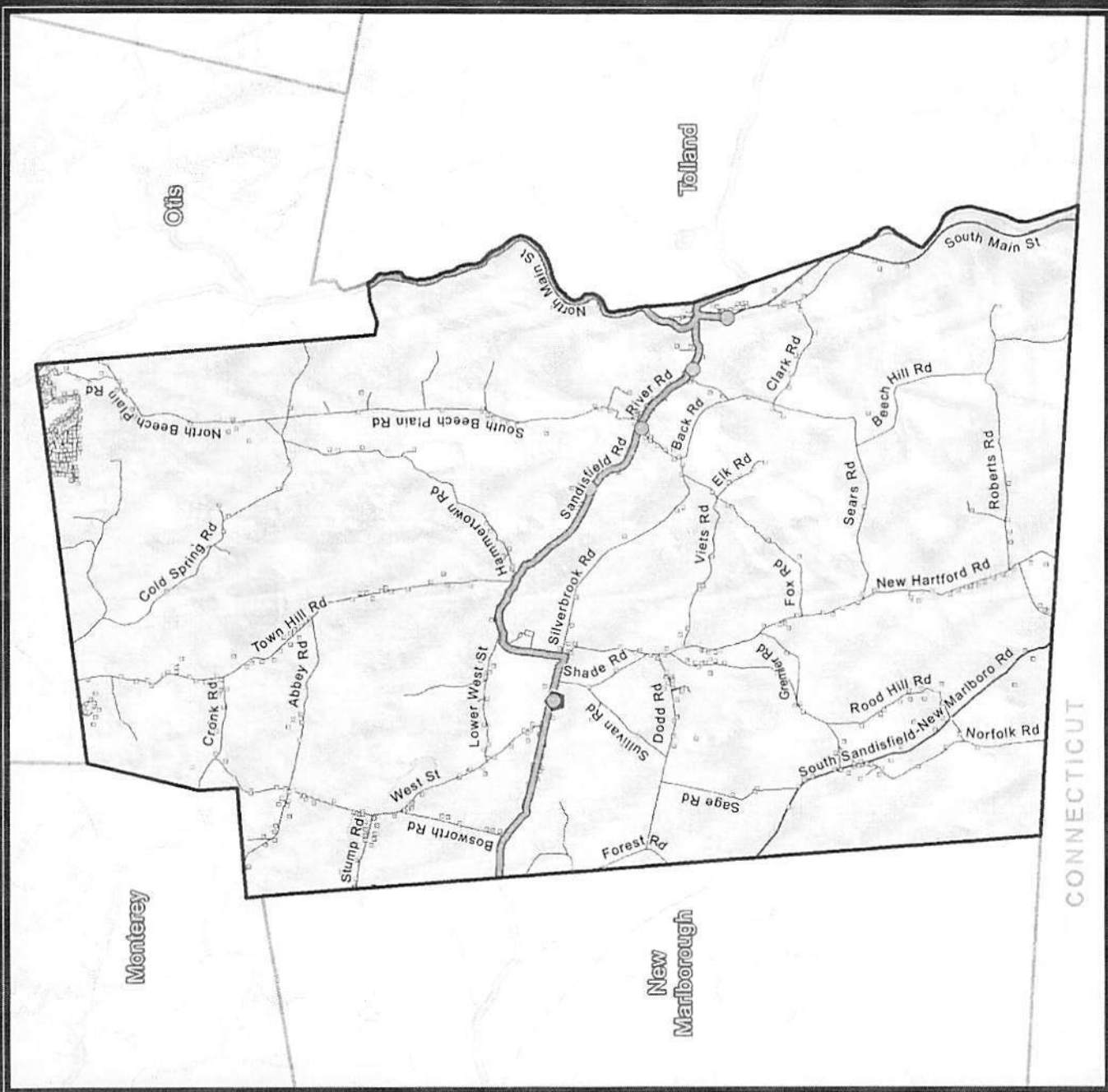
- ◆ MassBroadband 123 Interconnection Points
- MassBroadband 123 Fiber-Optic Cable

## **Base Map**

- Building Locations
- ▭ Town Boundaries
- Roads
- Water Bodies



Map Date: 05 February 2016





**Exhibit B.3**  
**MBI Last Mile Planning Map - Tolland**



## Last Mile Planning

Broadband Infrastructure and Service in:

### TOLLAND, MA

#### Serviceable Premises

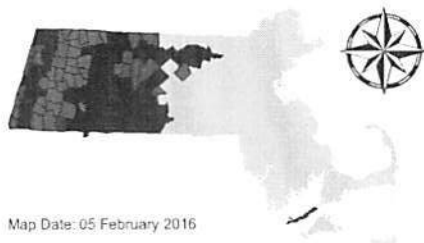
- Connected CAI Locations (3)
- Unserved Locations (537)

#### Existing Broadband Infrastructure

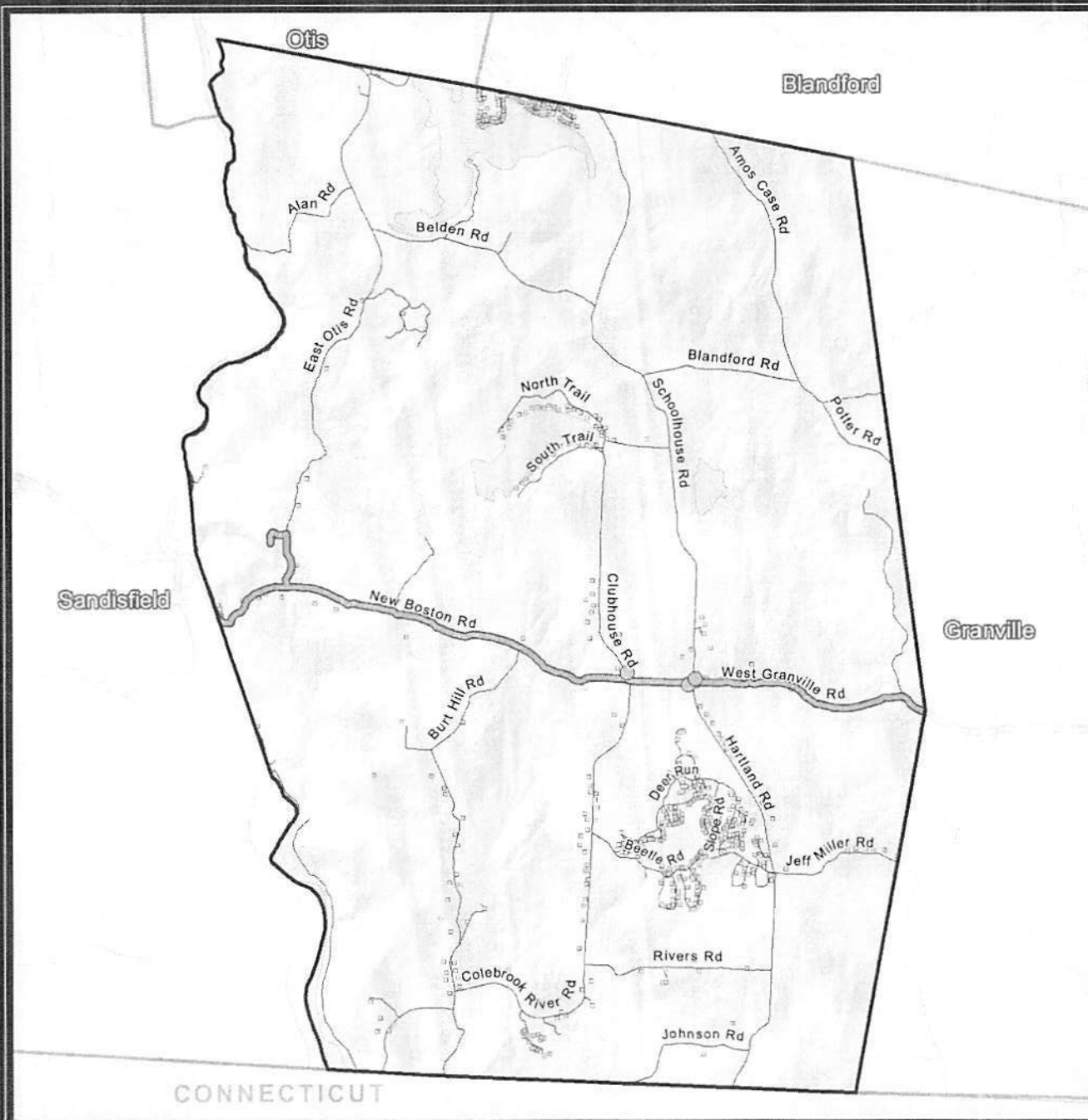
- ◆ MassBroadband 123 Interconnection Points
- MassBroadband 123 Fiber-Optic Cable

#### Base Map

- Building Locations
- ▭ Town Boundaries
- Roads
- Water Bodies



0 0.5 1 2  
Miles





**Exhibit C.1**  
**Price Proposal Form - Monterey**

The undersigned Vendor submits the following as its Price Proposal to the MLP for the Town of Monterey Broadband Network Service Procurement:

1. A lump sum price of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) to be paid, if at all, by MBI in the form of a grant to Vendor in accordance with the terms and conditions of any such grant, or alternatively, at the Town MLP's sole election,
2. Monthly payments in the amount of \$\_\_\_\_\_ to be made each month over the term of the contract, which shall not exceed 15 years, in lieu of a lump sum price. (Vendor may quote level monthly payments or stepped payments.)

The price quoted should assume all Town premises to be connected, subject to adjustment for the actual number of premises connected

Vendor acknowledges and agrees that any grant, to be negotiated with and paid by the MBI directly to the selected Vendor, will offset when paid, on a dollar for dollar basis, any price to be paid by the Town MLP, with the reduction of any monthly payments, stated above, to be agreed between the Vendor and Town MLP. Further, the Vendor agrees to consult closely with each Town MLP regarding the structure and content of any application by Vendor for any MBI grant.

Acknowledged and Agreed:

\_\_\_\_\_  
Authorized Vendor Official



### **Price Proposal Form - Sandisfield**

The undersigned Vendor submits the following as its Price Proposal to the MLP for the Town of Sandisfield Broadband Network Service Procurement:

1. A lump sum price of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) to be paid, if at all, by MBI in the form of a grant to Vendor in accordance with the terms and conditions of any such grant, or alternatively, at the Town MLP's sole election,
2. Monthly payments in the amount of \$\_\_\_\_\_ to be made each month over the term of the contract, which shall not exceed 15 years, in lieu of a lump sum price. (Vendor may quote level monthly payments or stepped payments.)

The price quoted should assume all Town premises to be connected, subject to adjustment for the actual number of premises connected

Vendor acknowledges and agrees that any grant, to be negotiated with and paid by the MBI directly to the selected Vendor, will offset when paid, on a dollar for dollar basis, any price to be paid by the Town MLP, with the reduction of any monthly payments, stated above, to be agreed between the Vendor and a Town. Further, the Vendor agrees to consult closely with each Town MLP regarding the structure and content of any application by Vendor for any MBI grant.

Acknowledged and Agreed:

\_\_\_\_\_  
Authorized Vendor Official

### **Exhibit C.3 Price Proposal Form - Tolland**

The undersigned Vendor submits the following as its Price Proposal to the MLP for the Town of Tolland Network Service Procurement:



1. A lump sum price of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) to be paid, if at all, by MBI in the form of a grant to Vendor in accordance with the terms and conditions of any such grant, or alternatively, at the Town MLP's sole election,
2. Monthly payments in the amount of \$ \_\_\_\_\_ to be made each month over the term of the contract, which shall not exceed 15 years, in lieu of a lump sum price. (Vendor may quote level monthly payments or stepped payments.)

The price quoted should assume all Town premises to be connected, subject to adjustment for the actual number of premises connected

Vendor acknowledges and agrees that any grant, to be negotiated with and paid by the MBI directly to the selected Vendor, will offset when paid, on a dollar for dollar basis, any price to be paid by the Town MLP, with the reduction of any monthly payments, stated above, to be agreed between the Vendor and a Town. Further, the Vendor agrees to consult closely with each Town MLP regarding the structure and content of any application of the Vendor for any MBI grant.

Acknowledged and Agreed:

\_\_\_\_\_  
Authorized Vendor Official



**Monterey, New Marlborough, Sandisfield, and Tolland Massachusetts  
Joint Municipal Light Plant (MLP) Request for Proposal (RFP)  
High Bandwidth Internet Services Procurement**

## **1.0 General Procurement Information**

This collective procurement is undertaken on behalf of the MLPs of the Towns of Monterey, New Marlborough, Sandisfield and Tolland, Massachusetts. The lead MLP administering the procurement for all four MLPs shall be the Sandisfield MLP.

RFP Release Date: January 6, 2017, Noon

Pre-Proposal Conference: January 17, 2017 2:00 P.M., Sandisfield Town Hall Annex

Questions Due: By January 26, 2017, Noon [Send Questions to: [aboydbos@gmail.com](mailto:aboydbos@gmail.com)]

Response to Questions: January 31, 2017

Submittal Date deadline: February 9, 2017, 2:00 p.m. at Sandisfield Town Hall Annex

Interview Date: February 16, 2017 [Towns may choose not to interview]

Award Date: February 22, 2017

Procurement Officer and Submittal address:

Mr. Willie Morales, Town Administrator

Sandisfield Town Hall Annex

66 Sandisfield Road, PO Box 90

Sandisfield, MA 01255

## **2.0 Background and Purpose of Procurement**

### **2.1 Background**

In 2008, Massachusetts General Court approved and the Governor signed legislation to further the goal of achieving broadband Internet access in unserved parts of the Commonwealth. Under this program, the Massachusetts Broadband Institute ("MBI") guided and funded the building of the *MassBroadband 123* middle mile network as a backbone to support ultimate delivery of last mile service to unserved Towns.

The current Last Mile Program is designed to support 44 unserved Western Massachusetts communities with residential broadband access. The MBI is building a flexible framework that will help all unserved towns achieve broadband access, allowing for a range of project models, including multi-town collaborations, locally owned networks, and industry partnerships. Many technology and operational choices will be supported, as long as they meet performance, affordability, and sustainability standards. In support of the Last Mile Program, the MBI will disburse capital from the State in aid of approved projects.

### **2.2 Purpose of Procurement**

The MLPs for Monterey, New Marlborough, Sandisfield, and Tolland jointly seek a telecommunications Vendor who can provide a complete 4-Town regional solution for meeting the need and primary goal of achieving high bandwidth Internet access for residents and businesses in the Towns, with the availability of related services such as high definition Voice over Internet Protocol (VOIP) telephone service, viewed as a positive addition. The Town MLPs strong desire is for such services to be provided via a state of the art Fiber To The Premises



(FTTP) network. The goal is in accord with the Commonwealth's goal of extending Internet access to Towns in western Massachusetts. The MLPs understand that the lack of density of houses and businesses in the unserved Western Massachusetts communities has been an obstacle to attracting broadband service providers who are willing to invest in infrastructure to deliver the services. The Town MLPs are hopeful that circumstances have changed and via this RFP are hoping to attract a company that will design, build, own, operate and maintain a network that can deliver, first and foremost, high bandwidth Internet access, and, secondarily, high definition telephony and perhaps television channel packages via the same high bandwidth network.

The Vendor will own and maintain full responsibility for its network and all risks related to its design, implementation, and continuing operations (including all associated financial risks). The Town MLPs are not acquiring any interest in the Vendor's network.

To the extent they are able to do so, and subject to applicable laws, the MLPs will work with their respective Towns to allow Vendor to site facilities on Town-owned property or provide needed easements. Each Town MLP will, to the extent practicable, facilitate any local permitting required and waive associated municipal fees. Information on some potential sites will be available at the pre-proposal conference.

The purpose and goal of the procurement is to identify and contract with an experienced and financially strong telecommunications provider to maximize the provision of Internet and related services consistent with the most economic cost, or in other words, to maximize the value proposition for the MLPs and their respective Towns by choosing the most advantageous Vendor proposal.

### **3.0 Scope of Vendor Service**

#### **3.1 Broadband Network Service**

The Town MLPs jointly seek a telecommunications vendor who can provide a complete regional solution for meeting the need and goal of achieving high bandwidth Internet access for all residents and businesses in the Towns. Provision of this service will require that the Vendor provide connection to their network for all premises, residential and business, within Town boundaries, including those on private roadways and driveways. The selected Vendor will be responsible for program management, make-ready assessment and permitting, design and engineering, obtaining premise-entry consents, network implementation, network operations, subscriber marketing and billing, customer support, network maintenance and emergency response and network renewal, as needed. In responding to this RFP, the proposing Vendor will need to provide plans for how it will proceed to implement its service to the Towns involved in this joint procurement, as described in this RFP.

#### **3.2 Service Area Description**

##### **3.2.1 Monterey**

Exhibit B.1 attached is a map of Monterey, MA prepared by MBI. The map shows the existing *MassBroadband 123* middle mile and Town roadways. National Grid is the power distribution provider in the Town and holds maintenance responsibility for poles. The Town estimates a count of 844 premises, 1,950 poles and 57 route miles of roadway.



### **3.2.2 New Marlborough**

Exhibit B.2 attached is a map of New Marlborough, MA prepared by MBI. The map shows the existing *MassBroadband 123* middle mile and Town roadways. National Grid is the power distribution provider in the Town and holds maintenance responsibility for poles. The Town estimates a count of 1086 premises, 2818 poles and 88 route miles of roadway.

### **3.2.3 Sandisfield**

Exhibit B.3 attached is a map of Sandisfield, MA prepared by MBI. The map shows the existing *MassBroadband 123* middle mile and Town roadways. National Grid is the power distribution provider in the Town and holds maintenance responsibility for poles. The Town estimates a count of 677 premises, 1,762 poles and 91 route miles of roadway.

### **3.2.4 Tolland**

Exhibit B.4 attached is a map of Tolland, MA prepared by MBI. The map shows the existing *MassBroadband 123* middle mile and Town roadways. National Grid is the power distribution provider in the Town and holds maintenance responsibility for poles. The Town estimates a count of 535 premises, 801 poles and 41 route miles of roadway.

## **3.3 Required Services**

The Towns of Monterey, New Marlborough, Sandisfield, and Tolland require high bandwidth connection to the Internet, referred to as broadband, for all households/living units and businesses within the geographic boundaries of the Towns. Within this proposal request "subscriber" refers to each household/living unit and business that consents to a network connection on its property. As noted above, the Town MLPs highly desire for services to be offered via a Vendor-provided FTTP network. The MLPs will consider the Vendor to have provided ubiquitous service to all premises if the Vendor is able to offer connection to at least 96% of the premises in each Town. Services standards will be determined through the contract negotiation process.

In order to meet the needs of all potential subscribers, the Town MLPs consider it highly desirable for a Vendor to be capable of offering different levels (tiers) of broadband Internet service for subscribers to choose from, with each level of service supporting different network connection bandwidths for downstream and upstream data transfers. In order to be considered broadband service, a Vendor's Internet service, by FCC definition, must be capable of supporting a connection bandwidth no less than 25 megabits per second (Mbps) for downstream data transfer, and no less than 3 Mbps for upstream data transfer. It is highly desirable for the lowest tier of broadband service offered to be capable of supporting a network connection bandwidth of at least 50 Mbps for downstream data transfers. Symmetric data transfer service is not required, but highly desirable. For all tiers of broadband Internet service offered, the upstream connection bandwidth must be no less than 20% of the downstream connection bandwidth. So, for a tier that offers a downstream connection bandwidth of 50 Mbps, this requires the tier to also provide an upstream connection bandwidth of no less than 10 Mbps. In addition to offering tiers of service that will meet the needs of most subscribers, a proposal that offers subscribers the option of a network connection that supports a connection bandwidth equal to or exceeding 1 gigabit per second (Gbps), for both downstream and upstream data transfers, will be considered to be highly advantageous in the selection process. A proposal that also offers subscribers basic Internet service options that do not require high bandwidth connection to the Internet will also be considered to be advantageous in the selection process.



As used in this RFP, the term "bandwidth" refers to the sustained downstream or upstream data transfer rate supported for a given level of Internet service, not a peak (up to) transfer rate. This definition applies to both point-to-point and point-to-multipoint service connections.

### **3.4 Optional Services**

The Town MLPs highly desire a Vendor to be capable of offering high definition VOIP telephone service via its network. The Town MLPs believe that dramatic changes continue to shape both telephone and television services going forward. To that end, a Vendor capable of offering high definition (HD) and standard definition television channel package service to all premises via the Vendor's high bandwidth network is seen as a nice to have but not necessarily a requirement. A proposing Vendor must allow subscribers the opportunity of third party services (e.g. telemedicine, security, etc.) via its network.

### **3.5 Subscriber Options**

Vendors who are able to offer telephony and television channel package services in addition to the required high-bandwidth Internet access must afford subscribers the option of Internet access only. For all bundled service packages offered by a Vendor, subscribers must be afforded the level of Internet service per Section 3.3 requirements.

## **4.0 Minimum Qualifying Criteria for Vendors**

If it is anticipated that the entity responding to this RFP will differ from the entity that would enter into a Broadband Services Agreement with the Town MLPs, then that disclosure should be clearly made in the response. Further, if the proposing entity so differs, a statement must be provided by the proposing Vendor stating its legal relationship with the contracting entity and whether it will or will not provide a guaranty for the performance of the entity entering into the Agreement or other satisfactory financial assurance. In addition, the proposing Vendor and the contracting entity shall each be required to provide the information required herein as joint proposers. The Town MLPs reserve the right to reject any proposal from a Vendor who will not also be the contracting entity unless a satisfactory financial assurance is provided by Vendor.

### **4.1 History and experience**

The proposing Vendor must provide a brief history of the firm, noting its evolution of telecommunication services, and in particular broadband services. Further, a concise statement of its current business strategy must be provided. A proposal must include history of completing projects to provide Internet service similar to that required here. The Town MLPs require that a proposing Vendor be authorized to conduct relevant business in Massachusetts and the Towns. However, Vendors not currently authorized may respond. Vendors not currently authorized will need to provide details for the process and schedule for obtaining the required authorization.

### **4.2 Financial resources**

The Town MLPs expect a proposing Vendor to finance the full capital cost of make-ready, design, commissioning, and provisioning of the network required for providing high-bandwidth Internet access and services in each Town. Further, the proposing Vendor must offer credible evidence of its ability to finance the project. If the proposing Vendor is a privately held corporation, it may enclose its audited financial statements in a sealed envelope marked



**“Proprietary and Confidential.”** The Town MLPs will, subject to the requirements of the Massachusetts Public Records Law, hold confidential records submitted in such an envelope so marked until completion of evaluations and as otherwise permitted by law.

#### **4.3 Minimum existing customer base for requested services**

The proposing Vendor must provide evidence of currently providing high-bandwidth Internet services to rural communities similar to the Towns involved in this procurement. In the case where the Vendor does not currently provide Internet access and service to at least 1,000 subscribers in rural communities, the Vendor must provide detail on existing contracts and provide a plan showing their ability to deploy (funding, resources and organization) and support a multi-town broadband Internet service.

### **5.0 Requirements for Proposal Content**

Vendors are encouraged to prepare responses using clear and concise language that responds to the RFP in a straightforward manner. All acronyms and technical terms must be explained. Vendors are requested to organize their RFP submission to follow the same order as in this Section 5.0, and to label any additional attachments to their proposal to identify the RFP Section number it addresses or to which it relates. A response to the RFP must address the complete service area identified in Section 3.2.

The proposing Vendor must address/include the following in its proposal:

#### **5.1 Minimum Qualification Requirements**

Proposals must include/satisfy the following in order to be deemed responsive and proceed to an evaluation in accordance with the Comparative Criteria set forth in Section 5.2. Note that Sections 5.1.1 through 5.1.3, below, refer to the minimum qualification criteria required and described in Section 4.0.

**5.1.1 Evidence of business history and experience.**

**5.1.2 Evidence of financial resources.**

**5.1.3 Description and size of broadband Internet service customer base.**

**5.1.4 Proposal addresses the complete service area identified in Section 3.2.**

**5.1.5 Proposal includes all forms, certifications, and information required by this RFP, including information (whether or not expressly requested) that is referenced in Section 5.2, below, as being necessary for a full and proper evaluation of proposals pursuant to the Comparative Criteria set forth in that section. (The Town MLPs reserve the right to waive the timing of submission of any such forms, certifications, and information.)**

#### **5.2 Comparative Criteria**

Proposals meeting the minimum qualification criteria set forth above shall be evaluated in accordance with the Comparative Criteria in this Section 5.2. Each proposal will receive a rating for each criteria as Highly Advantageous, Advantageous, Not Advantageous, or Not Acceptable,



as set forth below. A composite rating will then be assigned to each proposal, as further described below, and this composite rating will be used to compare proposals.

#### **5.2.1 Internet Service Performance Requirements (Four Criteria)**

##### **5.2.1.1 Service Tiers**

The proposing Vendor must provide a description of the tiers of Internet service that will be available to subscribers to choose from, for both downstream and upstream services per the requirements provided in Section 3.3.

*-Highly Advantageous:* Vendor offers more than one tier of high bandwidth broadband service, as well as a level of service that supports a connection bandwidth equal to or greater than 1 Gbps for both downstream and upstream data transfers. No tier of service offered supports a connection bandwidth less than 100 Mbps for downstream data transfers. For each tier offered, the upstream connection bandwidth is no less than 20% of the downstream connection bandwidth. Vendor also offers basic Internet service via connection bandwidths less than the minimum bandwidths required to be considered broadband service.

*-Advantageous:* Vendor offers more than one tier of high bandwidth broadband service, as well as a level of service that supports a connection bandwidth equal to or greater than 1 Gbps for both downstream and upstream data transfers. No tier of service offered supports a connection bandwidth less than 50 Mbps for downstream data transfers. For each tier offered, the upstream connection bandwidth is no less than 20% of the downstream connection bandwidth. Vendor also offers basic Internet service via connection bandwidths less than the minimum bandwidths required to be considered broadband service.

*-Not Advantageous:* Vendor offers a single tier high bandwidth broadband service that supports a connection bandwidth no greater than 50 Mbps for downstream data transfers, and no greater than 10 Mbps for upstream data transfers. Vendor also offers basic Internet service via connection bandwidths less than the minimum bandwidths required to be considered broadband service.

*-Not Acceptable:* Vendor only offers basic Internet service via network connection bandwidths for downstream and upstream data transfers that are less than the minimum bandwidths required to be considered broadband service. [An Unacceptable rating will disqualify entire proposal.]

##### **5.2.1.2 Service Bandwidth**

Proposing Vendor must provide evidence of being able to provide high-bandwidth Internet service to the consumer. The preferred method for providing such evidence is via recent results from an independent study that measures broadband service performance as delivered by an Internet service provider to the consumer, such as the Federal Communication Commission's (FCC) Measuring Broadband America Program. Vendor's actual connection bandwidths for all levels of broadband service offered must be shown to be greater than 80% of the advertised bandwidths across all time periods.

*-Highly advantageous:* Study results or other evidence shows Vendor's actual measured connection bandwidths for all levels of broadband service offered are greater than 90% of the advertised bandwidths.



**-Advantageous:** Study results or other evidence shows Vendor's actual measured connection bandwidths for all levels of broadband service offered are between 85 and 90% of the advertised bandwidths.

**-Not Advantageous:** Study results or other evidence shows Vendor's actual measured connection bandwidths for all levels of broadband service offered are between 80 and 85% of the advertised bandwidths.

**-Unacceptable:** Study results or other evidence shows Vendor's actual measured connection bandwidths for all levels of broadband service offered are less than 80% of the advertised bandwidths. [An Unacceptable rating will disqualify entire proposal.]

#### **5.2.1.3 Customer Satisfaction**

Proposing Vendor must provide evidence of being able to satisfy its existing broadband Internet service customers with respect to service performance, service options available, subscriber billing, service pricing, maintenance and emergency response, and service problem handling. The preferred method for providing such evidence is via independent survey results, such as the report released by the American Customer Satisfaction Index that measures the level of national cross-industry customer satisfaction for products and services. Vendor's current level of customer satisfaction for all levels of broadband service offered must be shown to be greater than 70%.

**-Highly advantageous:** Evidence shows that Vendor's customer satisfaction rating is greater than 90% for Internet services.

**-Advantageous:** Evidence shows that Vendor's customer satisfaction rating is between 80 and 90% for Internet services.

**-Not Advantageous:** Evidence shows that Vendor's customer satisfaction rating is between 70 and 80% for Internet services.

**-Unacceptable:** Evidence shows that Vendor's customer satisfaction rating is not more than 70% for Internet services. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

#### **5.2.1.4 Service Availability**

Proposing Vendor must provide evidence of being able to provide broadband Internet service that is highly available. Within this proposal request "availability" refers to the proportion of time broadband Internet access and services (per performance requirements specified in Section 3.3) are expected to be provided to all subscribers. Evidence for availability can be measured for existing broadband Internet customers, or calculated based on the Vendor's proposed network design. Network design features that will drive service availability are network component reliability, component and system-level redundancy, backup power generation, etc. Within this proposal request the term "downtime" refers to periods of time when Internet access and service is unavailable to subscribers, exclusive of periods of time required for the Vendor to perform scheduled maintenance.



**-Highly Advantageous:** Evidence shows that the Vendor can commit to providing broadband Internet service for all levels of broadband service offered with an average downtime in any given month no more than 5 minutes per week (99.95% availability).

**-Advantageous:** Evidence shows that the Vendor can commit to providing broadband Internet service for all levels of broadband service offered with an average downtime in any given month no more than 10 minutes per week (99.9% availability).

**-Not Advantageous:** Evidence shows that the Vendor can commit to providing broadband Internet service for all levels of broadband service offered with an average downtime in any given month no more than 50 minutes per week (99.5% availability).

**-Unacceptable:** Evidence shows that the Vendor will not be able to commit to providing broadband Internet service for all levels of broadband service offered with an availability of at least 99.5% in any given month. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

## **5.2.2 Service Connection Requirements (Four Criteria)**

### **5.2.2.1 Commencement of Service**

Proposing Vendor must be able to provide broadband Internet service to all subscribers within two to three years from contract date. [To the extent service availability is delayed due to causes that could not be anticipated and/or are beyond the Vendor's control, and the Vendor can demonstrate it is exercising diligence in its efforts to provide service to all subscribers notwithstanding such delay, the contract will be amended as appropriate to extend the time required to furnish service to all subscribers.]

**-Highly advantageous:** The Vendor commits to providing broadband Internet service to all subscribers within two years of contract commencement.

**-Advantageous:** The Vendor commits to providing broadband Internet service to all subscribers within two and one-half years of contract commencement.

**-Not advantageous:** The Vendor commits to providing broadband Internet service to all subscribers within three years of contract commencement.

**-Unacceptable:** The Vendor commits to providing broadband Internet service to all subscribers in excess of three years of contract commencement. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

### **5.2.2.2 Connection Coverage Area (Existing premises)**

Proposing Vendor must provide Internet service to all subscribers located on public and private roads in the Towns, to the extent such subscribers are currently connected to existing utility poles or via underground conduit, with space available for additional cables. [If a Vendor proposes a linear connection allowance for reaching subscribers on a private road or driveway, the Vendor must propose a per foot unit price applicable to the overage allowed per connection in its Price Proposal.]



**-Highly advantageous:** The Vendor commits to connecting and providing Internet service to all subscribers on public and private roads, regardless of linear connection distance, to the extent such subscribers are currently connected to existing utility poles or via underground conduit, with usable space available for additional cables.

**-Advantageous:** The Vendor commits to connecting and providing Internet service to all subscribers on public and private roads, with a linear connection allowance of 500 feet, to the extent such subscribers are currently connected to existing utility poles or via underground conduit, with usable space available for additional cables.

**-Not advantageous:** The Vendor commits to connecting and providing Internet service to all subscribers on public and private roads, with a linear connection allowance of 300 feet, to the extent such subscribers are currently connected to existing utility poles or via underground conduit, with usable space available for additional cables.

**-Unacceptable:** The Vendor commits to connecting and providing Internet service to all subscribers on public roads only with a linear connection allowance to be negotiated, to the extent such subscribers are currently connected to existing utility poles or via underground conduit, with usable space available for additional cables. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

#### **5.2.2.3 Subscriber Equipment**

Proposing Vendor must provide a plan, including equipment and cost to subscribers, if any, for initial installation of on-premises equipment (e.g. network terminal units, modems, routers, uninterruptible power supply, etc.).

**-Highly Advantageous:** Proposing Vendor plans to provide and install on-premises equipment at no cost to subscribers.

**-Advantageous:** Proposing Vendor plans to provide and install on-premises equipment at a cost to subscribers not exceeding \$100.

**-Not advantageous:** Proposing Vendor plans to provide and install on-premises equipment at a cost to subscribers exceeding \$100 but less than \$250.

**-Unacceptable:** Proposing Vendor plans to provide and install on-premises equipment at a cost to subscribers exceeding \$250. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

#### **5.2.2.4 Service For Future Premises**

Proposing Vendor must provide a plan for addressing how broadband service will be provided to new premises after the network construction has been completed. The plan shall include the material terms, conditions, and costs that will apply, as well as who will be responsible for future costs.

**-Highly Advantageous:** The proposing Vendor commits to providing broadband service to future premises, and provides a detailed plan for the terms, costs, and responsibilities of the involved parties.



**-Advantageous:** The proposing Vendor commits to providing broadband service to future premises, and provides a general plan for the terms, costs, and responsibilities of the involved parties.

**-Not advantageous:** The proposing Vendor commits to providing broadband service to future premises, but defers the determination of terms, costs, and responsibilities of the involved parties to the future.

**-Unacceptable:** The proposing Vendor does not commit to providing broadband service to future premises after the network construction has been completed. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

### **5.2.3 Business Terms/Plan (Two Criteria)**

#### **5.2.3.1 Service Options and Rates**

Proposing Vendor must provide a comprehensive description of its business proposition for each Town and its subscribers, including all offered service options and the associated rates (cost) for each service. The Vendor must provide broadband Internet service. Other services, such as high definition telephone service, high definition television channel package service, and basic Internet are not required, but are considered by the Town MLPs to be highly desirable. The Vendor shall provide a complete description of the television packages available to subscribers if applicable.

**-Highly advantageous:** Proposing Vendor offers different tiers of broadband Internet service to choose from per Section 3.3, as well as basic Internet service. The Vendor also offers high definition telephone service (G.722 codec quality or better), and high definition television channel packages (comparable to satellite-based television channel package services) to choose from, combined with the Internet services. The Vendor offers all of these services as a Triple Play package. The Vendor demonstrates that its subscription rate charge for such Triple Play package is reasonable and generally comparable to similar packages offered in Northeastern U.S. markets.

**-Advantageous:** Proposing Vendor offers different tiers of broadband Internet service to choose from per Section 3.3, as well as basic Internet service. The Vendor also offers high definition telephone service (G.722 codec quality or better), or high definition television channel packages (comparable to satellite-based television channel package services) to choose from, that can be bundled together with the Internet services, but not as a Triple Play package. The Vendor demonstrates that its subscription rate charges for these offered services are reasonable and generally comparable with those offered in Northeastern U.S. markets.

**-Unacceptable:** Proposing Vendor offers only the minimum required level of broadband Internet service per Section 3.3, as well as basic Internet service, or the Vendor fails to demonstrate that its subscription rate charges for any offered service, bundled services, or Triple Play package are reasonable and generally comparable with those offered in Northeastern U.S. markets. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

The Town MLPs reserve the right to condition a rating on this criterion (and any composite rating of any proposal) on a Vendor's agreement to make revisions, requested by the Town MLPs, to the plan provided by the Vendor pursuant to this criterion (Business Terms/Plan).



#### **5.2.3.2 Value Enhancements**

Proposing Vendor shall identify and specify any service value enhancements it plans to offer the Towns, such as a minimal fee or no fee for basic Internet service for all subscribers, and free or discounted broadband Internet service fees for Town institutions (Town Hall, Schools, Library, Fire Station, etc.).

*-Highly Advantageous:* The Vendor offers basic Internet service value enhancements for all subscribers, plus offers free broadband Internet service for all Town institutions.

*-Advantageous:* The Vendor offers basic Internet service value enhancements for all subscribers, plus offers discounted rate broadband Internet service for all Town institutions.

*-Not advantageous:* The Vendor offers basic Internet service value enhancements for all subscribers.

*-Unacceptable:* The Vendor offers no service value enhancements. [An Unacceptable rating will not disqualify entire proposal, but will contribute to significantly lowering the composite rating.]

### **5.3 Other Proposal Content**

#### **5.3.1 Subcontractors**

If any part of the Scope of Vendor Service is to be provided or completed by a Sub-Vendor or Subcontractor, the proposing Vendor must provide a complete description of the services to be so performed along with a full description of the qualifications and capabilities of the Sub-Vendor or Subcontractor. As part of the contract award for services, the Town MLPs reserve the right to approve or disapprove any and all such Sub-Vendors or Subcontractors.

#### **5.3.2 Contact Information**

Proposing Vendor must provide contact information for all similar contracts with a town for broadband Internet service completed in the last two years in the Northeast.

#### **5.3.3 Vendor Policies**

Proposing Vendor must disclose company policies as respects the following:

##### **5.3.3.1 Net Neutrality**

The Town MLPs require the selected Vendor to adhere to the principle of Net Neutrality whereby access is available to all content and applications regardless of the source, and without blocking particular products, content, or websites. To that end, describe your network management or non-discrimination policy as regards to (a) types (network protocols) of traffic, (b) sources or destinations of traffic (including Vendor's own), and (c) traffic content.

##### **5.3.3.2 Subscriber Privacy**



The Town MLPs require the selected Vendor to maintain the privacy of all subscribers, and not track, publish, or share information related to the content accessed by individual or groups of subscribers. To that end, describe what monitoring and statistics you maintain regarding network traffic. Include in the description what customer specific information is logged and how long those logs are retained.

#### **5.3.3.3 Network Management**

Describe in detail your network management in regards to bandwidth and capacity planning with a particular focus on bandwidth between a Town's users and the Internet. If you are providing diverse Internet circuits/gateways, address capacity planning for each circuit as appropriate.

#### **5.3.3.4 Equipment Monitoring**

Describe in detail your monitoring of Customer Premises Equipment and customer usage.

#### **5.3.3.5 Service Limitations**

Describe in detail any limitations on the use of the service that will be applied to customer usage.

#### **5.3.3.6 Service Abuse**

Describe in detail what would constitute abuse of the network or network service, and what steps would be taken regarding an abuser.

#### **5.3.3.7 Service Modifications**

Describe in detail processes for requesting new or modifications to services (e.g. cancellation, temporary and/or seasonal stoppage, etc.).

#### **5.3.3.8 Operational Cost Efficiencies**

Describe in detail plans and processes that minimize operational cost increases to subscribers (e.g. minimization of truck rolls and other high cost support services via the use of local resources and sub-contractors). The Town MLPs will view a network self-service portal designed to reduce resources at a service call center as highly desirable .

### **5.3.4 Regional Network Design**

The Town MLPs desire to gain insight into the design of high bandwidth networks the Vendor typically constructs to provide customers with broadband Internet services. In support of this desire the proposing Vendor must provide a description of the proposed regional network design it will plan to construct to provide customers in each Town with required services listed in Sections 5.2.1-5.2.3. The description of the network design should include content such as system-level schematics and block diagrams for the proposed network architecture and topology, identification of the network component technologies to be used, a list of the user equipment for each premise, a list of equipment to be centrally located (regionally or within each Town) and operated by the Vendor, etc.



### **5.3.5 Service Options for Special Areas**

Proposing Vendor must provide the Town MLPs with options for offering broadband Internet services to subscribers located within Town boundaries on private roads and driveways, not connected via utility poles or underground conduit. Options should address situations where utility poles are not permitted.

#### **Special Town areas to assess:**

Sandisfield - Otis Woodlands

Tolland - North Tolland (~95 homes), Beldon Road, East Otis

### **5.3.6 Network Maintenance**

Proposing Vendor must describe its process for performing network maintenance and responding to emergencies. The Vendor must also describe its existing operating and maintenance infrastructure. Vendor should also address its current policy and plans for as-needed renewal and future upgrades, such as frequency of replacement of core network equipment, technology upgrades, or pro-active replacement of parts, for its existing broadband Internet customers.

### **5.3.7 Customer Service Plan**

Proposing Vendor must provide a copy of its current customer service plan made available to existing broadband Internet customers. The customer service plan must address subscriber billing and customer service problem handling.

### **5.3.8 Marketing Plan**

In support of each Town MLP's desire for the proposing Vendor to be responsible for all customer-marketing efforts, the proposing Vendor should provide its plan for marketing its available broadband Internet services.

### **5.3.9 Customer Terms & Conditions**

Proposing Vendor must provide a copy of its Customer Terms and Conditions governing its relationship with customers, currently provided to all existing broadband Internet subscribers.

### **5.3.10 Life-Line Services**

Proposing Vendor must describe its process for addressing life-line services, E911, and emergency handling in outage situations for existing broadband Internet customers. The Vendor must provide a description of any subscriber fees and billing associated with these services.

### **5.3.11 ISP Services**

Proposing Vendor must provide a list and description of the Internet Service Provider (ISP) services (e.g. Internet access, email, domain name registration, web hosting, online distributed discussion services (e.g. Usenet), cloud services, online storage services, etc.) provided to existing broadband Internet customers. The Vendor must provide a detailed description for the fees and fee structure associated with the ISP services offered.



### **5.3.12 Third Party Services**

Proposing Vendor must provide its plan for supporting third party services, at both the subscriber and third party level.

### **6.0 Vendor Price Proposal**

**EACH VENDOR IS TO SUBMIT ITS PRICE PROPOSAL AND NON-PRICE PROPOSAL IN SEPARATELY SEALED ENVELOPES, WITH EACH ENVELOPE MARKED "PRICE PROPOSAL, MLP BROADBAND PROJECT" OR "NON-PRICE PROPOSAL, BROADBAND PROJECT," AS APPROPRIATE. IF THE PROPOSALS ARE MAILED, THE ENVELOPES MUST BE ENCLOSED IN A THIRD ENVELOPE FOR MAILING.**

The proposing Vendor must complete and submit the Price Proposal Form for each Town MLP included as Exhibit C.1-C.4 to this RFP. The price to be inserted in the price proposal for each Town will be the fixed monthly payment required of each Town, if any, separate from and in addition to any subscriber fees to be charged to individual subscribers in a Town, that the Vendor intends to charge the Town MLP for broadband and related services furnished to each Town's residents and businesses. If the proposing Vendor offers to provide the services at no cost to the Town, the proposing Vendor should enter "Zero" on the price form. (For the purpose of determining price, please note that the Town MLPs intend the term of any contract to be 15 years.)

As noted on the Price Proposal Form, the proposed price must be stated in two ways:

1) The lump sum price (to be paid, if at all, directly to Vendor by MBI in accordance with an MBI grant, if any, to be applied for by Vendor in consultation with the Town MLPs); and, in lieu of such price and at the sole discretion of each Town MLP,

2) The price stated as monthly payments to be made each month over the proposed contract term, which shall not exceed 15 years. Vendor may quote level monthly payments or stepped monthly payments.

The Town MLPs acknowledge that they will not gain any residual ownership interest in the network by making any payments to Vendor.

### **7.0 Evaluation criteria and selection of Vendor Submittal and Price Proposal**

The Town MLPs will make its selection in the following manner:

**7.1** A joint Town selection committee made up of representatives of the Town MLPs will determine those vendors whose proposals meet the minimum qualification criteria of Section 4.0. Proposals not meeting the Section 4.0 criteria will be deemed non-responsive and discarded.

**7.2** Proposals satisfying the minimum qualification criteria of Section 4.0 will be evaluated by the selection committee using the Comparative Evaluation Criteria set forth in Section 5.2. A



rating will be assigned for each evaluation criterion for each proposal. After a proposal has been so evaluated, a single, composite rating will be assigned to the entire proposal. As for the weighting that will be used in establishing a composite rating, 50 percent of a proposal's composite rating shall be assigned to the comparative evaluation criteria set forth in Sections 5.2.1.1, 5.2.1.2, 5.2.1.4, and 5.2.3.1; the remaining 50 percent of the composite rating will be based on the other criteria in Section 5.2. During the evaluation period, the Town MLPs reserve the right to request clarification or additional information from any proposing Vendor as respects information included in or omitted from its proposal, and may request interviews.

**7.3** The selection committee will by majority vote assign a composite rating for each Vendor as aforesaid, and shall then rank the qualifying proposals using the composite ratings.

**7.4** Only after the ranking is completed under Section 7.3 will the joint Town selection committee consider and review the separately submitted price proposals.

**7.5** The selection committee will then select the most advantageous proposal, taking into consideration price and the comparative evaluation criteria used to evaluate proposals. The selected Proposal will be recommended to each Town MLP for approval and award, but each Town MLP retains, at its discretion, the authority to accept or reject the recommendation.

**7.6** The Town MLPs reserve the right to condition a composite rating for any proposal on the agreement of a Vendor to make, and to such Vendor's making, revisions requested by the Town MLPs to the plan provided by Vendor pursuant to the Comparative Criterion in Section 5.2.3.

## **8.0 Other Information**

### **8.1 Contracting and Procedures for Submission of Proposals**

The successful Vendor shall execute a contract substantially in the form to be presented by the Town MLPs. If the Vendor and the Town MLPs are unable, despite negotiations, to enter into an agreement within thirty (30) days of presentment of a contract, the Town MLPs may cancel negotiations and commence negotiations with the next highest-ranked Vendor, or in the Town MLPs' discretion, cancel the RFP.

### **8.2 Contracting parties**

MLPs for the Towns of Monterey, New Marlborough, Sandisfield, Tolland, Massachusetts, and selected Vendor. Each Town MLP shall have its own contract with the successful vendor.

### **8.3 Procedural Matters**

**8.3.1 Vendor Questions.** Proposing Vendors with questions regarding this RFP may submit their questions via email no later than Noon, Thursday, January 26, 2017. Inquiries received after this time will not be considered. All inquiries and requests for information or clarification regarding this RFP must be submitted by written email to Alice Boyd (email: [aboymbos@gmail.com](mailto:aboymbos@gmail.com)).

The manner in which the Town MLPs respond to inquiries or questions shall be by the issuance of written Addenda to this RFP. Addenda will be distributed to all entities known to have requested a copy of this RFP on Tuesday January 31, 2017 at the email address to be



provided by the Vendor at the time it requests a copy of this RFP. Vendors are solely responsible for ensuring that they have received all addenda before submission of their proposals.

**8.3.2 Submission Instructions and Deadline.** The proposing Vendor shall deliver its Proposal in a sealed envelope to the Town of Sandisfield Procurement Officer no later than the deadline, all as specified in Section 1.0. Please include six (6) hard copies and one digital copy on CD in .pdf format of the complete proposal and other required submittals as outlined in Section 9.0, along with a transmittal letter signed by an authorized official of the firm.

**8.3.3 Modifications to Proposals.** If a proposal is submitted prior to the due date, modifications may be submitted in a sealed envelope prior to the deadline submittal date of Tuesday, February 09, 2017, 2:00 p.m.

**8.3.4 Withdrawal of Proposals.** No proposal may be withdrawn within ninety (90) days after the submission due date.

**8.3.5 Interviews.** The Town MLPs reserve the right to interview all proposing Vendors in which case the award date will be extended by three days. Proposing Vendors that meet minimum required qualifications and are deemed responsive may be invited to meet with the Town MLP Boards to discuss their proposals and answer questions. Vendors who are so invited shall bring an executive, the person who will be the program manager and alternate program manager, and other members of the team as the Vendor deems appropriate, but not more than five individuals.

**8.3.6 Award Date and Contract Negotiations.** February 22, 2017, or February 24, 2017 if interviews scheduled. Within fifteen calendar days the selected Vendor shall begin contract negotiations with the Town MLPs.

**8.3.7 Contract Completion.** Negotiations and contract acceptance shall be complete no later than sixty (60) days from the Award Date.

**8.3.8 Addenda.** Any Addendum subsequently issued by the Town MLPs following the release of this RFP must be acknowledged by Vendor. All information given by the MLPs except by written addenda shall be informal and shall not be binding upon the Town nor shall it furnish a basis for legal action by any proposing Vendor or prospective Vendor against any of the Towns.

#### **8.4 Miscellaneous provisions**

**8.4.1** All submitted proposals shall be prepared at the sole cost and expense of the proposing Vendor, and all proposals shall become the property of the Town MLPs.

**8.4.2** The Town MLPs reserve the right to waive minor informalities or obvious clerical errors in a proposal and to take such other action with respect to any nonconformities in a proposal to the fullest extent allowed by law.

**8.4.3** The Town MLPs reserve the right to decline the making of an award based on its sole judgment that the proposals received do not meet its needs, or to cancel the procurement before or after receipt of proposals for any reason, or no reason.

**8.4.4** Proposals that are late, incomplete, not properly endorsed or signed, or otherwise contrary to instructions will be rejected by the Town MLPs as non-responsive.



**8.4.5 The Town MLPs are exempt from Federal and Massachusetts State Sales and Excise Taxes, and no such taxes should be included in the proposal.**



**Exhibit A  
Certification and Signature Page**

**Must be completed and submitted with proposal.**

**The Undersigned proposing Vendor submits this Proposal to deliver a Broadband Network Service to the Towns of Monterey, New Marlborough, Sandisfield, and Tolland.**

\_\_\_\_\_  
**Signature of authorized individual submitting proposal**

**Date:**

**Name of business:**

**Certificate of Non-Collusion**

**The undersigned certifies under penalties of perjury that this proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.**

\_\_\_\_\_  
**Signature of authorized individual submitting proposal**

**Date:**

**Name of business:**

**Tax Compliance Certification**

**Pursuant to M.G.L. c. 62C, §49A, I certify under the penalties of perjury that, to the best of my knowledge and belief, I am in compliance with all laws of the Commonwealth of Massachusetts relating to taxes, reporting of employees and contractors, and withholding and remitting child support.**

\_\_\_\_\_  
**Signature of authorized individual submitting proposal**

**Date**

**Name of business**



**Exhibit B.1**  
**MBI Last Mile Planning Map -**  
**Monterey**

**ATTACHED AT END OF DOCUMENT**



**Exhibit B.2**  
**MBI Last Mile Planning Map - New**  
**Marlborough**

**ATTACHED AT END OF DOCUMENT**



**Exhibit B.3**  
**MBI Last Mile Planning Map -**  
**Sandtsfield**

**ATTACHED AT END OF DOCUMENT**



**Exhibit B.4**  
**MBI Last Mile Planning Map -**  
**Tolland**

**ATTACHED AT END OF**  
**DOCUMENT**



**Exhibit C.1**  
**Price Proposal Form - Monterey**

The undersigned Vendor submits the following as its Price Proposal to the MLP for the Town of Monterey Broadband Network Service Procurement:

1. A lump sum price of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) to be paid, if at all, by MBI in the form of a grant to Vendor in accordance with the terms and conditions of any such grant, or alternatively, at the Town MLP's sole election,
2. Monthly payments in the amount of \$\_\_\_\_\_ to be made each month over the term of the contract, which shall not exceed 15 years, in lieu of a lump sum price. (Vendor may quote level monthly payments or stepped payments.)

The price quoted should assume all Town premises to be connected, subject to adjustment for the actual number of premises connected

Vendor acknowledges and agrees that any grant, to be negotiated with and paid by the MBI directly to the selected Vendor, will offset when paid, on a dollar for dollar basis, any price to be paid by the Town MLP, with the reduction of any monthly payments, stated above, to be agreed between the Vendor and Town MLP. Further, the Vendor agrees to consult closely with each Town MLP regarding the structure and content of any application by Vendor for any MBI grant.

Acknowledged and Agreed:

\_\_\_\_\_  
Authorized Vendor Official



**Exhibit C.2**  
**Price Proposal Form - New Marlborough**

The undersigned Vendor submits the following as its Price Proposal to the MLP for the Town of New Marlborough Broadband Network Service Procurement:

1. A lump sum price of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) to be paid, if at all, by MBI in the form of a grant to Vendor in accordance with the terms and conditions of any such grant, or alternatively, at the Town MLP's sole election,
2. Monthly payments in the amount of \$ \_\_\_\_\_ to be made each month over the term of the contract, which shall not exceed 15 years, in lieu of a lump sum price. (Vendor may quote level monthly payments or stepped payments.)

The price quoted should assume all Town premises to be connected, subject to adjustment for the actual number of premises connected

Vendor acknowledges and agrees that any grant, to be negotiated with and paid by the MBI directly to the selected Vendor, will offset when paid, on a dollar for dollar basis, any price to be paid by the Town MLP, with the reduction of any monthly payments, stated above, to be agreed between the Vendor and Town MLP. Further, the Vendor agrees to consult closely with each Town MLP regarding the structure and content of any application by Vendor for any MBI grant.

Acknowledged and Agreed:

\_\_\_\_\_  
Authorized Vendor Official



**Exhibit C.3**  
**Price Proposal Form - Sandisfield**

The undersigned Vendor submits the following as its Price Proposal to the MLP for the Town of Sandisfield Broadband Network Service Procurement:

1. A lump sum price of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) to be paid, if at all, by MBI in the form of a grant to Vendor in accordance with the terms and conditions of any such grant, or alternatively, at the Town MLP's sole election,
2. Monthly payments in the amount of \$\_\_\_\_\_ to be made each month over the term of the contract, which shall not exceed 15 years, in lieu of a lump sum price. (Vendor may quote level monthly payments or stepped payments.)

The price quoted should assume all Town premises to be connected, subject to adjustment for the actual number of premises connected

Vendor acknowledges and agrees that any grant, to be negotiated with and paid by the MBI directly to the selected Vendor, will offset when paid, on a dollar for dollar basis, any price to be paid by the Town MLP, with the reduction of any monthly payments, stated above, to be agreed between the Vendor and a Town. Further, the Vendor agrees to consult closely with each Town MLP regarding the structure and content of any application by Vendor for any MBI grant.

Acknowledged and Agreed:

\_\_\_\_\_  
Authorized Vendor Official



**Exhibit C.4**  
**Price Proposal Form - Tolland**

The undersigned Vendor submits the following as its Price Proposal to the MLP for the Town of Tolland Network Service Procurement:

1. A lump sum price of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) to be paid, if at all, by MBI in the form of a grant to Vendor in accordance with the terms and conditions of any such grant, or alternatively, at the Town MLP's sole election,
2. Monthly payments in the amount of \$ \_\_\_\_\_ to be made each month over the term of the contract, which shall not exceed 15 years, in lieu of a lump sum price. (Vendor may quote level monthly payments or stepped payments.)

The price quoted should assume all Town premises to be connected, subject to adjustment for the actual number of premises connected

Vendor acknowledges and agrees that any grant, to be negotiated with and paid by the MBI directly to the selected Vendor, will offset when paid, on a dollar for dollar basis, any price to be paid by the Town MLP, with the reduction of any monthly payments, stated above, to be agreed between the Vendor and a Town. Further, the Vendor agrees to consult closely with each Town MLP regarding the structure and content of any application of the Vendor for any MBI grant.

**Acknowledged and Agreed:**

\_\_\_\_\_  
Authorized Vendor Official



## Last Mile Planning

Broadband Infrastructure and Service in:  
**MONTEREY, MA**

### Serviceable Premises

- Connected CAI Locations (3)
- Unserved Locations (874)

### Existing Broadband Infrastructure

- MassBroadband 123 Interconnection Points
- MassBroadband 123 Fiber-Optic Cable

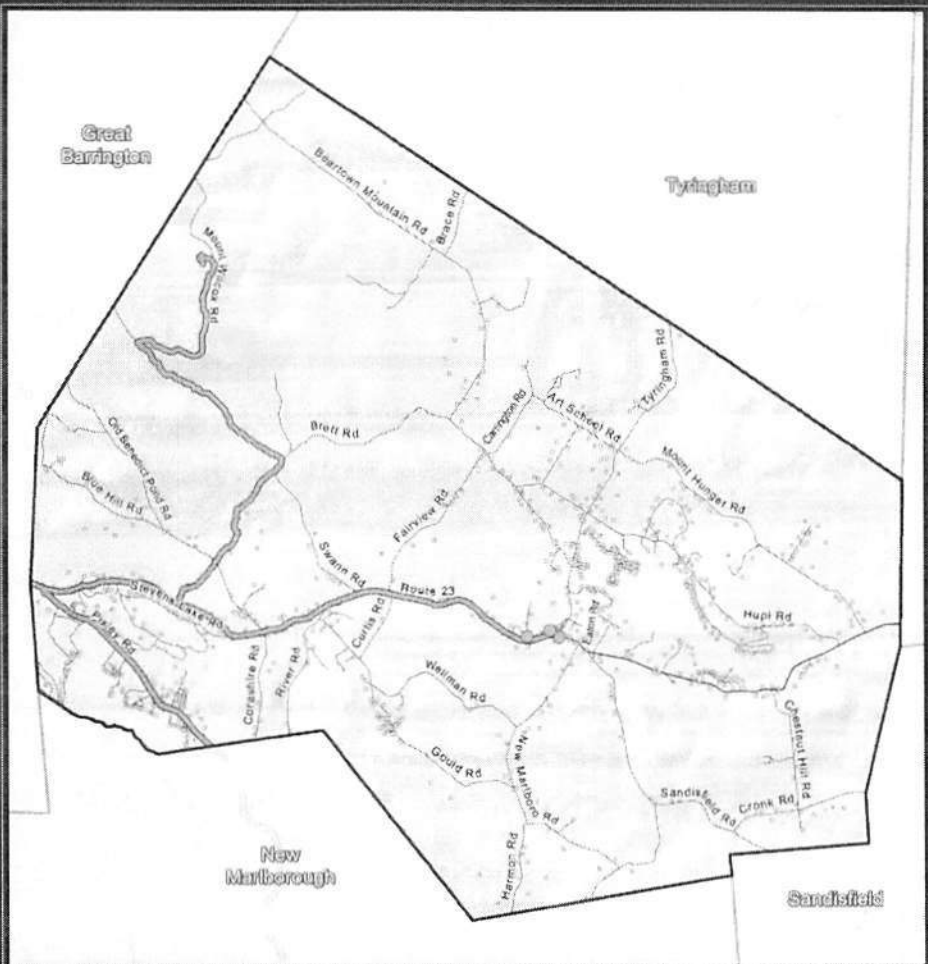
### Base Map

- Building Locations
- Town Boundaries
- Roads
- Water Bodies



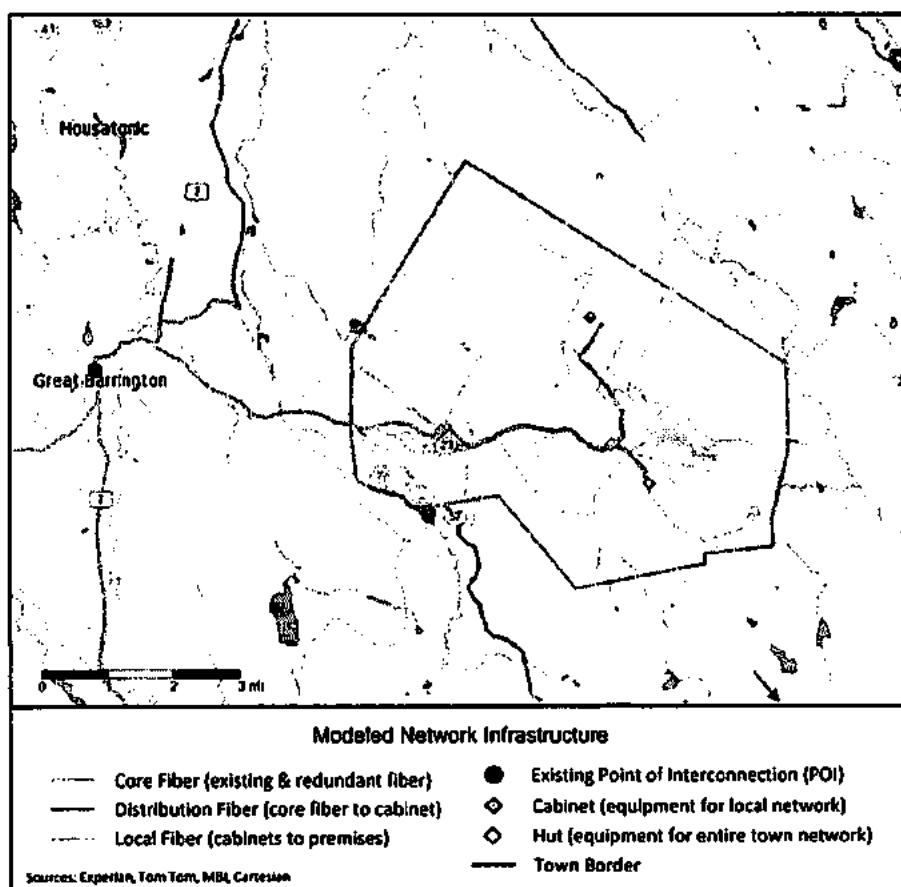
Map Date: 05 February 2016

0 0.5 1 2 Miles





## Monterey: Initial Model of Infrastructure & CAPEX



Fiber-to-the-Home (FTTH) network enabling service to all homes in town. Costs include all capital required for the network, network equipment, and customer equipment needed to provide broadband service.

### Infrastructure Components

Households Modeled*	944
Fiber Miles Modeled	66
Poles Modeled	1,505

\* Approximate household locations from Experian

### Capital Expenditures (CAPEX)

Estimated Total Network Cost	\$3,100,000
Construction Costs Funded by MBI	\$680,000
Professional Services Costs Funded by MBI	\$460,000
Projected Town Contribution	\$1,960,000



## Monterey: Town Financing Information

### Financing Required

Projected Town Contribution	\$1,960,000
Year 6 Debt Service @4% over 15 Years	\$153,500
2016 Total Assessed Value	\$504M
Year 6 Rate Impact per mil	\$0.30

### Example Tax Bill Impact

Assessed Property Value	Annual Property Tax Increase
\$150,000	\$45.70
\$250,000	\$76.10
\$500,000	\$152.20

### Town Status

Vote	Action
Debt Authorization @ Town Meeting	Passed
Debt Exclusion @ Town Election	No Vote Taken*

\* Town believed that they did not need to vote until they needed to borrow.

### Notes

- 2016 Town Assessed Values from DLS Data Bank
- Analysis scenario reflects:
  - Interest only payments in Years 1 & 2
  - Interest and partial principal payments in Years 3, 4 & 5
- Issuance of bonds in Year 6
  - Amount borrowed is lower than net cost to town due to principal paydown in Years 3, 4 & 5
- Debt service payments remain level in Years 6-20
- Tax impacts can be influenced by changes in overall project costs, interest rates, home values and the town's total assessed value
- Example tax bill impact shows annual property tax impacts for the project



## Monterey: Operating Expenditures (OPEX)

### Profit & Loss (P&L) @ 60% Take Rate

Households Modeled*	944
Subscribers Modeled	378
Entry Level Broadband Price	\$64
Average Revenue Per Unit (ARPU)**	\$87
Annual Revenue	\$395,000
Annual Operating Cost	\$345,000
Annual Profit	\$50,000

\* Approximate household locations from Experian

### Monthly Price Required for Basic Internet to Generate Profit of \$50,000 / year

40% Take Rate	\$95
60% Take Rate	\$64
75% Take Rate	\$52

### Assumptions

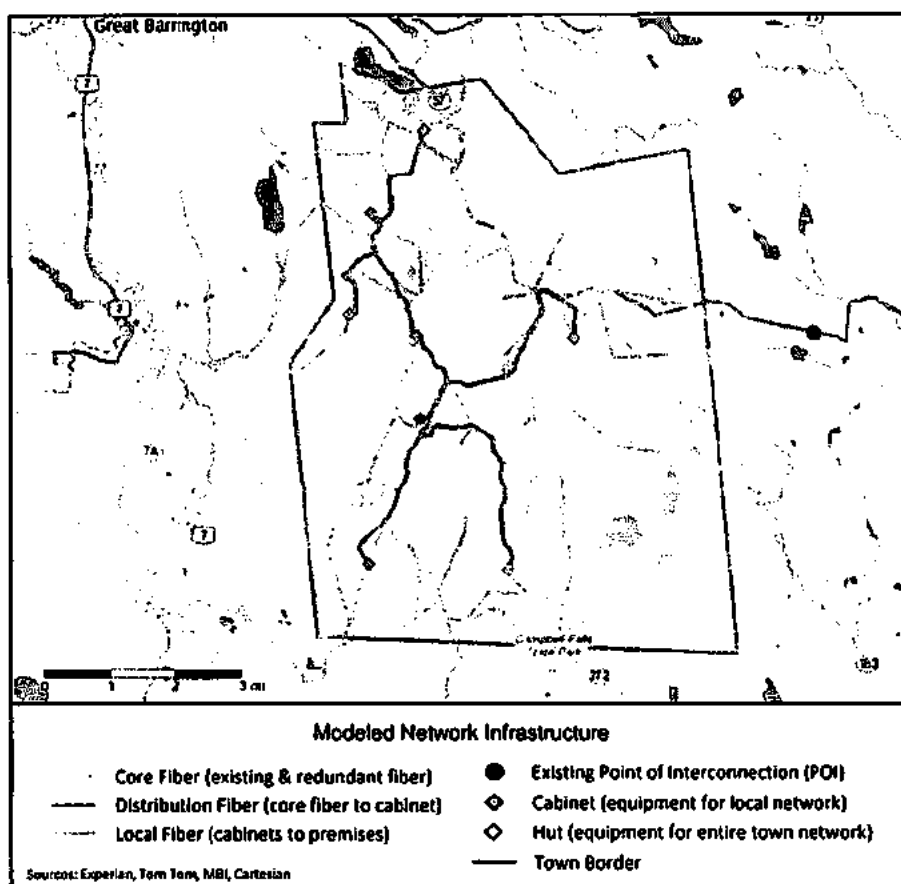
- Fully outsourced model
- Costs include:
  - Depreciation reserves
  - Customer Premise Equipment (CPE)
  - Municipal Light Plant (MLP) ongoing operating expenses
- Costs exclude:
  - Debt service
  - Town administration
- Subscription assumptions (included in ARPU\*\*):
  - Video breaks even at \$54/month and 10% of subscribers
  - Phone Cost of Goods Sold (COGS) of \$10/month, revenue of \$25/month and 40% of subscribers
  - 20% of subscribers selecting a higher speed and higher priced internet package
  - 50% of households modeled are seasonal premises occupied for an average of 4 complete months/ year







## New Marlborough: Initial Model of Infrastructure & CAPEX



Fiber-to-the-Home (FTTH) network enabling service to all homes in town. Costs include all capital required for the network, network equipment, and customer equipment needed to provide broadband service.

### Infrastructure Components

Households Modeled*	1,007
Fiber Miles Modeled	103
Poles Modeled	2383

\* Approximate household locations from Experian

### Capital Expenditures (CAPEX)

Estimated Total Network Cost	\$4,730,000
Construction Costs Funded by MBI	\$920,000
Professional Services Costs Funded by MBI	\$790,000
Projected Town Contribution	\$3,020,000



## New Marlborough: Town Financing Information

### Financing Required

Projected Town Contribution	\$3,020,000
Year 6 Debt Service @4% over 15 Years	\$236,600
2016 Total Assessed Value	\$485M
Year 6 Rate Impact per mil	\$0.49

### Example Tax Bill Impact

Assessed Property Value	Annual Property Tax Increase
\$150,000	\$73.10
\$250,000	\$121.90
\$500,000	\$243.80

### Town Status

Vote	Action
Debt Authorization @ Town Meeting	No Vote Taken*
Debt Exclusion @ Town Election	Passed

\* Vote planned for Special Town Meeting in April 2016.

### Notes

- 2016 Town Assessed Values from DLS Data Bank
- Analysis scenario reflects:
  - Interest only payments in Years 1 & 2
  - Interest and partial principal payments in Years 3, 4 & 5
- Issuance of bonds in Year 6
  - Amount borrowed is lower than net cost to town due to principal paydown in Years 3, 4 & 5
- Debt service payments remain level in Years 6-20
- Tax impacts can be influenced by changes in overall project costs, interest rates, home values and the town's total assessed value
- Example tax bill impact shows annual property tax impacts for the project



## New Marlborough: Operating Expenditures (OPEX)

### Profit & Loss (P&L) @ 60% Take Rate

Households Modeled*	1007
Subscribers Modeled	470
Entry Level Broadband Price	\$66
Average Revenue Per Unit (ARPU)**	\$89
Annual Revenue	\$499,000
Annual Operating Cost	\$449,000
Annual Profit	\$50,000

\* Approximate household locations from Experian

### Monthly Price Required for Basic Internet to Generate Profit of \$50,000 / year

40% Take Rate	\$97
60% Take Rate	\$66
75% Take Rate	\$53

### Assumptions

- Fully outsourced model
- Costs include:
  - Depreciation reserves
  - Customer Premise Equipment (CPE)
  - Municipal Light Plant (MLP) ongoing operating expenses
- Costs exclude:
  - Debt service
  - Town administration
- Subscription assumptions (included in ARPU\*\*):
  - Video breaks even at \$54/month and 10% of subscribers
  - Phone Cost of Goods Sold (COGS) of \$10/month, revenue of \$25/month and 40% of subscribers
  - 20% of subscribers selecting a higher speed and higher priced internet package
  - 33% of households modeled are seasonal premises occupied for an average of 4 complete months/ year



## Last Mile Planning

Broadband Infrastructure and Service in:  
**SANDISFIELD, MA**

### Serviceable Premises

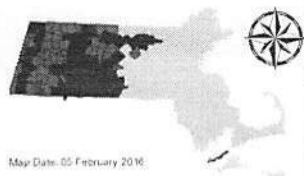
- Connected CAI Locations (5)
- Unserved Locations (687)

### Existing Broadband Infrastructure

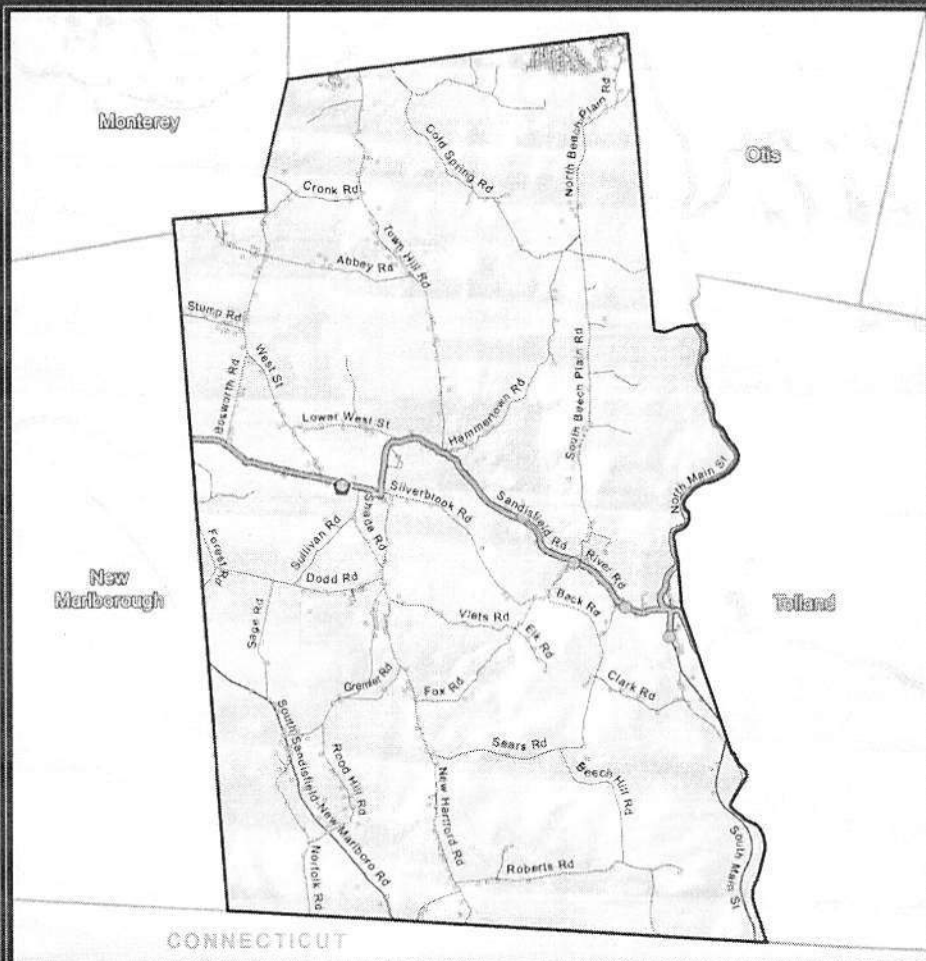
- MassBroadband 123 Interconnection Points
- MassBroadband 123 Fiber-Optic Cable

### Base Map

- Building Locations
- Town Boundaries
- Roads
- Water Bodies

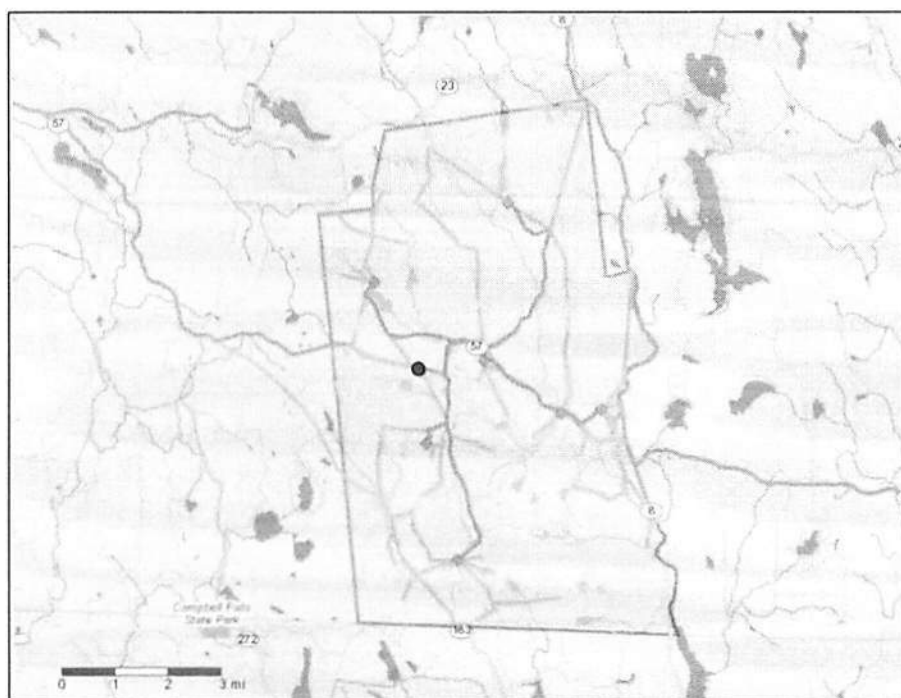


Map Date: 05 February 2016





## Sandisfield: Initial Model of Infrastructure & CAPEX



Modeled Network Infrastructure

- Core Fiber (existing & redundant fiber)
- Distribution Fiber (core fiber to cabinet)
- Local Fiber (cabinets to premises)
- Existing Point of Interconnection (POI)
- ◆ Cabinet (equipment for local network)
- ◇ Hut (equipment for entire town network)
- Town Border

Sources: Experian, TomTom, MBI, Cartesian

Fiber-to-the-Home (FTTH) network enabling service to all homes in town. Costs include all capital required for the network, network equipment, and customer equipment needed to provide broadband service.

### Infrastructure Components

Households Modeled*	619
Fiber Miles Modeled	74
Poles Modeled	1422

\* Approximate household locations from Experian

### Capital Expenditures (CAPEX)

Estimated Total Network Cost	\$3,610,000
Construction Costs Funded by MBI	\$620,000
Professional Services Costs Funded by MBI	\$610,000
Projected Town Contribution	\$2,380,000



## Sandisfield: Town Financing Information

### Financing Required

Projected Town Contribution	\$2,380,000
Year 6 Debt Service @4% over 15 Years	\$186,400
2016 Total Assessed Value	\$216M
Year 6 Rate Impact per mil	\$0.86

### Example Tax Bill Impact

Assessed Property Value	Annual Property Tax Increase
\$150,000	\$129.20
\$250,000	\$215.40
\$500,000	\$430.80

### Town Status

Vote	Action
Debt Authorization @ Town Meeting	Passed
Debt Exclusion @ Town Election	Passed

### Notes

- 2016 Town Assessed Values from DLS Data Bank
- Analysis scenario reflects:
  - Interest only payments in Years 1 & 2
  - Interest and partial principal payments in Years 3, 4 & 5
- Issuance of bonds in Year 6
  - Amount borrowed is lower than net cost to town due to principal paydown in Years 3, 4 & 5
- Debt service payments remain level in Years 6-20
- Tax impacts can be influenced by changes in overall project costs, interest rates, home values and the town's total assessed value
- Example tax bill impact shows annual property tax impacts for the project



## Sandisfield: Operating Expenditures (OPEX)

### Profit & Loss (P&L) @ 60% Take Rate

Households Modeled*	619
Subscribers Modeled	272
Entry Level Broadband Price	\$86
Average Revenue Per Unit (ARPU)**	\$109
Annual Revenue	\$355,000
Annual Operating Cost	\$305,000
Annual Profit	\$50,000

\* Approximate household locations from Experian

### Monthly Price Required for Basic Internet to Generate Profit of \$50,000 / year

40% Take Rate	\$128
60% Take Rate	\$86
75% Take Rate	\$69

### Assumptions

- Fully outsourced model
- Costs include:
  - Depreciation reserves
  - Customer Premise Equipment (CPE)
  - Municipal Light Plant (MLP) ongoing operating expenses
- Costs exclude:
  - Debt service
  - Town administration
- Subscription assumptions (included in ARPU\*\*):
  - Video breaks even at \$54/month and 10% of subscribers
  - Phone Cost of Goods Sold (COGS) of \$10/month, revenue of \$25/month and 40% of subscribers
  - 20% of subscribers selecting a higher speed and higher priced internet package
  - 40% of households modeled are seasonal premises occupied for an average of 4 complete months/ year



## Last Mile Planning

Broadband Infrastructure and Service in:  
**TOLLAND, MA**

### Serviceable Premises

- Connected CAI Locations (3)
- Unserved Locations (527)

### Existing Broadband Infrastructure

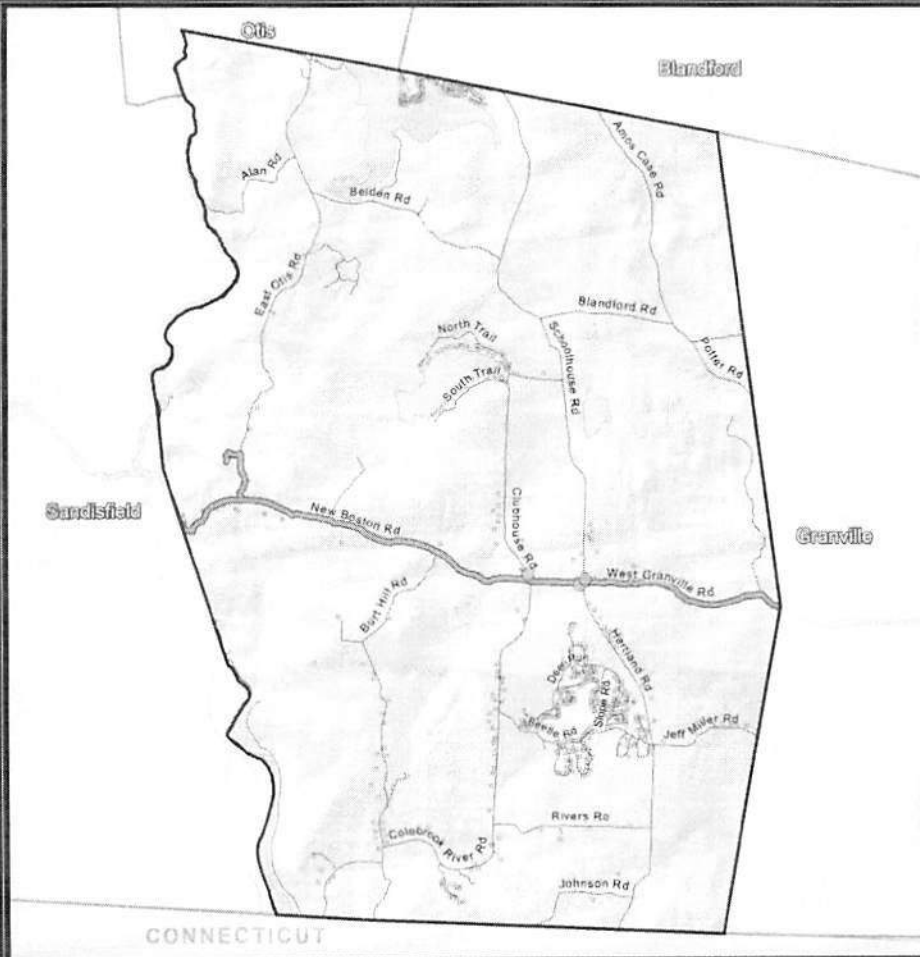
- MassBroadband 123 Interconnection Points
- MassBroadband 123 Fiber-Optic Cable

### Base Map

- Building Locations
- Town Boundaries
- Roads
- Water Bodies



Map Date: 05 February 2016





## Tolland: Initial Model of Infrastructure & CAPEX



Fiber-to-the-Home (FTTH) network enabling service to all homes in town. Costs include all capital required for the network, network equipment, and customer equipment needed to provide broadband service.

### Infrastructure Components

Households Modeled*	509
Fiber Miles Modeled	41
Poles Modeled	801

\* Approximate household locations from Experian

### Capital Expenditures (CAPEX)

Estimated Total Network Cost	\$2,650,000
Construction Costs Funded by MBI	\$430,000
Professional Services Costs Funded by MBI	\$400,000
Projected Town Contribution	\$1,820,000



## Tolland: Town Financing Information

### Financing Required

Projected Town Contribution	\$1,820,000
Year 6 Debt Service @4% over 15 Years	\$142,600
2016 Total Assessed Value	\$194M
Year 6 Rate Impact per mil	\$0.74

### Example Tax Bill Impact

Assessed Property Value	Annual Property Tax Increase
\$150,000	\$110.30
\$250,000	\$183.90
\$500,000	\$367.70

### Town Status

Vote	Action
Debt Authorization @ Town Meeting	Passed
Debt Exclusion @ Town Election	Passed

### Notes

- 2016 Town Assessed Values from DLS Data Bank
- Analysis scenario reflects:
  - Interest only payments in Years 1 & 2
  - Interest and partial principal payments in Years 3, 4 & 5
- Issuance of bonds in Year 6
  - Amount borrowed is lower than net cost to town due to principal paydown in Years 3, 4 & 5
- Debt service payments remain level in Years 6-20
- Tax impacts can be influenced by changes in overall project costs, interest rates, home values and the town's total assessed value
- Example tax bill impact shows annual property tax impacts for the project



## Tolland: Operating Expenditures (OPEX)

### Profit & Loss (P&L) @ 60% Take Rate

Households Modeled*	509
Subscribers Modeled	190
Entry Level Broadband Price	\$82
Average Revenue Per Unit (ARPU)**	\$105
Annual Revenue	\$240,000
Annual Operating Cost	\$190,000
Annual Profit	\$50,000

\* Approximate household locations from Experian

### Monthly Price Required for Basic Internet to Generate Profit of \$50,000 / year

40% Take Rate	\$122
60% Take Rate	\$82
75% Take Rate	\$66

### Assumptions

- Fully outsourced model
- Costs include:
  - Depreciation reserves
  - Customer Premise Equipment (CPE)
  - Municipal Light Plant (MLP) ongoing operating expenses
- Costs exclude:
  - Debt service
  - Town administration
- Subscription assumptions (included in ARPU\*\*):
  - Video breaks even at \$54/month and 10% of subscribers
  - Phone Cost of Goods Sold (COGS) of \$10/month, revenue of \$25/month and 40% of subscribers
  - 20% of subscribers selecting a higher speed and higher priced internet package
  - 57% of households modeled are seasonal premises occupied for an average of 4 complete months/ year



# State Publications and Regulations

William Francis Galvin, Secretary of the Commonwealth

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**The following General Contract submission was successfully received.**

**Planned date of publish is 1/18/2017**

## Awarding Agency

Agency Name and Address: Sandisfield Town Hall Annex 66 Sandisfield Road, PO Box 90 Sandisfield, MA 01255

Project Number:

Estimated Cost:

Contractor Qualification:

Required for DCAM contracts over \$100,000, Massachusetts Highway contracts over \$50,000.

## Contact Information

Name: Willie Morales

Phone: 413-429-8398

Fax: 413-258-4225

Email Address: sandisfieldtownadm@verizon.net

Notify email address listed when final publish date assigned.

## Contract Information

Project: The Town MLPs for Monterey, Sandisfield, and Tolland jointly seek a telecommunications Vendor who can provide a complete 3-Town regional solution for meeting the need and primary goal of achieving high bandwidth Internet access for residents and businesses in the Towns, with the availability of related services such as high definition Voice over Internet Protocol (VOIP) telephone service, viewed as a positive addition. The Town MLPs strong desire is for such services to be provided via a state of the art Fiber To The Premises (FTTP) network

Plans/Specifications Available: The RFP which includes MAPS and other specifications is available on COMMBUYS as of 01/09/2017, 10:00 AM EST.

Place, date and time

General Bid Deadline\*: 02/09/2017

Time: 2:00 PM EST

Sub Bid Deadline:

Time:

Sub Bid Categories:

Additional Information

Bidder's Conference: Tuesday January 17, 2017 2:00 P.M., Sandisfield Town Hall Annex Questions Due: By Thursday January 26, 2017, Noon [Send Questions to: aboydbos@gmail.com] Response to Questions: Tuesday January 31, 2017



This page can be printed for your records.

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Print

**Subject Publish Date Assigned for General Contracts**

**From:** <REGS@sec.state.ma.us>

**Sent:** Jan 10, 2017 10:42:28 AM

**To:** sandisfieldtownadm@verizon.net

---

A publish date of 1/18/2017 has been assigned to your General Contracts submission with description of:

The Town MLPs for Monterey, Sandisfield, and Tolland jointly seek a telecommunications Vendor who can provide a complete 3-Town regional solution for meeting the need and primary goal of achieving high bandwidth Internet access for residents and businesses in the Towns, with the availability of related services such as high definition Voice over Internet Protocol (VOIP) telephone service, viewed as a positive addition. The Town MLPs strong desire is for such services to be provided via a state of the art Fiber To The Premises (FTTP) network



# Town of Sandisfield

Page 1 of 1

Bid Opening Date: 02/09/2017 02:00 PM  
Printed: 01/17/2017 08:47 AM

## BID SOLICITATION

Description: High Bandwidth Internet  
Services for three town in Berkshire  
county

Bid Number <b>BD-17-1666-TSTH-TSTH- 12012</b>
Alternate ID
Requisition Number

Item	Class-Item	Quantity	Unit	Unit Price	Total
1	Monterey, Sandisfield, and Tolland Massachusetts Joint Municipal Light Plant's (MLP) Request for Proposal (RFP) for the Procurement of High	1	EA		
				TOTAL:	

THIS IS NOT AN ORDER, AND DOES NOT COMMIT THE  
PURCHASING ENTITY TO PURCHASE ANY GOODS OR  
SERVICES.

### PURCHASED

By: Willie Morates

Phone#: (413) 429-8398

Email: sandisfieldtownadmin@verizon.net

BUYER



Bidder List			
Vendor No.	Vendor Name	Notifications	Responded
00000117	Construction Journal	BID_AVAILABLE Emailed to: Bids@constructionjournal.com at 2017-01-09 10:00:15.967	N
00000330	Experis	BID_AVAILABLE Emailed to: Compass@expens.com at 2017-01-09 10:00:15.997	N
00000355	VLink, Inc	BID_AVAILABLE Emailed to: sandeep@vlinkinfo.com at 2017-01-09 10:00:16.047	N
00000408	Totalcom Solutions Inc	BID_AVAILABLE Emailed to: Bradg@totalcomsolutions.com at 2017-01-09 10:00:16.09	N
00000519	Insight Global	BID_AVAILABLE Emailed to: stateofma@insightglobal.net at 2017-01-09 10:00:16.137	N
00000525	Metropolitan Area Planning Council	BID_AVAILABLE Emailed to: bids@mapc.org at 2017-01-09 10:00:16.18	N
00000619	Spruce Technology, Inc.	BID_AVAILABLE Emailed to: its63@sprucetech.com at 2017-01-09 10:00:16.203	N
00000668	Berkshire Regional Planning Commission	BID_AVAILABLE Emailed to: msniezek@berkshireplanning.org at 2017-01-09 10:00:16.25	N
00000682	New Orleans Teleport, Inc., d/b/a CALLS PLUS	BID_AVAILABLE Emailed to: customercare@callsplus.net at 2017-01-09 10:00:16.293	N
00000727	Ardent Technologies, Inc.	BID_AVAILABLE Emailed to: mabids@ardentinc.com at 2017-01-09 10:00:16.347	N
00000793	Pandora Systems Inc.	BID_AVAILABLE Emailed to: tim@pandorasystems.com at 2017-01-09 10:00:16.387	N
00000844	CREST Technologies	BID_AVAILABLE Emailed to: matt.mecum@crest-tech.com at 2017-01-09 10:00:16.433	N
00000916	Old Colony Planning Council	BID_AVAILABLE Emailed to: pciamella@ocpcpa.org at 2017-01-09 10:00:16.483	N
00000989	Zengenti Ltd	BID_AVAILABLE Emailed to: tenders@zengenti.com at 2017-01-09 10:00:16.503	N
00001170	Montachusett Regional Planning Commission	BID_AVAILABLE Emailed to: mrpc@mrpc.org at 2017-01-09 10:00:16.557	N
00001400	MRW Connected, Inc	BID_AVAILABLE Emailed to: tom@mrwconnected.com at 2017-01-09 10:00:16.61	N
00001415	The Skyline Group	BID_AVAILABLE Emailed to: jhiggins@tsgma.com at 2017-01-09 10:00:16.663	N
00001423	Pioneer Valley Planning Commission	BID_AVAILABLE Emailed to: jmmazik@pvpc.org at 2017-01-09 10:00:16.717	N
00001585	GeeMX Technologies	BID_AVAILABLE Emailed to: andrews.steve@gmx.com at 2017-01-09 10:00:16.77	N
00001655	Iron Mountain	BID_AVAILABLE Emailed to: William.Silvio@ironmountain.com at 2017-01-09 10:00:16.817	N
00001674	Asset Performance Management, Inc.	BID_AVAILABLE Emailed to: coonley@apmsolutions.com at 2017-01-09 10:00:16.87	N
00001750	Recall Total Information Management, Inc.	BID_AVAILABLE Emailed to: teresa.novak@recall.com at 2017-01-09 10:00:16.913	N
00001803	Starboard Consulting, LLC	BID_AVAILABLE Emailed to: dhughes@starboard-consulting.com at 2017-01-09 10:00:16.983	N
00001810	HP State & Local Enterprise Services, Inc.	BID_AVAILABLE Emailed to: john.prestidge@hp.com at 2017-01-09 10:00:17.023	N
00001940	Umoya Consulting	BID_AVAILABLE Emailed to: wdonovan@umoyaconsulting.com at 2017-01-09 10:00:17.083	N
00001997	Financial Education Associates	BID_AVAILABLE Emailed to: jackie@money-classes.com at 2017-01-09 10:00:17.397	N
00002070	Altura Communication Solutions	BID_AVAILABLE Emailed to: bmassaro@alturacs.com at 2017-01-09 10:00:17.407	N
00002133	ARC Document Solutions	BID_AVAILABLE Emailed to: evan.prince@e-arc.com at 2017-01-09 10:00:17.41	N
00002162	Oracle	BID_AVAILABLE Emailed to: scott.deluca@oracle.com at 2017-01-09 10:00:17.42	N
00002215	Deltamine Inc.	BID_AVAILABLE Emailed to: jmine@deltamine.com at 2017-01-09 10:00:17.433	N
00002307	Behavioral Health Network, Inc.	BID_AVAILABLE Emailed to: info@bhinc.org at 2017-01-09 10:00:17.447	N
00002374	ProsumerCorp Inc	BID_AVAILABLE Emailed to: prosumercorp@outlook.com at 2017-01-09 10:00:17.46	N
00002605	TriCore Solutions, LLC	BID_AVAILABLE Emailed to: cnichol@tricoresolutions.com at 2017-01-09 10:00:17.473	N
00002829	General Dynamics InformationTechnology, Inc.	BID_AVAILABLE Emailed to: stephen.woodworth@gdit.com at 2017-01-09 10:00:17.523	N
00002888	Brass Valley	BID_AVAILABLE Emailed to: Mark@BrassValley.com at 2017-01-09 10:00:17.537	N
00002929	Passio Consulting, Inc.	BID_AVAILABLE Emailed to: jperezrossello@yahoo.com at 2017-01-09 10:00:17.55	N
00002981	DethWench Professional Services	BID_AVAILABLE Emailed to: dethwench@gmail.com at 2017-01-09 10:00:17.583	N



Vendor No.	Vendor Name	Notifications	Responded
00002986	NCR Government Systems LLC	BID_AVAILABLE Emailed to: pam.hoodes@ncr.com at 2017-01-09 10:00:17.573	N
00003015	Systemize Networks	BID_AVAILABLE Emailed to: vbarron@systemizenetworks.com at 2017-01-09 10:00:17.627	N
00003065	DS Graphics, Inc.	BID_AVAILABLE Emailed to: dsampson@dsgraphics.com at 2017-01-09 10:00:17.637	N
00003080	CSG Government Solutions	BID_AVAILABLE Emailed to: rtp@csghelivers.com at 2017-01-09 10:00:17.647	N
00003164	Alliance Technology Solutions, Inc	BID_AVAILABLE Emailed to: tmchughin@alliancetechsol.com at 2017-01-09 10:00:17.66	N
00003241	TEAMMNM	BID_AVAILABLE Emailed to: contact@teamnm.com at 2017-01-09 10:00:17.673	N
00003254	Greenfield Housing Authority	BID_AVAILABLE Emailed to: andi@greenfieldhousing.org at 2017-01-09 10:00:17.677	N
00003301	carya consulting LLC	BID_AVAILABLE Emailed to: preetham@carya.com at 2017-01-09 10:00:17.683	N
00003328	Partners in IT Inc.	BID_AVAILABLE Emailed to: rbaum@partnersinitinc.com at 2017-01-09 10:00:17.697	N
00003499	HDI Solutions, LLC	BID_AVAILABLE Emailed to: joanne.scarbrough@hdisolutions.com at 2017-01-09 10:00:17.717	N
00003582	Fusion Services LLC	BID_AVAILABLE Emailed to: betterlife0127@gmail.com at 2017-01-09 10:00:17.727	N
00004034	PeopleDoc Inc	BID_AVAILABLE Emailed to: scott@people-doc.com at 2017-01-09 10:00:17.74	N
00004108	Ground Energy Support LLC	BID_AVAILABLE Emailed to: rdavis@groundenergysupport.com at 2017-01-09 10:00:17.75	N
00004218	James Sottile	BID_AVAILABLE Emailed to: jimsott@bellatlantic.net at 2017-01-09 10:00:17.76	N
00004333	A-Check America, Inc.	BID_AVAILABLE Emailed to: diversity@acheckamerica.com at 2017-01-09 10:00:17.773	N
00004344	GOPI BALA LLC	BID_AVAILABLE Emailed to: gbala@gopibala.net at 2017-01-09 10:00:17.78	N
00004513	Netanium	BID_AVAILABLE Emailed to: ellen@nnsecurity.com at 2017-01-09 10:00:17.793	N
00004569	US Tech Solutions Inc	BID_AVAILABLE Emailed to: rtp@ustechsolutions.com at 2017-01-09 10:00:17.803	N
00004574	DataSpan, Inc.	BID_AVAILABLE Emailed to: kmorse@dataspan.com at 2017-01-09 10:00:17.81	N
00004625	IHS Global Inc.	BID_AVAILABLE Emailed to: duyen.phan@ihs.com at 2017-01-09 10:00:17.827	N
00004627	Catuogno Court Reporting & Sten-Tel Transcription, Inc.	BID_AVAILABLE Emailed to: james.lawton@stentel.com at 2017-01-09 10:00:17.837	N
00004641	DB Healthcare, Inc.	BID_AVAILABLE Emailed to: DirectVendgr@dbhealthcare.com at 2017-01-09 10:00:17.85	N
00004878	Exeter Group Inc	BID_AVAILABLE Emailed to: sobrien@exeter.com at 2017-01-09 10:00:17.863	N
00005044	LexisNexis, a division of RELX Inc.	BID_AVAILABLE Emailed to: rtp@lexisnexis.com at 2017-01-09 10:00:17.877	N
00005175	NTT Com Security	BID_AVAILABLE Emailed to: Stewart.Smith@NTTComSecurity.com at 2017-01-09 10:00:17.89	N
00005266	Aequor Technologies Inc	BID_AVAILABLE Emailed to: ramesh@aequor.com at 2017-01-09 10:00:17.903	N
00005298	code 2 action inc	BID_AVAILABLE Emailed to: info@code2action.com at 2017-01-09 10:00:17.913	N
00005368	Minuteman Governance inc.	BID_AVAILABLE Emailed to: john@minutemangovernance.com at 2017-01-09 10:00:17.933	N
00005379	Pinnacle Wireless	BID_AVAILABLE Emailed to: gatamian@pinnaclewireless.com at 2017-01-09 10:00:17.95	N
00005399	Todd Heath	BID_AVAILABLE Emailed to: toddheath@charter.net at 2017-01-09 10:00:17.963	N
00005551	tzkseminars	BID_AVAILABLE Emailed to: kwannan@comcast.net at 2017-01-09 10:00:17.977	N
00005622	Mass Warning	BID_AVAILABLE Emailed to: john@masswarning.com at 2017-01-09 10:00:18.003	N
00005730	EBSCO Information Services	BID_AVAILABLE Emailed to: ebsconorthamerica@ebSCO.com at 2017-01-09 10:00:18.017	N
00005852	CyberSheath Services International, LLC	BID_AVAILABLE Emailed to: heather.davis@cybersheath.com at 2017-01-09 10:00:18.03	N
00006059	System Soft Technologies, Inc	BID_AVAILABLE Emailed to: neha.desai@ssstech.us at 2017-01-09 10:00:18.043	N
00006251	The Cavan Group	BID_AVAILABLE Emailed to: jskeffington@cavangroup.com at 2017-01-09 10:00:18.057	N
00006303	Trinity Consulting Inc	BID_AVAILABLE Emailed to: GLAVenture@Trinity-Inc.net at 2017-01-09 10:00:18.07	N
00006324	Burrelles Information Services LLC	BID_AVAILABLE Emailed to: cbedford@burrellesluce.com at 2017-01-09 10:00:18.083	N



Vendor No.	Vendor Name	Notifications	Responded
00006346	MEDTranDirect, Inc	BID_AVAILABLE Emailed to: abrandwein@medtrandirect.com at 2017-01-09 10:00:18.1	N
00006765	DATA Inc.	BID_AVAILABLE Emailed to: george@dataincusa.com at 2017-01-09 10:00:18.113	N
00006832	Emergent Systems Exchange, LLC	BID_AVAILABLE Emailed to: klacombe@emergenttax.com at 2017-01-09 10:00:18.13	N
00006850	Substantia Logix LLC	BID_AVAILABLE Emailed to: swillard@substantialogix.com at 2017-01-09 10:00:18.143	N
00007130	Aeon Nexus Corporation	BID_AVAILABLE Emailed to: publicrfp@aeonnexus.com at 2017-01-09 10:00:18.163	N
00007332	BowlLink Technologies	BID_AVAILABLE Emailed to: mstelmach@health-e-link.net at 2017-01-09 10:00:18.18	N
00007338	BSC Group, Inc.	BID_AVAILABLE Emailed to: tstalker@bscgroup.com at 2017-01-09 10:00:18.2	N
00007511	Checker Book Publishing Group	BID_AVAILABLE Emailed to: mthompson@checkerbpg.com at 2017-01-09 10:00:18.213	N
00007579	PURVIS Systems Incorporated	BID_AVAILABLE Emailed to: reachus@purvis.com at 2017-01-09 10:00:18.227	N
00007582	Xerox Consultant Co. Inc.	BID_AVAILABLE Emailed to: richard.jennings@xerox.com at 2017-01-09 10:00:18.243	N
00007621	NPCR	BID_AVAILABLE Emailed to: admin@npatria.com at 2017-01-09 10:00:18.277	N
00007640	Commonwealth Informatics	BID_AVAILABLE Emailed to: pweinberg@commoninf.com at 2017-01-09 10:00:18.297	N
00007656	Clearwater Information Systems	BID_AVAILABLE Emailed to: jmanzelli@ClearwaterSys.net at 2017-01-09 10:00:18.313	N
00007773	Town of Brookfield	BID_AVAILABLE Emailed to: highway@brookfieldma.us at 2017-01-09 10:00:18.333	N
00007813	Tabner Inc	BID_AVAILABLE Emailed to: sirisha.kv@tabnerglobel.com at 2017-01-09 10:00:18.353	N
00008220	Info-Tech Research Group	BID_AVAILABLE Emailed to: cscott@infotech.com at 2017-01-09 10:00:18.363	N
00008267	Peak Technology Solutions, Inc.	BID_AVAILABLE Emailed to: info@peaktsinc.com at 2017-01-09 10:00:18.377	N
00008682	Tensator	BID_AVAILABLE Emailed to: pam.laux@tensator.com at 2017-01-09 10:00:18.387	N
00008797	Waterville Consulting	BID_AVAILABLE Emailed to: scurran@watervilleconsulting.com at 2017-01-09 10:00:18.403	N
00009007	Lighttower Fiber Networks I, LLC	BID_AVAILABLE Emailed to: mkavey@lighttower.com at 2017-01-09 10:00:18.417	N
00009014	American Health Care Software Enterprises, Inc.	BID_AVAILABLE Emailed to: MarciaDeRosa@ahconline.com at 2017-01-09 10:00:18.45	N
00009039	Markley Cloud Services, LLC	BID_AVAILABLE Emailed to: sales@markleycloud.com at 2017-01-09 10:00:18.47	N
00009230	InClimate	BID_AVAILABLE Emailed to: kevin.quilliam@inclimatesolutions.com at 2017-01-09 10:00:18.483	N
00009262	Hunter Information Services Inc	BID_AVAILABLE Emailed to: darmstrong@axistrackreport.com at 2017-01-09 10:00:18.5	N
00009286	Intupoint Inc	BID_AVAILABLE Emailed to: manisha@pointel.com at 2017-01-09 10:00:18.513	N
00009726	TechGlobal, Inc.	BID_AVAILABLE Emailed to: mli@techglobalinc.com at 2017-01-09 10:00:18.523	N
00009853	SpryPoint	BID_AVAILABLE Emailed to: kstrang@sprypoint.com at 2017-01-09 10:00:18.547	N
00009977	OpenText	BID_AVAILABLE Emailed to: dhughes@opentext.com at 2017-01-09 10:00:18.567	N
00010049	Abridge Info Systems Inc	BID_AVAILABLE Emailed to: abhijit.deshmukh@abridgeinfo.com at 2017-01-09 10:00:18.577	N
00010194	iSYS, LLC	BID_AVAILABLE Emailed to: pmhoppe@isysllc.com at 2017-01-09 10:00:18.617	N
00010221	EHS Publishing	BID_AVAILABLE Emailed to: dbrks@ehspublishing.com at 2017-01-09 10:00:18.637	N
00010371	The Field Co Fulfillment Center, Inc.	BID_AVAILABLE Emailed to: lisap@fieldcompanies.com at 2017-01-09 10:00:18.647	N
00010383	John Snow, Inc.	BID_AVAILABLE Emailed to: kiel@jsi.com at 2017-01-09 10:00:18.66	N
00010695	Amoskeag Network Consulting Group, LLC	BID_AVAILABLE Emailed to: jbouchard@ancgllc.com at 2017-01-09 10:00:18.68	N
00010764	Ready Electronic Data Interchange (& Associates) Inc.	BID_AVAILABLE Emailed to: tomtasffe@gmail.com at 2017-01-09 10:00:18.703	N
00010888	TrueLight Energy, LLC	BID_AVAILABLE Emailed to: mconstantine@truelightenergy.com at 2017-01-09 10:00:18.717	N
00010940	Outside In Strategies, LLC	BID_AVAILABLE Emailed to: mgm@oiadvisors.com at 2017-01-09 10:00:18.73	N
00011106	HCH Enterprises	BID_AVAILABLE Emailed to: tgharios@hchenr.com at 2017-01-09 10:00:18.737	N



Vendor No.	Vendor Name	Notifications	Responded
00011169	Netegrity Consultants, LLC	BID_AVAILABLE Emailed to: SBRENNAN@netegrityconsultants.com at 2017-01-09 10:00:18.74	N
00011207	Nephin Technologies, Inc.	BID_AVAILABLE Emailed to: gohara@nephin.co at 2017-01-09 10:00:18.743	N
00011291	Brainspiral Technologies, Inc.	BID_AVAILABLE Emailed to: accounts@brainspiral.com at 2017-01-09 10:00:18.743	N
00011352	BamRaise Energy	BID_AVAILABLE Emailed to: john@rivermooreenergy.com at 2017-01-09 10:00:18.747	N
00011528	Ethosoft, Inc.	BID_AVAILABLE Emailed to: bross@ethosoft.com at 2017-01-09 10:00:18.747	N
00011571	A Phone Jack System, Inc.	BID_AVAILABLE Emailed to: contact@aphonejack.com at 2017-01-09 10:00:18.747	N
00011620	Wards Unlimited	BID_AVAILABLE Emailed to: wardsunlimited@aol.com at 2017-01-09 10:00:18.747	N
00011728	FiberTech Services, Inc.	BID_AVAILABLE Emailed to: jeff@fibertechservices.com at 2017-01-09 10:00:18.75	N
00011979	Kathryn Lussier	BID_AVAILABLE Emailed to: klussier2004@yahoo.com at 2017-01-09 10:00:18.75	N
00012003	Jack Hall	BID_AVAILABLE Emailed to: jack.hall@worktech.com at 2017-01-09 10:00:18.75	N
00012060	Edward V. Casey	BID_AVAILABLE Emailed to: caseytitle@comcast.net at 2017-01-09 10:00:18.753	N
00012062	Tracy G Sheehan	BID_AVAILABLE Emailed to: tracygillettesheehan@gmail.com at 2017-01-09 10:00:18.753	N
00012073	Seaglass Technology Partners	BID_AVAILABLE Emailed to: mconroy@seaglassit.com at 2017-01-09 10:00:18.757	N
00012159	Ruota Consulting	BID_AVAILABLE Emailed to: Andrew.Naperotic@ruotaconsulting.com at 2017-01-09 10:00:18.757	N
00012180	SEISAN CONSULTING, LLC	BID_AVAILABLE Emailed to: eric.etkin@seisan.com at 2017-01-09 10:00:18.763	N
00012711	DEW Advisory LLC	BID_AVAILABLE Emailed to: dwhitmore@dewAdvisory.com at 2017-01-09 10:00:18.827	N
00012814	Boston Consulting Solutions Inc	BID_AVAILABLE Emailed to: gsarkan@bostonconsultingsolutions.com at 2017-01-09 10:00:18.877	N
00012940	Tokay Software, Inc.	BID_AVAILABLE Emailed to: cs@tokay.com at 2017-01-09 10:00:18.89	N
00012964	Valley Green Shredding, LLC	BID_AVAILABLE Emailed to: eric@valleygreenshredding.com at 2017-01-09 10:00:18.897	N
00013077	GDH Government Services, LLC	BID_AVAILABLE Emailed to: jdoane@gdhgov.com at 2017-01-09 10:00:18.9	N
00013112	AccuFile	BID_AVAILABLE Emailed to: jcurran@accufile.com at 2017-01-09 10:00:18.9	N
00013213	City of Marlborough	BID_AVAILABLE Emailed to: bsleeper@marlborough-ma.gov at 2017-01-09 10:00:18.9	N
00013458	Equifax Inc.	BID_AVAILABLE Emailed to: cust.serv@equifax.com at 2017-01-09 10:00:18.903	N
00013635	Success Strategies	BID_AVAILABLE Emailed to: paula@docwhiz.biz at 2017-01-09 10:00:18.907	N
00014182	InfoTrellis	BID_AVAILABLE Emailed to: shobhit@infotrellis.com at 2017-01-09 10:00:18.907	N
00014210	Law Enforcement Systems, LLC	BID_AVAILABLE Emailed to: proposals@duncansolutions.com at 2017-01-09 10:00:18.91	N
00014251	Phase2 Technology LLC	BID_AVAILABLE Emailed to: ghowell@phase2technology.com at 2017-01-09 10:00:18.91	N
00014474	Trofi Security, LLC	BID_AVAILABLE Emailed to: info@trofisecurity.com at 2017-01-09 10:00:18.91	N
00014518	Sagewell, Inc	BID_AVAILABLE Emailed to: accounting@sagewell.com at 2017-01-09 10:00:18.913	N
00014566	Capital Strategic Solutions	BID_AVAILABLE Emailed to: Nichol@Capital-Strategic-Solutions.com at 2017-01-09 10:00:18.913	N
00014611	PSD Software	BID_AVAILABLE Emailed to: kball@epsdi.com at 2017-01-09 10:00:18.92	N
00014615	NBS GIS.com	BID_AVAILABLE Emailed to: george@nbgis.com at 2017-01-09 10:00:18.923	N
00014736	Info Tech, Inc.	BID_AVAILABLE Emailed to: carole.duval@infotechfl.com at 2017-01-09 10:00:18.923	N
00014745	TRIVEDI ADVANCED TECHNOLOGIES LLC	BID_AVAILABLE Emailed to: maharshi@trivediat.com at 2017-01-09 10:00:18.927	N
00014845	Cyber 360, Inc.	BID_AVAILABLE Emailed to: mark@cyber360solutions.com at 2017-01-09 10:00:18.937	N
00014925	Carver Housing Authority	BID_AVAILABLE Emailed to: Carverhama@aol.com at 2017-01-09 10:00:18.94	N
00015093	Ernst & Young U.S. LLP	BID_AVAILABLE Emailed to: amanda.valentin@ey.com at 2017-01-09 10:00:18.943	N



Vendor No.	Vendor Name	Notifications	Responded
00015271	Neonet Technologies, Inc.	BID_AVAILABLE Emailed to: frank@neonettech.com at 2017-01-09 10:00:18.943	N
00015733	ClickAndGo Wayfinding Maps	BID_AVAILABLE Emailed to: jociocoffi@mac.com at 2017-01-09 10:00:18.947	N
00015790	Creative Promotions & Events	BID_AVAILABLE Emailed to: mackinc@comcast.net at 2017-01-09 10:00:18.95	N
00015866	Trustwave Holdings, Inc.	BID_AVAILABLE Emailed to: rtbrooks@trustwave.com at 2017-01-09 10:00:18.957	N
00015920	ACI Group inc	BID_AVAILABLE Emailed to: acigroupinc@comcast.net at 2017-01-09 10:00:18.957	N
00016108	TexcelVision Inc.	BID_AVAILABLE Emailed to: sales@texcelvision.com at 2017-01-09 10:00:18.957	N
00016167	Ananke IT Solutions	BID_AVAILABLE Emailed to: john.conway@ananke.com at 2017-01-09 10:00:18.96	N
00016377	Mainnerve LLC	BID_AVAILABLE Emailed to: sales@mainnerve.com at 2017-01-09 10:00:18.96	N
00016593	Bureau of Internet Accessibility	BID_AVAILABLE Emailed to: mark@boia.org at 2017-01-09 10:00:18.963	N
00016852	Navin Haffty and Associates LLC	BID_AVAILABLE Emailed to: dhaffty@navinhaffty.com at 2017-01-09 10:00:18.963	N
00016864	Granite Sky Creative Group, Inc.	BID_AVAILABLE Emailed to: mia@gsgcreates.com at 2017-01-09 10:00:18.967	N
00016931	Town of Wilbraham	BID_AVAILABLE Emailed to: mgraves@wilbraham-ma.gov at 2017-01-09 10:00:18.97	N
00017043	QUADROtech Solutions, INC	BID_AVAILABLE Emailed to: mike.weaver@quadrotech-it.com at 2017-01-09 10:00:18.973	N
00017379	The IQ Business Group, Inc.	BID_AVAILABLE Emailed to: business.development@iqgroup.com at 2017-01-09 10:00:18.983	N
00017453	Brown, Hendrix & Associates	BID_AVAILABLE Emailed to: barbara@brownhendrix.com at 2017-01-09 10:00:18.997	N
00017623	CARCO Group, Inc	BID_AVAILABLE Emailed to: rpichler@carcogroup.com at 2017-01-09 10:00:18.997	N
00017699	Vistiny Enterprises, LLC	BID_AVAILABLE Emailed to: vistiny@msn.com at 2017-01-09 10:00:19.01	N
00017893	Howard Systems LLC	BID_AVAILABLE Emailed to: ehoward@howardsystems.net at 2017-01-09 10:00:19.023	N
00018238	BuildCentral Inc.	BID_AVAILABLE Emailed to: research@buildcentral.com at 2017-01-09 10:00:19.027	N
00018937	NebuLogic Technologies LLC.	BID_AVAILABLE Emailed to: proposals@nebulogic.com at 2017-01-09 10:00:19.033	N
00019380	People Tech Group Inc	BID_AVAILABLE Emailed to: raviteja.ravella@peopletech.com at 2017-01-09 10:00:19.047	N
00019424	Protocol Technologies Group, LLC	BID_AVAILABLE Emailed to: mfidelman@protocoltechnologiesgroup.com at 2017-01-09 10:00:19.05	N
00019745	Oracle	BID_AVAILABLE Emailed to: david.merchant@oracle.com at 2017-01-09 10:00:19.053	N
00019748	Oracle America	BID_AVAILABLE Emailed to: seth.fox@oracle.com at 2017-01-09 10:00:19.06	N
00019817	Chambers Enterprises	BID_AVAILABLE Emailed to: chambersenterprises@outlook.com at 2017-01-09 10:00:19.06	N
00019907	Mark My Words LLC	BID_AVAILABLE Emailed to: susan@walkerbookstore.com at 2017-01-09 10:00:19.067	N
00019981	Mouyenga Group Corp., (MG)	BID_AVAILABLE Emailed to: Denismouyenga@mouyenga.com at 2017-01-09 10:00:19.067	N
00020094	CMPProject	BID_AVAILABLE Emailed to: susanleebach@gmail.com at 2017-01-09 10:00:19.07	N
00020240	Tailored Solutions and Consulting Inc.	BID_AVAILABLE Emailed to: rlombard@tscadvantage.com at 2017-01-09 10:00:19.073	N
00020307	Applications Software Technology Corporation	BID_AVAILABLE Emailed to: slavoie@astcorporation.com at 2017-01-09 10:00:19.073	N
00020389	Montrose Consulting	BID_AVAILABLE Emailed to: kevin.bell@montrose-consulting.com at 2017-01-09 10:00:19.077	N
00020477	Yes Exactly Inc	BID_AVAILABLE Emailed to: support@yesexactly.com at 2017-01-09 10:00:19.077	N
00020889	Telogis, Inc.	BID_AVAILABLE Emailed to: kevin.mabey@telogis.com at 2017-01-09 10:00:19.077	N
00021083	New England Soundproofing	BID_AVAILABLE Emailed to: sdrago@newenglandsoundproofing.com at 2017-01-09 10:00:19.08	N
00021148	Honest Ballot Association	BID_AVAILABLE Emailed to: honestballot@aol.com at 2017-01-09 10:00:19.08	N
00021158	Image Research, LLC	BID_AVAILABLE Emailed to: cbsullivan@imageresearch.com at 2017-01-09 10:00:19.087	N
00021182	MDFlow EHR, LLC	BID_AVAILABLE Emailed to: haroldt@mdflow.com at 2017-01-09 10:00:19.087	N



Vendor No.	Vendor Name	Notifications	Responded
00021201	Secure Exchange Solutions	BID_AVAILABLE Emailed to: Sales@securexsolutions.com at 2017-01-09 10:00:19.087	N
00021228	Secure Exchange Solutions	BID_AVAILABLE Emailed to: mdarnell@securexsolutions.com at 2017-01-09 10:00:19.093	N
00021251	Marshwinds International Inc.	BID_AVAILABLE Emailed to: rbaum@marshwinds.net at 2017-01-09 10:00:19.093	N
00021478	Optimal Partners Consulting LLC	BID_AVAILABLE Emailed to: ldang@optimal-partners.com at 2017-01-09 10:00:19.097	N
00021649	Ruota Consulting	BID_AVAILABLE Emailed to: wayne.barthe@ruota.consulting at 2017-01-09 10:00:19.1	N
00021808	Medicity, Inc.	BID_AVAILABLE Emailed to: jmorgan@medicity.com at 2017-01-09 10:00:19.107	N
00021959	Cradlepoint, INC.	BID_AVAILABLE Emailed to: mhead@cradlepoint.com at 2017-01-09 10:00:19.107	N
00022040	SmartProcure	BID_AVAILABLE Emailed to: janderson@smartprocure.us at 2017-01-09 10:00:19.107	N
00022831	Arbola, Inc.	BID_AVAILABLE Emailed to: jim.heston@arbola.com at 2017-01-09 10:00:19.11	N
00022841	Parsec Systems Inc	BID_AVAILABLE Emailed to: tom@parsecsystems.net at 2017-01-09 10:00:19.11	N
00022950	OpenGov, Inc.	BID_AVAILABLE Emailed to: jmann@opengov.com at 2017-01-09 10:00:19.113	N
00023063	Siter Neubauer & Associates	BID_AVAILABLE Emailed to: bmcarris@sncompanies.com at 2017-01-09 10:00:19.113	N
00023196	Bivarus, Inc.	BID_AVAILABLE Emailed to: clientpayments@bivarus.com at 2017-01-09 10:00:19.117	N
00023217	Independent Living Community Services, Inc.	BID_AVAILABLE Emailed to: jhamaker@ilshealth.com at 2017-01-09 10:00:19.117	N
00023541	Softline International USA, Inc	BID_AVAILABLE Emailed to: carlos.martins@softlinegroup.com at 2017-01-09 10:00:19.117	N
00023586	MAGNUSDATA INC	BID_AVAILABLE Emailed to: lokesh@magnus-data.com at 2017-01-09 10:00:19.12	N
00023749	Experfy	BID_AVAILABLE Emailed to: support@experfy.com at 2017-01-09 10:00:19.12	N
00023783	North Atlantic Networks, LLC	BID_AVAILABLE Emailed to: jgaffney@nan.com at 2017-01-09 10:00:19.123	N
00023929	Cornell Systems, LLC	BID_AVAILABLE Emailed to: CORDELIA.NFORMI@CORNELISYSTEMS.COM at 2017-01-09 10:00:19.123	N
00024158	IntePros Consulting	BID_AVAILABLE Emailed to: bkelly@intepros.com at 2017-01-09 10:00:19.123	N
201429	KPMG LLP	BID_AVAILABLE Emailed to: eileen.galvin@kpmg.com at 2017-01-09 10:00:19.127	N
202589	Public Consulting Group, Inc.	BID_AVAILABLE Emailed to: M.Hanrahan@pcgus.com at 2017-01-09 10:00:19.127	N
202866	HP Enterprise Services, LLC	BID_AVAILABLE Emailed to: John.Prestidge@hpe.com at 2017-01-09 10:00:19.127	N
202882	International Paper	BID_AVAILABLE Emailed to: robert.horne@veritivcorp.com at 2017-01-09 10:00:19.13	N
203982	Eastern Research Group	BID_AVAILABLE Emailed to: gail.schubert@erg.com at 2017-01-09 10:00:19.13	N
203985	Regina Villa Associates, Inc.	BID_AVAILABLE Emailed to: info@reginavilla.com at 2017-01-09 10:00:19.133	N
209054	Ernst & Young	BID_AVAILABLE Emailed to: Pranav.Rai@xe02.ey.com at 2017-01-09 10:00:19.133	N
209394	TECedge LLC	BID_AVAILABLE Emailed to: skelley@tecedge.net at 2017-01-09 10:00:19.137	N
210046	AT&T Corp	BID_AVAILABLE Emailed to: tt788f@att.com at 2017-01-09 10:00:19.147	N
213998	Environmental Systems Research Institute, Inc.	BID_AVAILABLE Emailed to: bids@esri.com at 2017-01-09 10:00:19.173	N
214024	JSI Research & Training Institute	BID_AVAILABLE Emailed to: lori.kiel@jsi.com at 2017-01-09 10:00:19.183	N
215515	Fuseideas	BID_AVAILABLE Emailed to: dfranczak@fuseideas.com at 2017-01-09 10:00:19.197	N
218478	SkillSoft Corporation	BID_AVAILABLE Emailed to: brendan_joseph@skillsoft.com at 2017-01-09 10:00:19.207	N
222770	Deloitte Consulting	BID_AVAILABLE Emailed to: commbuysdc@deloitte.com at 2017-01-09 10:00:19.22	N
224471	George H Dean Company	BID_AVAILABLE Emailed to: hsilberstein@gghdean.com at 2017-01-09 10:00:19.233	N
224484	Soltrix Technology Solutions, Inc. (SDO Certified M/WBE/DBE, ITS53)	BID_AVAILABLE Emailed to: raghu.nandan@soltrixsolutions.com at 2017-01-09 10:00:19.247	N
225097	PeopleSERVE, Inc.	BID_AVAILABLE Emailed to: jsullivan@peopleserveinc.com at 2017-01-09 10:00:19.257	N
230918	NTT DATA	BID_AVAILABLE Emailed to: James.Bradford@nttdata.com at 2017-01-09 10:00:19.267	N



Vendor No.	Vendor Name	Notifications	Responded
231076	The Ripples Group	BID_AVAILABLE Emailed to: commbuys@ripplesgroup.com at 2017-01-09 10:00:19.307	N
233259	Light Tower Fiber LLC	BID_AVAILABLE Emailed to: mkavey@lighttower.com at 2017-01-09 10:00:18.433	N
238322	Cisco Systems, Inc	BID_AVAILABLE Emailed to: pwason@cisco.com at 2017-01-09 10:00:19.313	N
251971	Eliassen Group LLC	BID_AVAILABLE Emailed to: CommonwealthReqNotify@eliasen.com at 2017-01-09 10:00:19.313	N
300190	Green Mountain Communications, Inc.	BID_AVAILABLE Emailed to: w.solutions@greenmtncomm.com at 2017-01-09 10:00:19.317	N
300198	Presidio Networked Solutions, Inc.	BID_AVAILABLE Emailed to: p.melvin@presidio.com at 2017-01-09 10:00:19.317	N
300199	Communications International, Inc.	BID_AVAILABLE Emailed to: lbenincasa@fatpot.com at 2017-01-09 10:00:19.317	N
300203	Cellco Partnership d/b/a Verizon Wireless	BID_AVAILABLE Emailed to: carolyn.jussaume@verizonwireless.com at 2017-01-09 10:00:19.32	N
300276	AT&T Mobility National Accounts	BID_AVAILABLE Emailed to: tl788t@att.com at 2017-01-09 10:00:19.16	N
4494	Memimack Education Center DBA Addition Networks	BID_AVAILABLE Emailed to: contracts@additionnetworks.net at 2017-01-09 10:00:19.32	N





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**Subject Publish Date Assigned to General Contracts**

**From: <REGS@sec.state.ma.us>**

**Sent: Jan 30, 2017 10:07:24 AM**

**To: sandisfieldtownadm@verizon.net**

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**Your entry has been added and a publish date of 2/8/2017 has been assigned to your General Contracts submission with description of:**

**The Town MLPs for Monterey, Sandisfield, and Tolland jointly seek a telecommunications Vendor who can provide a complete 3-Town regional solution for meeting the need and primary goal of achieving high bandwidth Internet access for residents and businesses in the Towns, with the availability of related services such as high definition Voice over Internet Protocol (VOIP) telephone service, viewed as a positive addition. The Town MLPs strong desire is for such services to be provided via a state of the art Fiber To The Premises (FTTP) network**



# Town of Sandisfield

Page 1 of 1

## BID SOLICITATION

Bid Opening Date: 02/23/2017 02:00 PM  
Printed: 03/08/2017 02:05 PM

Description: High Bandwidth Internet  
Services for three town in Berkshire  
county

Bid Number <b>BD-17-1666-TSTH-TSTH-12012</b>
Alternate ID
Requisition Number

Item	Class-Item	Quantity	Unit	Unit Price	Total
1	Monterey, Sandisfield, and Tolland Massachusetts Joint Municipal Light Plant's (MLP) Request for Proposal (RFP) for the Procurement of High	1	EA	_____	_____
				<b>TOTAL:</b>	_____

THIS IS NOT AN ORDER, AND DOES NOT COMMIT THE  
PURCHASING ENTITY TO PURCHASE ANY GOODS OR  
SERVICES.

### PURCHASED

By: Willie Morales

Phone#: (413) 429-8398

Email: sandisfieldtownadmin@verizon.net

**BUYER**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Bidder List			
Vendor No.	Vendor Name	Notifications	Responded
00000117	Construction Journal	BID_AVAILABLE Emailed to: Bids@constructionjournal.com at 2017-01-09 10:00:15.967	N
00000330	Experis	BID_AVAILABLE Emailed to: Compass@experis.com at 2017-01-09 10:00:15.997	N
00000355	VLink, Inc	BID_AVAILABLE Emailed to: sandeep@vlinkinfo.com at 2017-01-09 10:00:16.047	N
00000408	Totalcom Solutions Inc	BID_AVAILABLE Emailed to: Bradg@totalcomsolutions.com at 2017-01-09 10:00:16.09	N
00000519	Insight Global	BID_AVAILABLE Emailed to: stateofma@insightglobal.net at 2017-01-09 10:00:16.137	N
00000525	Metropolitan Area Planning Council	BID_AVAILABLE Emailed to: bids@mapc.org at 2017-01-09 10:00:16.18	N
00000619	Spruce Technology, Inc.	BID_AVAILABLE Emailed to: lts63@sprucelech.com at 2017-01-09 10:00:16.203	N
00000668	Berkshire Regional Planning Commission	BID_AVAILABLE Emailed to: msniezek@berkshireplanning.org at 2017-01-09 10:00:16.25	N
00000682	New Orleans Teleport, Inc., d/b/a CALLS PLUS	BID_AVAILABLE Emailed to: customercare@callsplus.net at 2017-01-09 10:00:16.293	N
00000727	Ardent Technologies, Inc.	BID_AVAILABLE Emailed to: mabids@ardentinc.com at 2017-01-09 10:00:16.347	N
00000793	Pandora Systems Inc.	BID_AVAILABLE Emailed to: tim@pandorasystems.com at 2017-01-09 10:00:16.387	N
00000844	CREST Technologies	BID_AVAILABLE Emailed to: matt.mecum@crest-lech.com at 2017-01-09 10:00:16.433	N
00000916	Old Colony Planning Council	BID_AVAILABLE Emailed to: pciamella@ocpcpa.org at 2017-01-09 10:00:16.483	N
00000989	Zengenti Ltd	BID_AVAILABLE Emailed to: tenders@zenpenli.com at 2017-01-09 10:00:16.503	N
00001170	Montachusett Regional Planning Commission	BID_AVAILABLE Emailed to: mrpc@mrpc.org at 2017-01-09 10:00:16.557	N
00001400	MRW Connected, Inc	BID_AVAILABLE Emailed to: tom@mrwconnected.com at 2017-01-09 10:00:16.61	N
00001415	The Skyline Group	BID_AVAILABLE Emailed to: jthiggins@tsgma.com at 2017-01-09 10:00:16.663	N
00001423	Pioneer Valley Planning Commission	BID_AVAILABLE Emailed to: jmmazik@pvpc.org at 2017-01-09 10:00:16.717	N
00001585	GeeMX Technologies	BID_AVAILABLE Emailed to: andrews.steve@gmx.com at 2017-01-09 10:00:16.77	N
00001655	Iron Mountain	BID_AVAILABLE Emailed to: William.Silvio@ironmountain.com at 2017-01-09 10:00:16.817	N
00001674	Asset Performance Management, Inc.	BID_AVAILABLE Emailed to: cconley@apmsolutions.com at 2017-01-09 10:00:16.87	N
00001750	Recall Total Information Management, Inc.	BID_AVAILABLE Emailed to: leress.novak@recall.com at 2017-01-09 10:00:16.913	N
00001803	Starboard Consulting, LLC	BID_AVAILABLE Emailed to: dhughes@starboard-consulting.com at 2017-01-09 10:00:16.963	N
00001810	HP State & Local Enterprise Services, Inc.	BID_AVAILABLE Emailed to: john.prestidge@hp.com at 2017-01-09 10:00:17.023	N
00001940	Umoya Consulting	BID_AVAILABLE Emailed to: wdonovan@umoyaconsulting.com at 2017-01-09 10:00:17.083	N
00001997	Financial Education Associates	BID_AVAILABLE Emailed to: jackie@money-classes.com at 2017-01-09 10:00:17.397	N
00002070	Altura Communication Solutions	BID_AVAILABLE Emailed to: bmassaro@akuracs.com at 2017-01-09 10:00:17.407	N
00002133	ARC Document Solutions	BID_AVAILABLE Emailed to: evan.prince@e-arc.com at 2017-01-09 10:00:17.41	N
00002162	Oracle	BID_AVAILABLE Emailed to: scott.deluca@oracle.com at 2017-01-09 10:00:17.42	N
00002215	Deltamine Inc.	BID_AVAILABLE Emailed to: jmine@dellamine.com at 2017-01-09 10:00:17.433	N
00002307	Behavioral Health Network, Inc.	BID_AVAILABLE Emailed to: info@bhninc.org at 2017-01-09 10:00:17.447	N
00002374	ProsumerCorp Inc	BID_AVAILABLE Emailed to: prosumercorp@outlook.com at 2017-01-09 10:00:17.46	N
00002605	TriCore Solutions, LLC	BID_AVAILABLE Emailed to: cnichol@tricoresolutions.com at 2017-01-09 10:00:17.473	N
00002829	General Dynamics Information Technology, Inc.	BID_AVAILABLE Emailed to: stephen.woodworth@gdil.com at 2017-01-09 10:00:17.523	N
00002888	Brass Valley	BID_AVAILABLE Emailed to: Mark@BrassValley.com at 2017-01-09 10:00:17.537	N
00002929	Passio Consulting, Inc.	BID_AVAILABLE Emailed to: jperezrossello@yahoo.com at 2017-01-09 10:00:17.55	N
00002981	DethWench Professional Services	BID_AVAILABLE Emailed to: dethwench@gmail.com at 2017-01-09 10:00:17.563	N



Vendor No.	Vendor Name	Notifications	Responded
00002986	NCR Government Systems LLC	BID_AVAILABLE Emailed to: pam.hoodes@ncr.com at 2017-01-09 10:00:17.573	N
00003015	Systemize Networks	BID_AVAILABLE Emailed to: vbarros@systemzinetworks.com at 2017-01-09 10:00:17.627	N
00003065	DS Graphics, Inc.	BID_AVAILABLE Emailed to: dsampson@dsgraphics.com at 2017-01-09 10:00:17.637	N
00003080	CSG Government Solutions	BID_AVAILABLE Emailed to: rfp@csgdelivers.com at 2017-01-09 10:00:17.647	N
00003164	Alliance Technology Solutions, Inc	BID_AVAILABLE Emailed to: tmchughir@alliancetechnsol.com at 2017-01-09 10:00:17.66	N
00003241	TEAMMM	BID_AVAILABLE Emailed to: contact@teammm.com at 2017-01-09 10:00:17.673	N
00003254	Greenfield Housing Authority	BID_AVAILABLE Emailed to: andk@greenfieldhousing.org at 2017-01-09 10:00:17.677	N
00003301	carya consulting LLC	BID_AVAILABLE Emailed to: preetham@carya.com at 2017-01-09 10:00:17.683	N
00003328	Partners in IT Inc.	BID_AVAILABLE Emailed to: rbaum@partnersinitinc.com at 2017-01-09 10:00:17.697	N
00003499	HDI Solutions, LLC	BID_AVAILABLE Emailed to: joanne.scarbrough@hdisolutions.com at 2017-01-09 10:00:17.717	N
00003582	Fusion Services LLC	BID_AVAILABLE Emailed to: betterlife0127@gmail.com at 2017-01-09 10:00:17.727	N
00004034	PeopleDoc Inc	BID_AVAILABLE Emailed to: scott@people-doc.com at 2017-01-09 10:00:17.74	N
00004108	Ground Energy Support LLC	BID_AVAILABLE Emailed to: rdavis@groundenergysupport.com at 2017-01-09 10:00:17.75	N
00004218	James Sotille	BID_AVAILABLE Emailed to: jimsott@bellatlantic.net at 2017-01-09 10:00:17.76	N
00004333	A-Check America, Inc.	BID_AVAILABLE Emailed to: diversity@acheckamerica.com at 2017-01-09 10:00:17.773	N
00004344	GOPI BALA LLC	BID_AVAILABLE Emailed to: gbala@gopibala.net at 2017-01-09 10:00:17.78	N
00004513	Netanium	BID_AVAILABLE Emailed to: ellen@nnsecurity.com at 2017-01-09 10:00:17.793	N
00004569	US Tech Solutions Inc	BID_AVAILABLE Emailed to: rfp@ustechsolutions.com at 2017-01-09 10:00:17.803	N
00004574	DataSpan, Inc.	BID_AVAILABLE Emailed to: kmorse@dataspan.com at 2017-01-09 10:00:17.81	N
00004625	IHS Global Inc.	BID_AVAILABLE Emailed to: duyen.pham@ihs.com at 2017-01-09 10:00:17.827	N
00004627	Catuogno Court Reporting & Sten-Tel Transcription, Inc.	BID_AVAILABLE Emailed to: james.lawton@stentel.com at 2017-01-09 10:00:17.837	N
00004641	DB Healthcare, Inc.	BID_AVAILABLE Emailed to: DirectVendor@dbhealthcare.com at 2017-01-09 10:00:17.85	N
00004878	Exeter Group Inc	BID_AVAILABLE Emailed to: sobrien@exeter.com at 2017-01-09 10:00:17.863	N
00005044	LexisNexis, a division of RELX Inc.	BID_AVAILABLE Emailed to: rfp@lexisnexis.com at 2017-01-09 10:00:17.877	N
00005175	NTT Com Security	BID_AVAILABLE Emailed to: Stewart.Smith@NTTComSecurity.com at 2017-01-09 10:00:17.89	N
00005266	Aequor Technologies Inc	BID_AVAILABLE Emailed to: ramesh@aequor.com at 2017-01-09 10:00:17.903	N
00005298	code 2 action inc	BID_AVAILABLE Emailed to: info@code2action.com at 2017-01-09 10:00:17.913	N
00005368	Minuteman Governance Inc.	BID_AVAILABLE Emailed to: john@minutemangovernance.com at 2017-01-09 10:00:17.933	N
00005379	Pinnacle Wireless	BID_AVAILABLE Emailed to: gatamian@pinnaclewireless.com at 2017-01-09 10:00:17.95	N
00005399	Todd Heath	BID_AVAILABLE Emailed to: toddheath@charter.net at 2017-01-09 10:00:17.963	N
00005551	tzkseminars	BID_AVAILABLE Emailed to: kwannan@comcast.net at 2017-01-09 10:00:17.977	N
00005622	Mass Warning	BID_AVAILABLE Emailed to: john@masswarning.com at 2017-01-09 10:00:18.003	N
00005730	EBSCO Information Services	BID_AVAILABLE Emailed to: ebsconorthamerica@ebSCO.com at 2017-01-09 10:00:18.017	N
00005852	CyberSheath Services International, LLC	BID_AVAILABLE Emailed to: heather.davis@cybersheath.com at 2017-01-09 10:00:18.03	N
00006059	System Soft Technologies, Inc	BID_AVAILABLE Emailed to: neha.desai@ssstech.us at 2017-01-09 10:00:18.043	N
00006251	The Cavan Group	BID_AVAILABLE Emailed to: jskeffington@cavangroup.com at 2017-01-09 10:00:18.057	N
00006303	Trinity Consulting Inc	BID_AVAILABLE Emailed to: GLaVenture@Trirdty-Inc.net at 2017-01-09 10:00:18.07	N
00008324	Burrells Information Services LLC	BID_AVAILABLE Emailed to: cbedford@burrellsllc.com at 2017-01-09 10:00:18.083	N



Vendor No.	Vendor Name	Notifications	Responded
00006346	MEDTranDirect, Inc	BID_AVAILABLE Emailed to: abradowein@medtrandirect.com at 2017-01-09 10:00:18.1	N
00006765	DATA Inc.	BID_AVAILABLE Emailed to: george@dataincusa.com at 2017-01-09 10:00:18.113	N
00006832	Emergent Systems Exchange, LLC	BID_AVAILABLE Emailed to: klecombe@emergentsx.com at 2017-01-09 10:00:18.13	N
00006850	Substantia Logix LLC	BID_AVAILABLE Emailed to: swillard@substantialogix.com at 2017-01-09 10:00:18.143	N
00007130	Aeon Nexus Corporation	BID_AVAILABLE Emailed to: publicrip@aeonnexus.com at 2017-01-09 10:00:18.163	N
00007332	BowlLink Technologies	BID_AVAILABLE Emailed to: mstelmach@health-e-link.net at 2017-01-09 10:00:18.18	N
00007338	BSC Group, Inc.	BID_AVAILABLE Emailed to: tstalkar@bscgroup.com at 2017-01-09 10:00:18.2	N
00007511	Checker Book Publishing Group	BID_AVAILABLE Emailed to: mthompson@checkerbpg.com at 2017-01-09 10:00:18.213	N
00007579	PURVIS Systems Incorporated	BID_AVAILABLE Emailed to: reachus@purvis.com at 2017-01-09 10:00:18.227	N
00007582	Xerox Consultant Co. Inc.	BID_AVAILABLE Emailed to: richard.jennings@xerox.com at 2017-01-09 10:00:18.243	N
00007621	NPCR	BID_AVAILABLE Emailed to: admin@npatria.com at 2017-01-09 10:00:18.277	N
00007640	Commonwealth Informatics	BID_AVAILABLE Emailed to: pweinberg@commoninf.com at 2017-01-09 10:00:18.297	N
00007656	Clearwater Information Systems	BID_AVAILABLE Emailed to: jmanzelli@ClearwaterSys.net at 2017-01-09 10:00:18.313	N
00007773	Town of Brookfield	BID_AVAILABLE Emailed to: highway@brookfieldma.us at 2017-01-09 10:00:18.333	N
00007813	Tabner Inc	BID_AVAILABLE Emailed to: sirisha.kv@tabnerglobal.com at 2017-01-09 10:00:18.353	N
00008220	Info-Tech Research Group	BID_AVAILABLE Emailed to: cscott@infotech.com at 2017-01-09 10:00:18.363	N
00008267	Peak Technology Solutions, Inc.	BID_AVAILABLE Emailed to: info@psaktisinc.com at 2017-01-09 10:00:18.377	N
00008682	Tensator	BID_AVAILABLE Emailed to: pam.laux@tensator.com at 2017-01-09 10:00:18.387	N
00008797	Waterville Consulting	BID_AVAILABLE Emailed to: scurran@watervilleconsulting.com at 2017-01-09 10:00:18.403	N
00009007	Lighttower Fiber Networks I, LLC	BID_AVAILABLE Emailed to: mkavey@lighttower.com at 2017-01-09 10:00:18.417	N
00009014	American Health Care Software Enterprises, Inc.	BID_AVAILABLE Emailed to: MarciaDeRosia@ahconline.com at 2017-01-09 10:00:18.45	N
00009039	Markday Cloud Services, LLC	BID_AVAILABLE Emailed to: sales@markdaycloud.com at 2017-01-09 10:00:18.47	N
00009230	InClimate	BID_AVAILABLE Emailed to: kevin.quilliam@inclimatesolutions.com at 2017-01-09 10:00:18.483	N
00009262	Hunter Information Services Inc	BID_AVAILABLE Emailed to: dermstrong@axistrackreport.com at 2017-01-09 10:00:18.5	N
00009286	Intupoint Inc	BID_AVAILABLE Emailed to: manisha@pointel.com at 2017-01-09 10:00:18.513	N
00009726	TechGlobal, Inc.	BID_AVAILABLE Emailed to: mli@techglobalinc.com at 2017-01-09 10:00:18.523	N
00009853	SpryPoint	BID_AVAILABLE Emailed to: kstrang@sprypoint.com at 2017-01-09 10:00:18.547	N
00009977	OpenText	BID_AVAILABLE Emailed to: dhughes@opentext.com at 2017-01-09 10:00:18.567	N
00010049	Abridge Info Systems Inc	BID_AVAILABLE Emailed to: abhijit.deshmukh@abridgeinfo.com at 2017-01-09 10:00:18.577	N
00010194	iSYS, LLC	BID_AVAILABLE Emailed to: pmhoppe@isysllc.com at 2017-01-09 10:00:18.617	N
00010221	EHS Publishing	BID_AVAILABLE Emailed to: dbirks@ehspublishing.com at 2017-01-09 10:00:18.637	N
00010371	The Field Co Fulfillment Center, Inc.	BID_AVAILABLE Emailed to: lisap@fieldcompanies.com at 2017-01-09 10:00:18.647	N
00010383	John Snow, Inc.	BID_AVAILABLE Emailed to: lkiel@jsi.com at 2017-01-09 10:00:18.66	N
00010695	Amoskeag Network Consulting Group, LLC	BID_AVAILABLE Emailed to: jbouchard@enogllc.com at 2017-01-09 10:00:18.68	N
00010784	Ready Electronic Data Interchange (& Associates) Inc.	BID_AVAILABLE Emailed to: tomtaaffe@gmail.com at 2017-01-09 10:00:18.703	N
00010888	TrueLight Energy, LLC	BID_AVAILABLE Emailed to: mconstantine@truelightenergy.com at 2017-01-09 10:00:18.717	N
00010940	Outside In Strategies, LLC	BID_AVAILABLE Emailed to: mgrm@oiadvisors.com at 2017-01-09 10:00:18.73	N
00011106	HCH Enterprises	BID_AVAILABLE Emailed to: tgharios@hchent.com at 2017-01-09 10:00:18.737	N



Vendor No.	Vendor Name	Notifications	Responded
00011169	Netegrity Consultants, LLC	BID_AVAILABLE Emailed to: SBRENNAN@netegrityconsultants.com at 2017-01-09 10:00:18.74	N
00011207	Nephin Technologies, Inc.	BID_AVAILABLE Emailed to: gghora@nephin.co at 2017-01-09 10:00:18.743	N
00011291	Brainspiral Technologies, Inc.	BID_AVAILABLE Emailed to: accounts@brainspiral.com at 2017-01-09 10:00:18.743	N
00011352	BamRise Energy	BID_AVAILABLE Emailed to: john@rivermooreenergy.com at 2017-01-09 10:00:18.747	N
00011528	Ethosoft, Inc.	BID_AVAILABLE Emailed to: bmoss@ethosoft.com at 2017-01-09 10:00:18.747	N
00011571	A Phone Jack System, Inc.	BID_AVAILABLE Emailed to: contact@aphonejack.com at 2017-01-09 10:00:18.747	N
00011620	Wards Unlimited	BID_AVAILABLE Emailed to: wardsunlimited@aol.com at 2017-01-09 10:00:18.747	N
00011728	FiberTech Services, Inc.	BID_AVAILABLE Emailed to: jeff@fibertechservices.com at 2017-01-09 10:00:18.75	N
00011979	Kathryn Lussier	BID_AVAILABLE Emailed to: klussier2004@yahoo.com at 2017-01-09 10:00:18.75	N
00012003	Jack Hall	BID_AVAILABLE Emailed to: jack.hall@worktech.com at 2017-01-09 10:00:18.75	N
00012060	Edward V. Casey	BID_AVAILABLE Emailed to: caseytitle@comcast.net at 2017-01-09 10:00:18.753	N
00012062	Tracy G Sheehan	BID_AVAILABLE Emailed to: tracysillettshsehan@gmail.com at 2017-01-09 10:00:18.753	N
00012073	Seaglass Technology Partners	BID_AVAILABLE Emailed to: mconroy@seaglassit.com at 2017-01-09 10:00:18.757	N
00012159	Ruota Consulting	BID_AVAILABLE Emailed to: Andrew.Naperotic@ruotaconsulting.com at 2017-01-09 10:00:18.757	N
00012180	SEISAN CONSULTING, LLC	BID_AVAILABLE Emailed to: eric.etkin@seisan.com at 2017-01-09 10:00:18.763	N
00012711	DEW Advisory LLC	BID_AVAILABLE Emailed to: dwhitmore@dewAdvisory.com at 2017-01-09 10:00:18.827	N
00012814	Boston Consulting Solutions Inc	BID_AVAILABLE Emailed to: gsarkan@bostonconsultingsolutions.com at 2017-01-09 10:00:18.877	N
00012940	Tokay Software, Inc.	BID_AVAILABLE Emailed to: cs@tokay.com at 2017-01-09 10:00:18.89	N
00012964	Valley Green Shredding, LLC	BID_AVAILABLE Emailed to: eric@valleygreenshredding.com at 2017-01-09 10:00:18.897	N
00013077	GDH Government Services, LLC	BID_AVAILABLE Emailed to: jdoane@gdhgov.com at 2017-01-09 10:00:18.9	N
00013112	AccuFile	BID_AVAILABLE Emailed to: jcurran@accufile.com at 2017-01-09 10:00:18.9	N
00013213	City of Marlborough	BID_AVAILABLE Emailed to: bsleeper@marlborough-ma.gov at 2017-01-09 10:00:18.9	N
00013458	Equifax Inc.	BID_AVAILABLE Emailed to: cust.serv@equifax.com at 2017-01-09 10:00:18.903	N
00013635	Success Strategies	BID_AVAILABLE Emailed to: paula@docwhiz.biz at 2017-01-09 10:00:18.907	N
00014182	InfoTrellis	BID_AVAILABLE Emailed to: shobhi@infotrellis.com at 2017-01-09 10:00:18.907	N
00014210	Law Enforcement Systems, LLC	BID_AVAILABLE Emailed to: proposals@duncansolutions.com at 2017-01-09 10:00:18.91	N
00014251	Phase2 Technology LLC	BID_AVAILABLE Emailed to: ghcwell@phase2technology.com at 2017-01-09 10:00:18.91	N
00014474	Trofi Security, LLC	BID_AVAILABLE Emailed to: info@trofisecurity.com at 2017-01-09 10:00:18.91	N
00014518	Sagewell, Inc	BID_AVAILABLE Emailed to: accounting@sagewell.com at 2017-01-09 10:00:18.913	N
00014566	Capital Strategic Solutions	BID_AVAILABLE Emailed to: Nichol@Capital-Strategic-Solutions.com at 2017-01-09 10:00:18.913	N
00014611	PSD Software	BID_AVAILABLE Emailed to: kball@epsdi.com at 2017-01-09 10:00:18.92	N
00014615	NBS GIS.com	BID_AVAILABLE Emailed to: george@nbsgis.com at 2017-01-09 10:00:18.923	N
00014736	Info Tech, Inc.	BID_AVAILABLE Emailed to: carole.duval@infotechil.com at 2017-01-09 10:00:18.923	N
00014745	TRIVEDI ADVANCED TECHNOLOGIES LLC	BID_AVAILABLE Emailed to: maharshi@trivediat.com at 2017-01-09 10:00:18.927	N
00014845	Cyber 360, Inc.	BID_AVAILABLE Emailed to: mark@cyber360solutions.com at 2017-01-09 10:00:18.937	N
00014925	Carver Housing Authority	BID_AVAILABLE Emailed to: Carverhama@aol.com at 2017-01-09 10:00:18.94	N
00015093	Ernst & Young U.S. LLP	BID_AVAILABLE Emailed to: amanda.valentin@ey.com at 2017-01-09 10:00:18.943	N



Vendor No.	Vendor Name	Notifications	Responded
00015271	Neonet Technologies, Inc.	BID_AVAILABLE Emailed to: frank@neonettech.com at 2017-01-09 10:00:18.943	N
00015733	ClickAndGo Wayfinding Maps	BID_AVAILABLE Emailed to: joecioffi@mac.com at 2017-01-09 10:00:18.947	N
00015790	Creative Promotions & Events	BID_AVAILABLE Emailed to: mackinc@comcast.net at 2017-01-09 10:00:18.95	N
00015866	Trustwave Holdings, Inc.	BID_AVAILABLE Emailed to: rbrooks@trustwave.com at 2017-01-09 10:00:18.957	N
00015920	ACI Group inc	BID_AVAILABLE Emailed to: acigroupinc@comcast.net at 2017-01-09 10:00:18.957	N
00016108	TexcelVision Inc.	BID_AVAILABLE Emailed to: sales@texcelvision.com at 2017-01-09 10:00:18.957	N
00016167	Ananke IT Solutions	BID_AVAILABLE Emailed to: john.conway@ananke.com at 2017-01-09 10:00:18.96	N
00016377	Mainnerv LLC	BID_AVAILABLE Emailed to: sales@mainnerv.com at 2017-01-09 10:00:18.96	N
00016593	Bureau of Internet Accessibility	BID_AVAILABLE Emailed to: mark@boia.org at 2017-01-09 10:00:18.963	N
00016852	Navin Haffty and Associates LLC	BID_AVAILABLE Emailed to: dhaffty@navinhaffty.com at 2017-01-09 10:00:18.963	N
00016864	Granite Sky Creative Group, Inc.	BID_AVAILABLE Emailed to: mia@gscrcrc.com at 2017-01-09 10:00:18.967	N
00016931	Town of Wilbraham	BID_AVAILABLE Emailed to: mgraves@wilbraham-ma.gov at 2017-01-09 10:00:18.97	N
00017043	QUADROtech Solutions, INC	BID_AVAILABLE Emailed to: mike.weaver@quadrotech-il.com at 2017-01-09 10:00:18.973	N
00017379	The IQ Business Group, Inc.	BID_AVAILABLE Emailed to: business.development@iqgroup.com at 2017-01-09 10:00:18.983	N
00017453	Brown, Hendrix & Associates	BID_AVAILABLE Emailed to: barbara@brownhendrix.com at 2017-01-09 10:00:18.997	N
00017623	CARCO Group, Inc	BID_AVAILABLE Emailed to: rpichler@carcogroup.com at 2017-01-09 10:00:18.997	N
00017699	Vistiny Enterprises, LLC	BID_AVAILABLE Emailed to: vistiny@msn.com at 2017-01-09 10:00:19.01	N
00017893	Howard Systems LLC	BID_AVAILABLE Emailed to: ehoward@howardsystems.net at 2017-01-09 10:00:19.023	N
00018238	BuildCentral Inc.	BID_AVAILABLE Emailed to: research@buildcentral.com at 2017-01-09 10:00:19.027	N
00018937	NebuLogic Technologies LLC.	BID_AVAILABLE Emailed to: proposals@nebulogic.com at 2017-01-09 10:00:19.033	N
00019380	People Tech Group Inc	BID_AVAILABLE Emailed to: raviteja.ravella@peopletech.com at 2017-01-09 10:00:19.047	N
00019424	Protocol Technologies Group, LLC	BID_AVAILABLE Emailed to: mfidekman@protocoltechnologiesgroup.com at 2017-01-09 10:00:19.05	N
00019745	Oracle	BID_AVAILABLE Emailed to: david.merchant@oracle.com at 2017-01-09 10:00:19.053	N
00019748	Oracle America	BID_AVAILABLE Emailed to: seth.fox@oracle.com at 2017-01-09 10:00:19.06	N
00019817	Chambers Enterprises	BID_AVAILABLE Emailed to: chambersenterprises@outlook.com at 2017-01-09 10:00:19.06	N
00019907	Mark My Words LLC	BID_AVAILABLE Emailed to: susan@walkerbookstore.com at 2017-01-09 10:00:19.067	N
00019981	Mouyenga Group Corp., (MG)	BID_AVAILABLE Emailed to: Denismouyenga@mouyenga.com at 2017-01-09 10:00:19.067	N
00020094	CMIPProject	BID_AVAILABLE Emailed to: susanleebach@gmail.com at 2017-01-09 10:00:19.07	N
00020240	Tailored Solutions and Consulting Inc.	BID_AVAILABLE Emailed to: lombard@tsccadvantage.com at 2017-01-09 10:00:19.073	N
00020307	Applications Software Technology Corporation	BID_AVAILABLE Emailed to: slavoie@astcorporation.com at 2017-01-09 10:00:19.073	N
00020389	Montrose Consulting	BID_AVAILABLE Emailed to: kevin.ball@montrose-consulting.com at 2017-01-09 10:00:19.077	N
00020477	Yes Exactly Inc	BID_AVAILABLE Emailed to: support@yesexactly.com at 2017-01-09 10:00:19.077	N
00020889	Telogis, Inc.	BID_AVAILABLE Emailed to: kevin.msbery@telogis.com at 2017-01-09 10:00:19.077	N
00021083	New England Soundproofing	BID_AVAILABLE Emailed to: sdrago@newenglandsoundproofing.com at 2017-01-09 10:00:19.08	N
00021148	Honest Ballot Association	BID_AVAILABLE Emailed to: honestballot@aol.com at 2017-01-09 10:00:19.08	N
00021158	Image Research, LLC	BID_AVAILABLE Emailed to: cbsullivan@imageresearch.com at 2017-01-09 10:00:19.087	N
00021182	MDFlow EHR, LLC	BID_AVAILABLE Emailed to: haroldl@mdflow.com at 2017-01-09 10:00:19.087	N



Vendor No.	Vendor Name	Notifications	Responded
00021201	Secure Exchange Solutions	BID_AVAILABLE Emailed to: Sales@secureexsolutions.com at 2017-01-09 10:00:19.087	N
00021228	Secure Exchange Solutions	BID_AVAILABLE Emailed to: mdamell@secureexsolutions.com at 2017-01-09 10:00:19.093	N
00021251	Marshwinds International Inc.	BID_AVAILABLE Emailed to: rbaum@marshwinds.net at 2017-01-09 10:00:19.093	N
00021478	Optimal Partners Consulting LLC	BID_AVAILABLE Emailed to: tdang@optimal-partners.com at 2017-01-09 10:00:19.097	N
00021649	Ruota Consulting	BID_AVAILABLE Emailed to: wayne.barthe@ruota.consulting at 2017-01-09 10:00:19.1	N
00021808	Medicity, Inc.	BID_AVAILABLE Emailed to: lmorgan@medicity.com at 2017-01-09 10:00:19.107	N
00021959	Cradlepoint, INC.	BID_AVAILABLE Emailed to: mhead@cradlepoint.com at 2017-01-09 10:00:19.107	N
00022040	SmartProcure	BID_AVAILABLE Emailed to: janderson@smartprocure.us at 2017-01-09 10:00:19.107	N
00022831	Arbola, Inc.	BID_AVAILABLE Emailed to: jim.heston@arbola.com at 2017-01-09 10:00:19.11	N
00022841	Parsec Systems Inc	BID_AVAILABLE Emailed to: tom@parsecsystems.net at 2017-01-09 10:00:19.11	N
00022950	OpenGov, Inc.	BID_AVAILABLE Emailed to: jmann@opengov.com at 2017-01-09 10:00:19.113	N
00023063	Siter Neubauer & Associates	BID_AVAILABLE Emailed to: bmmorris@sncompanies.com at 2017-01-09 10:00:19.113	N
00023196	Bivarus, Inc.	BID_AVAILABLE Emailed to: clientpayments@bivarus.com at 2017-01-09 10:00:19.117	N
00023217	Independent Living Community Services, Inc.	BID_AVAILABLE Emailed to: jhamaker@ilshealth.com at 2017-01-09 10:00:19.117	N
00023541	Softline International USA, Inc	BID_AVAILABLE Emailed to: carlos.martins@softlinegroup.com at 2017-01-09 10:00:19.117	N
00023586	MAGNUSDATA INC	BID_AVAILABLE Emailed to: lokesh@magnus-data.com at 2017-01-09 10:00:19.12	N
00023749	Experfy	BID_AVAILABLE Emailed to: support@experfy.com at 2017-01-09 10:00:19.12	N
00023783	North Atlantic Networks, LLC	BID_AVAILABLE Emailed to: jgaffney@nan.com at 2017-01-09 10:00:19.123	N
00023928	Corneli Systems, LLC	BID_AVAILABLE Emailed to: CORDELIA.NFORMI@CORNELISYSTEMS.COM at 2017-01-09 10:00:19.123	N
00024158	IntePres Consulting	BID_AVAILABLE Emailed to: bkelly@intepros.com at 2017-01-09 10:00:19.123	N
201429	KPMG LLP	BID_AVAILABLE Emailed to: eileenpatvin@kpmg.com at 2017-01-09 10:00:19.127	N
202589	Public Consulting Group, Inc.	BID_AVAILABLE Emailed to: MHanrahan@pcgus.com at 2017-01-09 10:00:19.127	N
202865	HP Enterprise Services, LLC	BID_AVAILABLE Emailed to: John.Prestidge@hps.com at 2017-01-09 10:00:19.127	N
202892	International Paper	BID_AVAILABLE Emailed to: robert.horne@veritivcorp.com at 2017-01-09 10:00:19.13	N
203992	Eastern Research Group	BID_AVAILABLE Emailed to: gail.schubert@erg.com at 2017-01-09 10:00:19.13	N
203995	Regina Villa Associates, Inc.	BID_AVAILABLE Emailed to: info@regnavilla.com at 2017-01-09 10:00:19.133	N
209054	Ernst & Young	BID_AVAILABLE Emailed to: Pranav.Raj@xe02.ey.com at 2017-01-09 10:00:19.133	N
209394	TECedge LLC	BID_AVAILABLE Emailed to: skelley@tecedge.net at 2017-01-09 10:00:19.137	N
210046	AT&T Corp	BID_AVAILABLE Emailed to: lt7881@att.com at 2017-01-09 10:00:19.147	N
213998	Environmental Systems Research Institute, Inc.	BID_AVAILABLE Emailed to: bids@esri.com at 2017-01-09 10:00:19.173	N
214024	JSI Research & Training Institute	BID_AVAILABLE Emailed to: lori_klat@jsi.com at 2017-01-09 10:00:19.183	N
215515	Fuseideas	BID_AVAILABLE Emailed to: dfranczak@fuseideas.com at 2017-01-09 10:00:19.197	N
218478	SkillSoft Corporation	BID_AVAILABLE Emailed to: brendan_joseph@skillssoft.com at 2017-01-09 10:00:19.207	N
222770	Deloitte Consulting	BID_AVAILABLE Emailed to: commbuysdc@deloitte.com at 2017-01-09 10:00:19.22	N
224471	George H Dean Company	BID_AVAILABLE Emailed to: hsilberstein@ghdean.com at 2017-01-09 10:00:19.233	N
224484	Soltrix Technology Solutions, Inc. (SDO Certified M/WBE/DBE, ITS53)	BID_AVAILABLE Emailed to: raghu.nandan@soltrixsolutions.com at 2017-01-09 10:00:19.247	N
225097	PeopleSERVE, Inc.	BID_AVAILABLE Emailed to: jsullivan@peopleserveinc.com at 2017-01-09 10:00:19.257	N
230918	NTT DATA	BID_AVAILABLE Emailed to: James.Bradford@nttdata.com at 2017-01-09 10:00:19.267	N



Vendor No.	Vendor Name	Notifications	Responded
231076	The Ripples Group	BID_AVAILABLE Emailed to: commbuys@ripplesgroup.com at 2017-01-09 10:00:19.307	N
233259	Light Tower Fiber LLC	BID_AVAILABLE Emailed to: mkavey@lighttower.com at 2017-01-09 10:00:18.433	N
238322	Cisco Systems, Inc	BID_AVAILABLE Emailed to: pwason@cisco.com at 2017-01-09 10:00:19.313	N
251971	Eliassen Group LLC	BID_AVAILABLE Emailed to: CommonwealthReqNotify@eliassen.com at 2017-01-09 10:00:19.313	N
300190	Green Mountain Communications, Inc.	BID_AVAILABLE Emailed to: w.solutions@greenmtncomm.com at 2017-01-09 10:00:19.317	N
300198	Presidio Networked Solutions, Inc.	BID_AVAILABLE Emailed to: pmalvin@presidio.com at 2017-01-09 10:00:19.317	N
300199	Communications International, Inc.	BID_AVAILABLE Emailed to: lbenincasa@fatpot.com at 2017-01-09 10:00:19.317	N
300203	Cellco Partnership d/b/a Verizon Wireless	BID_AVAILABLE Emailed to: carolyn.jussaume@verizonwireless.com at 2017-01-09 10:00:19.32	N
300276	AT&T Mobility National Accounts	BID_AVAILABLE Emailed to: tl788f@att.com at 2017-01-09 10:00:19.16	N
4494	Merimack Education Center DBA Addition Networks	BID_AVAILABLE Emailed to: contracts@additionnetworks.net at 2017-01-09 10:00:19.32	N



## Bidder's Conference Pre-Registration

Vendor Name	Vendor Address	Registration Date	Firm Representative (s)
FRONTIER	310 Orange Street New Haven, CT 06510. <a href="mailto:Michael.cicchetti@fr.com">Michael.cicchetti@fr.com</a>	1/11/2017	Michael Cicchetti
OCKERS	830 W Chestnut St, Brockton, MA 02304. <a href="mailto:dmitchell@ockers.com">dmitchell@ockers.com</a> <a href="mailto:jihousers@ockers.com">jihousers@ockers.com</a>	1/09/2017	Dave Mitchell Jay Houser
MATRIX	11 Melanie Lane, Suite 14 East Hanover, New Jersey 07936. <a href="mailto:clynch@matrixdg.com">clynch@matrixdg.com</a>	1/12/2017	Chris Lynch



**Willie Morales, CPO**

**Town Administrator**



**TOWN OF SANDISFIELD**  
**OFFICE OF THE TOWN ADMINISTRATOR**  
[sandisfieldtownadm@verizon.net](mailto:sandisfieldtownadm@verizon.net)

January 26<sup>th</sup>, 2017

**RE: Pre-Bidder's Conference Questions and Answers**

Dear Bidder Conference Registrant,

You are receiving this communication because you registered to attend a pre-bidder's conference on 01/17/2017 at 2:00 PM EST. At the pre-bidder's conference information was provided regarding the overall procurement process. All registered bidders asked questions that were reviewed by representatives that comprise the four town broadband working groups from each respective town. Enclosed in this email you will find the answers to the questions asked by all pre-bidder's conference registrants. Additionally, all bidder questions and the corresponding answers will be available on the Operational Services Division for Commonwealth of Massachusetts procurement website COMMBUYS as of 01/26/2017 Noon EST.

Please be advised that the RFP for this project is registered with the Commonwealth of Massachusetts Central Register.

The submittal deadline for the RFP is 02/06/2017 at 2:00 PM EST, all submissions should be sent to:

**Town of Sandisfield**  
**Attn: Willie Morales**  
**66 Sandisfield Rd.**  
**PO Box 90**  
**Sandisfield, MA 01255**

We thank you for your interest in the Joint Municipal Light Plant (MLP) Request for Proposal (RFP) of High Bandwidth Internet Services Procurement for the town(s) Monterey, New Marlboro, Sandisfield, and Tolland.

Best Regards,

Willie Morales, M.P.P

P | 413-429-8398  
F | 413-258-4225



**TOWN OF SANDISFIELD**  
**OFFICE OF THE TOWN ADMINISTRATOR**  
[sandisfieldtownadm@verizon.net](mailto:sandisfieldtownadm@verizon.net)

January 26<sup>th</sup>, 2017

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Best Regards,

  
Willie Morales, M.P.P

P | 413-429-8398

F | 413-258-4225



**RESPONSES TO QUESTIONS FROM PRE-BID CONFERENCE  
4-TOWN RFP FOR BROADBAND SERVICES  
SANDISFIELD, MONTEREY, TOLLAND & NEW MARLBOROUGH**

1.

**Question:** The lowest tier in the RFP is listed as at least 50 MB download. Is 50 MB the lowest or can it go lower? Do we want lower services as basic?

**Answer:** Per RFP Section 3.3, the lowest tier of broadband Internet service offered must be capable of supporting a connection bandwidth no less than 25 megabits per second (Mbps) for downstream data transfer, and no less than 3 Mbps for upstream data transfer. It is highly desirable for the lowest tier of broadband service offered to be capable of supporting a network connection bandwidth of at least 50 Mbps for downstream data transfers. Symmetric data transfer is not required, but highly desirable. For all tiers of broadband Internet service offered, the upstream connection bandwidth must be no less than 20% of the downstream connection bandwidth.

Also per RFP Section 3.3, the Towns do not require a tier of basic Internet service that does not meet the minimum requirements for broadband service (25/3 Mbps). However, a proposal that also offers subscribers basic Internet service options (not broadband) will be considered to be advantageous in the selection process.

**Note to all interested Vendors:** As used in the RFP, the term "bandwidth" refers to the sustained downstream or upstream data transfer rate supported for a given level of Internet service, not a peak (up to) transfer rate.

2.

**Question:** Can a bidder respond to individual towns or must they respond to all towns?

**Answer:** Per RFP Sections 2.2, 3.1, and 5.0, The MLPs for Monterey, Sandisfield, and Tolland jointly seek a telecommunications Vendor who can provide a complete 4-Town regional solution for meeting the need and primary goal of achieving high bandwidth Internet access for residents and businesses in the Towns.

3.

**Question:** Can a bidder respond to each town individually?

**Answer:** Per RFP Sections 2.2, 3.1, and 5.0, The MLPs for Monterey, Sandisfield, and Tolland jointly seek a telecommunications Vendor who can provide a complete 4-Town regional solution for meeting the need and primary goal of achieving high bandwidth Internet access for residents and businesses in the Towns. Per Section RFP Section 6.0, the proposing Vendor must complete and submit the Price Proposal Form for each Town MLP included as Exhibit C.1-C.3 to the RFP.

4.

**Question:** Is the 3-year timeline a global timeline or is there an individual timeline per town?

**Answer:** Per RFP Sections 2.2, 3.1, and 5.0, The MLPs for Monterey, Sandisfield, and Tolland jointly seek a telecommunications Vendor who can provide a complete 4-Town regional solution for meeting the need and primary goal of achieving high bandwidth Internet access for residents and businesses in the Towns. Therefore, the requirements specified in RFP Section 5.2.2.1 (Commencement of Service) apply to the region, not individual Towns. A proposing Vendor must be able to provide broadband Internet service to all subscribers within the multi-town region within two to three years from contract date. Activation of service can be incremental as the regional network is constructed.

5.

**Question:** Request for a description of each community's challenging areas (per RFP Section 5.3.5)

**Answer:** The following is a description of the challenging areas for Sandisfield and Tolland. It has been determined that there are no specific challenging areas in New Marlborough or Monterey.

**Sandisfield:** Otis Wood Lands is a private community located off of Route 8 in Otis Massachusetts. One hundred forty eight Sandisfield homes are located in the Wood Lands (please see attached



maps). The community has private roads and underground utilities that are direct bury, and a bylaw that prohibits utility poles. Sandisfield is seeking two prices from the successful bidder: 1) For the provision of broadband services throughout the town of Sandisfield, excluding the homes in Otis Woodlands; and 2) For the provision of services throughout the town of Sandisfield, including the ~148 Wood Lands residences. For the price that includes the provision of broadband services to each of the Wood Lands residences located in Sandisfield, the bidder's price needs to include all factors that contribute to the differential in cost to bring fiber to each residence (e.g. microtrenching to bury all fiber). Sandisfield needs to understand this differential cost in order to develop a solution collaboratively with the successful bidder, the town of Otis and the Wood Lands community residents.

**Tolland:**

**East Otis Road** – A public road with a gap of .7 miles with no utility poles between 956 and 1266 East Otis road. This gap needs to be filled in to connect fiber to 1 residence on East Otis Road, Camp Timber Trails Girl Scout Camp on East Otis road (multiple buildings possible) and 1 residence out on Belden Road. There are no bylaw restrictions.

**North Tolland (multiple streets)** – Utilities are currently fed into this area from Route 23 (from Otis) on the north side. There are big gaps of utility poles that are missing to link the main corridor of Tolland (Route 57) on the south side of the area. All roads in this area are private. The worst-case pole gap is approximately 4 miles. There are approximately 100 homes on 5 roads in this area of town. There are no bylaw restrictions.

**Belden Road** – Only one home is located within the Tolland town boundary on this public road. Utilities for this area are currently fed from Otis, not Tolland. There are 17 utility poles down the driveway for this home. There are no bylaw restrictions.

**Route 8** – 3 homes are physically located within the town boundary for Tolland, but the driveways for these homes all hit Route 8 in Sandisfield. The distance to the north home from Route 8/57 intersection is .9 miles, distance to south home from Route 8/57 intersection is 1.5 miles, distance to east home from Route 8/57 intersection is .2 miles. Utilities for these 3 homes are currently fed from Route 8 in Sandisfield. There are no bylaw restrictions.

6.

**Question:** For community challenging areas identified in RFP Section 5.3.5, are there restrictions on construction re: above vs. below ground?

**Answer:** The only restriction known to us is in Otis Wood Lands. Please see question 5.

7.

**Question:** Will New Marlborough be part of this RFP?

**Answer:** Yes. On Tuesday January 24, 2017 the New Marlborough Board of Selectmen voted to have the town participate in the 4-town regional MLP procurement of broadband services.

8.

**Question:** Are Partnerships and sub-contractors acceptable?

**Answer:** Yes per RFP Sections 4.0 and 5.3.1.

9.

**Question:** Does the RFP include every homestead or selected homes?

**Answer:** Per RFP Section 3.1, the Town MLPs jointly seek a telecommunications vendor who can provide a complete regional solution for meeting the need and goal of achieving high bandwidth Internet access for all residents and businesses in the Towns. Provision of this service will require that the Vendor provide connection to their network for all premises. Within the RFP "subscriber" refers to each household/living unit and business that consents to a network connection on its property. Per RFP Section 5.2.2.2 (connection coverage), a proposing Vendor must provide Internet service to all



subscribers located on public and private roads in the Towns, to the extent such subscribers are currently connected to existing utility poles or via underground conduit, with space available for additional cables.

10.

**Question:** Will residents use broadband services?

**Answer:** Yes. We are confident that residents of our four towns will use broadband services. The price structure and the option for Triple Play will impact the overall take rate.

11.

**Question:** In Otis Woodlands is each home 1 entity toward the 96%?

**Answer:** Per RFP Section 3.2.2, the premise count estimate for the town of Sandisfield is 677. Each household in the Otis Wood Lands community located within the Sandisfield town boundaries, constitutes 1 Sandisfield premise.



## Register of RFP Respondents

Vendor Name	Vendor Address	Date and Time 02/23/2017, 2 PM EST.	Vendor Request If Any
Matrix	11 Melanie LN, Suite 14, East Hanover NJ 07936	12:26 PM	Private Review of Financials
Frontier	310 Orange Street, New Haven CT 06510	12:49 PM	None
Westfield Gas & Electric	PO BOX 990, Westfield MA 01086	1:09 PM	None

Willie Morales, CPO  
 Town Administrator  
 Sandisfield


Mari Enoch, Witness  
 Town Administrator  
 New Marlborough



## Responder's Register of Respondents

Vendor Name	Vendor Address	Date and Time 02/23/2017, 2 PM EST.	Vendor Request If Any
Matrix	11 melanie LN, Suite 14, East Hanover N.J. 07936	12:26 pm	private financial
Frontier	310 Orange Street, New Haven Ct 06510	12:49 pm	None
Westfield Gas & Electric	P.O. Box 990, Westfield MA 01086	1:09 pm	None

  
**Willie Morales, CPO**  
**Town Administrator**  
**Sandisfield**

  
**Mari Enoch, Witness**  
**Town Administrator**  
**New Marlborough**



**TOWN OF SANDISFIELD**  
**OFFICE OF THE TOWN ADMINISTRATOR**  
sandisfieldtownadm@verizon.net

March 1<sup>st</sup>, 2017

**RE: Designation of Evaluation Committee**

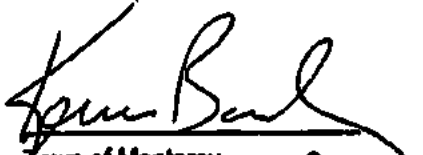

**To Whom It May Concern:**


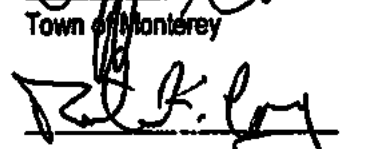
In accordance with M.G.L. Ch. 30B § 6 (D)(E), I am designating representatives from each town's corresponding MLP board, for the purposes of the evaluation of proposals on the basis of criteria other than price. The towns which have decided to move forward with this procurement, have identified two individuals whose institutional and technical Knowledge is most apt for the review of received RFP's.

The Town of Monterey has identified; Mr. Kenneth Basler and Mr. Clifford Weiss; Town of New Marlborough has identified; Mr. Nathaniel Yohalem and Mr. Richard Long, the Town of Sandisfield has identified; Ms. Alice Boyd and Mr. Jeff Bye, the Town of Tolland has identified; Mr. Kevin Donovan and Mr. Danny Duval. I am hereby designating the individuals listed above to assist me in the evaluation of non-priced proposals.

Sincerely,

  
Willie Morales, M.P.P.  
Chief Procurement Officer

  
Town of Monterey  
  
Town of New Marlborough

  
Town of Monterey  
  
Town of New Marlborough

  
Town of Sandisfield

  
Town of Sandisfield

  
Town of Tolland

  
Town of Tolland





Response for

Monterey, Sandisfield Tolland and  
New Marlborough Massachusetts  
Joint Municipal (NLP) Request for  
Proposal High Bandwidth Internet  
Services Procurement





February 23, 2017

Procurement Officer and Submittal address:

Mr. Willie Morales, Town Administrator  
Sandisfield Town Hall Annex  
66 Sandisfield Road, PO Box 90  
Sandisfield, MA 01255

Re: High Bandwidth Internet Service Procurement RFP

Dear Ms. Morales,

On behalf of Frontier Communications, thank you for giving us the opportunity to propose Frontier's solution for the Joint MLP RFP from the towns of Monterey, Sandisfield, Tolland and New Marlborough (collectively, the "Towns") for High Bandwidth Internet Services Procurement. Frontier commits to being the conscientious and dedicated partner that can deliver the solutions and changes the Towns seek going forward, ensuring you a secure and profitable future.

With Frontier, you can consolidate your communications with one provider, giving you advantages such as:

- **One Company** for any issues impacting your network services. This will prevent the Towns from having to deal with multiple vendors for upgrading or troubleshooting.
- **Direct Access** to dedicated account management, engineering, and billing resources. This means dealing with people who know Customer, your network, and you.
- **Leading Edge, Reliable Services** backed by Frontier technicians and around-the-clock network monitoring.

It is our expectation that the information provided in this response is proprietary. (This proposal requires the successful contract completion with all four towns and Frontier.)

The reliability and security of the network Frontier proposes for the Towns is our first priority. Your account team includes experienced engineers and technicians, and we are available to serve you before, during and after installation. Should you have any questions or would like additional information, please do not hesitate to contact me.

Sincerely,



Kevin Smith  
Vice President, Business Development  
137 Harrison Street  
Gloversville, NY 12078-4815  
Office: (518) 773-3737  
Email: [Kevin.R.Smith@ftr.com](mailto:Kevin.R.Smith@ftr.com)



**Frontier Response for  
Monterey, Sandisfield, Tolland and  
New Marlborough, Massachusetts  
Joint Municipal (NLP) Request for Proposal  
High Bandwidth Internet Services Procurement**



## **5.1 Minimum Qualification Requirements**

**5.1.1 Evidence of business history and experience.** The proposing Vendor must provide a brief history of the firm, noting its evolution of telecommunication services, and in particular broadband services. Further, a concise statement of its current business strategy must be provided. A proposal must include history of completing projects to provide Internet service similar to that required here. The Town MLPs require that a proposing Vendor be authorized to conduct relevant business in Massachusetts and the Towns. However, Vendors not currently authorized may respond. Vendors not currently authorized will need to provide details for the process and schedule for obtaining the required authorization.

### **Frontier Response:**

Frontier Communications Corporation provides regulated and unregulated voice, data, and video services to residential, business, and wholesale customers in the United States. The company offers residential services, such as fiber-to-the-home and fiber-to-the-node broadband, as well as traditional copper-based broadband products; and commercial services, including Ethernet, dedicated Internet, multiprotocol label switching, time division multiplexing, data transport services, and optical transport services. It also provides Frontier Secure suite of products for computer security, cloud backup and sharing, identity protection, equipment insurance, and technical support; unified messaging services comprising call forwarding, conference calling, caller identification, voicemail, and call waiting services; long distance network services; and packages of communications services. In addition, the company offers switched access services that facilitate other carriers to use the company's facilities to originate and terminate their local and long distance voice traffic; satellite TV video services; and a range of third-party communications equipment to small, medium, and enterprise business customers.

Frontier Communications Corporation began in 1935 as Citizens Utilities Company, an entity formed from several small providers of diversified utility services. In 1992, a representative year, 2,300 employees provided telephone, electric power, natural gas, water and wastewater treatment to approximately 800,000 customers in 13 states. As the company became increasingly invested in telecommunications, in the 1990s it began to divest its utility operations to focus on communications. Following a series of transformative acquisitions, as of June 30, 2016, the company – renamed Frontier Communications in 2008 – had approximately 30,000 employees serving 5.2 million residential customers, 528,000 business customers, 4.5 million broadband subscribers and 1.6 million video subscribers in 29 states. Included in Frontier's customer count are approximately 1.2 million Fiber-To-The-Premises (FTTP) customers. In 2010, through an acquisition of certain Verizon markets, Frontier gained significant experience in operating FTTP markets in Oregon, Washington, Indiana and South Carolina. Since that time the company has expanded its FTTP presence in certain additional markets, most recently in Connecticut, Florida, Texas and California.



Frontier Communications is a Fortune 500, S&P 500 Index Company focused on increasing broadband availability and services, enhancing video capabilities, and improving products and services for residential, business and commercial customers.

**5.1.2 Evidence of financial resources.** The Town MLPs expect a proposing Vendor to finance the full capital cost of make-ready, design, commissioning, and provisioning of the network required for providing high bandwidth Internet access and services in each Town. Further, the proposing Vendor must offer credible evidence of its ability to finance the project. If the proposing Vendor is a privately held corporation, it may enclose its audited financial statements in a sealed envelope marked "Proprietary and Confidential." The Town MLPs will, subject to the requirements of the Massachusetts Public Records Law, hold confidential records submitted in such an envelope so marked until completion of evaluations and as otherwise permitted by law.

**Frontier Response:**

Frontier has included the following auditor statement, along with our consolidated balance sheet and income statement.

**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Stockholders

Frontier Communications Corporation:

We have audited the accompanying consolidated balance sheets of Frontier Communications Corporation and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income (loss), equity and cash flows for each of the years in the three-year period ended December 31, 2015. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Frontier Communications Corporation and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.



We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Frontier Communications Corporation and subsidiaries internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 25, 2016 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Stamford, Connecticut  
February 25, 2016

*In a continuing effort to “go green”, a full year income statement and consolidated balance sheet, as of the end of calendar year 2015, have been included as a reference to Frontier's financial health. Frontier publishes its financial information at the following website: <http://investor.frontier.com>*



## Frontier Communications Corporation Consolidated Financial Data

*(\$ in millions and shares in thousands, except per share)*

	For the quarter ended			For the year ended	
	December 31, 2015	September 30, 2015	December 31, 2014	2015	2014
<b>Statement of Operations Data</b>					
Revenue	\$ 1,413	\$ 1,424	\$ 1,330	\$ 5,576	\$ 4,772
Operating expenses:					
Network access expenses	165	159	144	640	465
Network related expenses <sup>(1)</sup>	318	331	320	1,287	1,118
Selling, general and administrative expenses <sup>(2)</sup>	343	344	300	1,348	1,088
Depreciation and amortization	319	325	323	1,320	1,139
Acquisition and integration costs <sup>(3)</sup>	86	58	70	236	142
Total operating expenses	1,231	1,217	1,157	4,831	3,952
Operating income	182	207	173	745	820
Investment and other income, net	4	1	13	7	39
Interest expense	342	346	188	1,113	696
Income (loss) before income taxes	(176)	(38)	(2)	(361)	163
Income tax expense (benefit)	(73)	(24)	(16)	(165)	30
Net income (loss) <sup>(4)</sup>	(103)	(14)	14	(196)	133
Less: Dividends on preferred stock	53	67	-	120	-
Net income (loss) attributable to Frontier common shareholders	\$ (156)	\$ (81)	\$ 14	\$ (316)	\$ 133
Weighted average shares outstanding - basic	1,161,148	1,161,207	994,541	1,084,606	994,418
Basic net income (loss) per common share <sup>(5)</sup>	\$ (0.14)	\$ (0.07)	\$ 0.01	\$ (0.29)	\$ 0.13
Non-GAAP adjusted basic net income per common share <sup>(6)(7)</sup>	\$ 0.05	\$ 0.03	\$ 0.04	\$ 0.13	\$ 0.18
<b>Other Financial Data</b>					
Capital expenditures - Operations	\$ 185	\$ 177	\$ 159	\$ 710	\$ 572
Capital expenditures - Integration activities	52	63	34	153	116
Operating cash flow, as adjusted <sup>(8)</sup>	600	588	569	2,313	2,085
Free cash flow, as adjusted <sup>(9)</sup>	243	229	193	969	793
Free cash flow <sup>(9)</sup>	12	151	193	560	793
Dividends paid - Common Stock	123	122	100	456	401
Dividends paid - Preferred Stock	53	67	-	120	-
Dividend payout ratio <sup>(9)</sup>	1146%	81%	52%	83%	51%
Dividend payout ratio, as adjusted <sup>(9)</sup>	43%	46%	52%	49%	51%



**Frontier Communications Corporation**  
**Condensed Consolidated Balance Sheet Data**

*(\$ in millions)*

	December 31, 2015	December 31, 2014
<b><u>ASSETS</u></b>		
Current assets:		
Cash and cash equivalents	\$ 936	\$ 682
Accounts receivable, net	571	614
Restricted cash	8,444	-
Other current assets	180	119
Total current assets	10,131	1,415
Property, plant and equipment, net	8,493	8,566
Other assets - principally goodwill	8,460	8,829
Total assets	<u>\$ 27,084</u>	<u>\$ 18,810</u>
<b><u>LIABILITIES AND EQUITY</u></b>		
Current liabilities:		
Long-term debt due within one year	\$ 384	\$ 298
Accounts payable and other current liabilities	1,509	1,214
Total current liabilities	1,893	1,512
Deferred income taxes and other liabilities	4,069	4,247
Long-term debt	15,508	9,393
Equity	5,614	3,658
Total liabilities and equity	<u>\$ 27,084</u>	<u>\$ 18,810</u>



**5.1.3 Description and size of broadband Internet service customer base.** The proposing Vendor must provide evidence of currently providing high-bandwidth Internet services to rural communities similar to the Towns involved in this procurement. In the case where the Vendor does not currently provide Internet access and service to at least 1,000 subscribers in rural communities, the Vendor must provide detail on existing contracts and provide a plan showing their ability to deploy (funding, resources and organization) and support a multi-town broadband Internet service.

**Frontier Response:**

Frontier Communications is a leader in providing communications services to urban, suburban and rural communities in 29 states. We serve a diverse portfolio of customer segments – residential, business and wholesale – in urban, suburban and rural markets.

Regardless of size and location, what all of our markets have in common is Frontier – a premier communications provider with a robust network, quality service and product offerings that optimize the customer experience.

Frontier serves over 1.2 million fiber to the premises subscribers nationwide. Within the neighboring state of Connecticut, Frontier has 7,767 households that currently can receive broadband services meeting and exceeding the stated minimum requirements for a FTTH/Gigabit Passive Optical Network (GPON) buildout. Frontier currently has ongoing construction projects to reach approximately 3,500 additional Connecticut households, and engineering is complete covering an additional 17,745 households, and is underway to reach 8,962 more Connecticut households.

**5.1.4 Proposal addresses the complete service area identified in RFP Section 3.2.** The Towns of Monterey, Sandisfield, and Tolland require high bandwidth connection to the Internet, referred to as broadband, for all households/living units and businesses within the geographic boundaries of the Towns.

**Frontier Response:**

Frontier proposes to build a FTTP network capable of connecting to and providing high bandwidth internet services to each of the businesses and homes within the towns of Monterey, Sandisfield, Tolland and New Marlborough, with the understanding that Frontier will agree to enter discussions with the Towns to determine the best and most cost effective method to reach the residences in the Special Areas described in Section 5.3.5. This will be accomplished using the network architecture and design/engineering approach described more fully in our response to item 5.3.4, Regional Network Design, later in this Proposal.



**5.1.5 Proposal includes all forms, certifications, and information required by this RFP, including information (whether or not expressly requested) that is referenced in Section 5.2 below, as being necessary for a full and proper evaluation of proposals pursuant to the Comparative Criteria set forth in that section.**

**Frontier Response:**

Frontier believes its Proposal is responsive and has the necessary information required by the RFP possible with current information and enables the Towns to complete a full and proper evaluation of the proposal and Frontier's qualifications.



## 5.2 Comparative Criteria

### 5.2.1 Internet Service Performance Requirements

**5.2.1.1 Service Tiers.** The proposing Vendor must provide a description of the tiers of Internet service that will be available to subscribers to choose from, for both downstream and upstream services per the requirements provided in Section 3.3.

**Frontier Response:**

Frontier will build a FTTP network that provides the same customer service profiles as in Connecticut. Currently the maximum speed profile offered to FTTP customers in Connecticut is 1 Gbps download and 100 Mbps upload. Additional symmetrical service profiles of 30Mb, 50Mb and 100Mb are also available. A base level service of 12 Mbps download and 2 Mbps upload will also be offered.

**5.2.1.2 Service Bandwidth.** Proposing Vendor must provide evidence of being able to provide high-bandwidth Internet service to the consumer. The preferred method for providing such evidence is via recent results from an independent study that measures broadband service performance as delivered by an Internet service provider to the consumer, such as the Federal Communication Commission's (FCC) Measuring Broadband America Program. Vendor's actual connection bandwidths for all levels of broadband service offered must be shown to be greater than 80% of the advertised bandwidths across all time periods.

**Frontier Response:**

Frontier's proposed FTTP network architecture is the same as currently in place in Connecticut. As FTTP service over that architecture has only been delivered in Connecticut commercially for less than one year, no independent study has yet been conducted that would assess the performance of that network. The FCC's Measuring Broadband America Program study only references copper based-ADSL services, capping at 6MB down for Frontier. There are multiple governmental and private organizations that study the reliability of FTTH solutions. Generally they recognize that FTTH solutions deliver 99.9% reliability.

*Other evidence?  
Internal metrics?*

**5.2.1.3 Customer Satisfaction.** Proposing Vendor must provide evidence of being able to satisfy its existing broadband Internet service customers with respect to service performance, service options available, subscriber billing, service pricing, maintenance and emergency response, and service problem handling. The preferred method for providing such evidence is via independent survey results, such as the report released by the American Customer Satisfaction Index that measures the level of national cross-industry customer satisfaction for products and



services. Vendor's current level of customer satisfaction for all levels of broadband service offered must be shown to be greater than 70%.

**Frontier Response:**

*Other evidence?* The American Customer Satisfaction Index report does not reflect Frontier's FTTH product, so we cannot provide a direct response.

**5.2.1.4 Service Availability.** Proposing Vendor must provide evidence of being able to provide broadband Internet service that is highly available. Within this proposal request "availability" refers to the proportion of time broadband Internet access and services (per performance requirements specified in Section 3.3) are expected to be provided to all subscribers. Evidence for availability can be measured for existing broadband Internet customers, or calculated based on the Vendor's proposed network design. Network design features that will drive service availability are network component reliability, component and system-level redundancy, backup power generation, etc. Within this proposal request the term "downtime" refers to periods of time when Internet access and service is unavailable to subscribers, exclusive of periods of time required for the Vendor to perform scheduled maintenance.

**Frontier Response:**

*Internal evidence?* There are multiple governmental and private organizations that study the reliability of FTTH solutions. Generally they recognize that FTTH solutions deliver 99.9% reliability.

**5.2.2 Service Connection Requirements**

**5.2.2.1 Commencement of Service.** Proposing Vendor must be able to provide broadband Internet service to all subscribers within two to three years from contract date.

**Frontier Response:**

Frontier's proposed architecture and network build plan will provide the ability to connect every home and business in the Towns to the network. The timeline for the work involved to provide that connectivity is within three years, but is wholly dependent upon make-ready work required of National Grid and/or Verizon to allow Frontier to attach to existing or new poles and the execution of a contract with each of the Towns.

As part of the architecture and build plan Frontier will be a third party attacher to the poles within the Towns and will provide an application to attach to poles as needed with both National Grid and Verizon to place Frontier facilities throughout the town. It is Frontier's opinion that overall Make Ready work will be limited based on the existing pole line generally having minimal attachments. In addition, Frontier is prepared to offer to place its own guying and anchors to



accelerate the process and timeline. However, the timeline for construction of the network to provide broadband Internet service to individual homes and businesses would not begin until such time as the required make-ready work from National Grid and/or Verizon is completed for a PON Serving Area (PSA) and all four contracts between the Towns and Frontier are executed.

At such time, Frontier will commence with the placement of fiber feeder cables from both our Connecticut offices to the proposed centrally located Optical Line Terminal (OLT) cabinet(s). The OLT will be designed with a diverse path for reliability and will be pad mounted on an easement area safely away from potential hazards. Where feasible, Frontier will also consider the use of available MBI fiber for any of the feeder requirements.

Following placement of the OLT, fiber will be placed from the OLT location to each of the PSAs equipped with a Fiber Distribution Hubs (FDH). Each FDH will provide service to between 144 - 288 homes. All FDH cabinets will be fully equipped with 32:1 fiber splitters at the onset.

Lastly, Frontier will place new strand, fiber distribution cable and terminals to serve from 1 to 24 homes from each terminal. Frontier will also plan for future growth by adding fiber slack coils strategically throughout the network. It is Frontier's intent to build and enable one to two serving areas at a time until all areas are completed and ready for service. It is anticipated that most serving areas will come on-line in the second and third years of construction, with the first year of construction focused on placement of feeder facilities and electronics.

**5.2.2.2 Connection Coverage Area (Existing Premises).** Proposing Vendor must provide Internet service to all subscribers located on public and private roads in the Towns, to the extent such subscribers are currently connected to existing utility poles or via underground conduit, with space available for additional cables.

**Frontier Response:**

Frontier commits to connect to all Participating Units, including those on private roads and driveways, to the extent such Units are currently connected to existing poles or space-available conduit with a linear connection allowance of up to 500 feet per Premise.

For private roads or driveways with existing poles or space-available conduit in excess of 500 feet, the following charges would apply:

- Accessible aerial path: \$1 per foot over 500 feet
- Inaccessible aerial path: \$1.50 per foot over 500 feet
- Underground conduit path: \$1 per foot over 500 feet

**5.2.2.3 Subscriber Equipment.** Proposing Vendor must provide a plan, including equipment and cost to subscribers, if any, for initial installation of on-premises equipment (e.g. network terminal units, modems, routers, uninterruptible power supply, etc.)



**Frontier Response:**

Installation of services to be provided by Frontier will be scheduled with customers in advance via appointment agreed to between Frontier and the subscriber. Frontier will balance the installation load to ensure multiple new subscribers can be installed each day. In a post start-up environment, Frontier strives to offer installation dates within five days of the customer placing an order. Installation dates will be Monday through Saturday, holidays excluded.

Included in a typical fiber-to-the-premises (FTTP) installation are the following:

- Connection of the premises to the network via a fiber drop cable
- Installation of an Optical Network Terminal (ONT) at the customer premises which will receive the optical signal and convert it to an electrical signal for further distribution within the premises
- Installation of a Residential Gateway (RG) or Modem that will provide internet connectivity and a Wi-Fi signal. Specific RG or Modem models may differ based upon on the purchased services (e.g. voice/broadband/video triple play versus broadband only)
- Installation of additional customer premises equipment (CPE) determined by the specific video and/or internet service configuration ordered purchased:
  - a digital video recorder (DVR) which also serves as a wired-connection set-top box (STB)
  - additional video set-top boxes, as requested by the subscriber; wireless STBs will be the Frontier preferred installation option
  - Wi-Fi range extenders or access points
- Required wiring to connect the ONT, the RG/Modem and wiring where needed to connect additional video CPE
- Full testing of all components installed
- Customer education on use of the services purchased and installed.

All equipment installed (with the exception of any backup battery equipment) will remain the property of Frontier. Each installation will be performed by qualified technicians. It is Frontier's intent to use Connecticut-based employee technicians to complete installations. This is dependent, however, on resolution of any labor or legal issues preventing use of these employees, and Frontier reserves the right to conduct installations with similarly-qualified contractors if needed.

Frontier will waive the current standard installation charge of \$149 per premises if the customer consents to Frontier connecting service within 90 days of the service becoming available.

Should service to specific premises require special premises wiring additional charges may apply. Please see Frontier's response to Section 5.2.2.2 regarding charges for private roads or driveways in excess of 500 feet.



Frontier may choose, from time to time, to waive the installation charge as part of promotional offerings.

Set-top boxes provided as part of Frontier's video service will be a charged monthly recurring fee per box.

**5.2.2.4 Service for Future Premises.** Proposing Vendor must provide a plan for addressing how broadband service will be provided to new premises after the network construction has been completed. The plan shall include the material terms, conditions, and costs that will apply, as well as who will be responsible for future costs.

**Frontier Response:**

After the first ninety days of the service being available, Frontier will connect new premises where fiber already exists at our standard installation charge of \$149 per premises. For new premises located outside the fiber network, Frontier will work with the Town to determine the most efficient and economical way to reach these new premises.

Upon notice of new home construction, Frontier engineers will coordinate with the developer or home owner as needed to place any additional cable or terminals required to extend the network to serve those locations. For new developments or subdivisions it is the responsibility of the developer to provide the conduit path required to serve each of the new homes. In such cases, no additional charges would apply for placement of Frontier's cabling and terminal.

**5.2.3 Business Terms/Plan**

**5.2.3.1 Service Options and Rates.** Proposing Vendor must provide a comprehensive description of its business proposition for each Town and its subscribers, including all offered service options and the associated rates (cost) for each service. The Vendor must provide broadband Internet service. Other services, such as high definition telephone service, high definition television channel package service, and basic Internet are not required, but are considered by the Town MLPs to be highly desirable. The Vendor shall provide a complete description of the television packages available to subscribers if applicable.

**Frontier Response:**

Upon initiation of service to homes and businesses in the Towns, Frontier will establish definitive pricing for its service offerings beyond the base level service described in Section 5.2.2.1. The pricing will be similar to pricing that is offered to Frontier's FTTP customers in Connecticut. For way of example, the current pricing for Connecticut FTTP customers is attached as Exhibit D. This pricing is not reflective of the actual pricing that will be offered to customers located in the Towns.

Frontier will also offer VOIP services and, upon receiving the necessary approvals, TV service.



In addition, Town customers will be entitled to a credit if they subscribe to HSI speeds higher than the base level service speed described in Section 5.2.2.1. The credit will reflect the current monthly payment amount per Participating Unit the Town is remitting to Frontier. The credit is for upgraded HSI only, and will not apply to TV or VOIP services.

**5.2.3.2 Value Enhancements.** Proposing Vendor shall identify and specify any service value enhancements it plans to offer the Towns, such as a minimal fee or no fee for basic Internet service for all subscribers, and free or discounted broadband Internet service fees for Town institutions (Town Hall, Schools, Library, Fire Station, etc.).

**Frontier Response:**

Frontier proposes that all Participating units, upon consenting to allow Frontier to connect to their premises, will enjoy a no fee basic Internet service of 12Mbps download/2Mbps upload. This same offer would apply to existing Town institutions.

**5.3 Other Proposal Content**

**5.3.1 Subcontractors.** If any part of the Scope of Vendor Service is to be provided or completed by a Sub-Vendor or Subcontractor, the proposing Vendor must provide a complete description of the services to be so performed along with a full description of the qualifications and capabilities of the Sub-Vendor or Subcontractor. As part of the contract award for services, the Town MLPs reserve the right to approve or disapprove any and all such Sub-Vendors or Subcontractors.

**Frontier Response:**

Frontier intends to build its' network in the Towns, and install and service subscribers, using employees. However, in the event that Frontier determines contractor resources to be necessary, Frontier can notify the Town and will respond to any questions or concerns expressed by the Town. The timeliness or the response could affect the services availability.

**5.3.2 Contact Information.** Proposing Vendor must provide contact information for all similar contracts with a town for broadband Internet service completed in the last two years in the Northeast.



**Frontier Response:**

Kevin Smith  
Vice President, Business Development  
(518) 773-3737  
Kevin.R.Smith@ftr.com  
137 Harrison Street  
Gloversville, NY 12078-4815

**5.3.3 Vendor Policies.** Proposing Vendor must disclose company policies as respects the following:

**5.3.3.1 Net Neutrality.** The Town MLPs require the selected Vendor to adhere to the principle of Net Neutrality whereby access is available to all content and applications regardless of the source, and without blocking particular products, content, or websites. To that end, describe your network management or non-discrimination policy as regards to (a) types (network protocols) of traffic, (b) sources or destinations of traffic (including Vendor's own), and (c) traffic content.

**Frontier Response:**

Frontier will comply with all applicable federal and state laws regarding net neutrality. **5.3.3.2**

**Subscriber Privacy.** The Town MLPs require the selected Vendor to maintain the privacy of all subscribers, and not track, publish, or share information related to the content accessed by individual or groups of subscribers. To that end, describe what monitoring and statistics you maintain regarding network traffic. Include in the description what customer specific information is logged and how long those logs are retained.

**Frontier Response:**

Please see attached Exhibit E: Frontier Privacy Policy.

**5.3.3.3 Network Management.** Describe in detail your network management in regards to bandwidth and capacity planning with a particular focus on bandwidth between a Town's users and the Internet. If you are providing diverse Internet circuits/gateways, address capacity planning for each circuit as appropriate.

**Frontier Response:**

Please see attached Exhibit F: Frontier Network Management Policy.



**5.3.3.4 Equipment Monitoring.** Describe in detail your monitoring of Customer Premises Equipment and customer usage.

**Frontier Response:**

Frontier's Network Planning and Management teams monitor customer usage at the Optical Line Terminal (OLT) port level, not at the customer premise. The OLTs are port-monitored 24/7 by our Network Operations Center (NOC).

**5.3.3.5 Service Limitations.** Describe in detail any limitations on the use of the service that will be applied to customer usage.

**Frontier Response:**

Please see attached Exhibits G1 and G2: Frontier Commercial Internet and Residential Internet Acceptable Use Policies.

**5.3.3.6 Service Abuse.** Describe in detail what would constitute abuse of the network or network service, and what steps would be taken regarding an abuser.

**Frontier Response:**

Please see attached Exhibit G1 and G2: Frontier Commercial Internet and Residential Internet Acceptable Use Policies; and Exhibit H: Residential Internet Service Agreement Terms and Conditions.

**5.3.3.7 Service Modifications.** Describe in detail processes for requesting new or modifications to services (e.g. cancellation, temporary and/or seasonal stoppage, etc.).

**Frontier Response:**

New service or modifications to services can be requested on-line or through our 24 hour customer call center.

**5.3.3.8 Operational Cost Efficiencies.** Describe in detail plans and processes that minimize operational cost increases to subscribers (e.g. minimization of truck rolls and other high cost support services via the use of local resources and sub-contractors). The Town MLPs will view a network self-service portal designed to reduce resources at a service call center as highly desirable.

**Frontier Response:**



As a national provider of both residential and business telecommunications services, Frontier competes in a highly competitive environment. Subscribers in the Towns will benefit from this competition and will enjoy more efficient service and pricing based on the economies of scale that will be realized using a national company. Frontier performs some trouble testing remotely and through this testing determines if a truck roll is necessary.

**5.3.4 Regional Network Design.** The Town MLPs desire to gain insight into the design of high bandwidth networks the Vendor typically constructs to provide customers with broadband Internet services. In support of this desire the proposing Vendor must provide a description of the proposed regional network design it will plan to construct to provide customers in each Town with required services listed in Sections 5.2.1-5.2.3. The description of the network design should include content such as system-level schematics and block diagrams for the proposed network architecture and topology, identification of the network component technologies to be used, a list of the user equipment for each premise, a list of equipment to be centrally located (regionally or within each Town) and operated by the Vendor, etc.

**Frontier Response:**

Frontier Communications will build a Fiber to the Premises (FTTP) network. This network is a Gigabit Passive Optical Network (GPON) that uses optical fiber directly to the residential customer. The devices near the customer are passive, i.e., there are no powered devices in the distribution network.

Frontier's proposal is contingent upon the Towns providing locations or right of ways at no cost suitable for network components necessary for the network design completion.

In order to provide High-Speed Internet (HSI), VOIP, and Video, this proposed build will use the existing CT network infrastructure to access Frontier-owned and managed network elements. The backbone of the network that leaves CT will traverse diverse routes from the Canaan Central Office and the Norfolk Central Office. These diverse fiber runs will meet at an Optical Line Terminal (OLT) proposed for placement within each of the town borders (each town will be served by a dedicated OLT). Automated failover will occur if failure arises along one of these two routes. Please note, similar to our existing exchange-fed network, the customers fed out of the OLT are single-threaded (no diverse path). In this case, our normal outage response procedure would be implemented if ever needed.

Each OLT will have the capacity to provide up to 8,192 customers with speeds up to 1 Gbps. The uplinks to the two Connecticut-located central offices will support these speeds and will be designed with the additional fiber to Link Aggregate (LAG) and provide additional uplink capacity if ever needed.

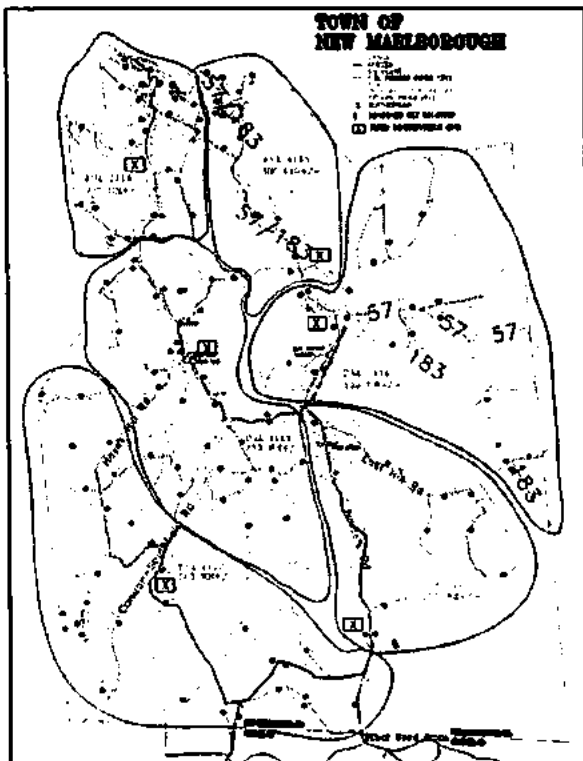
Frontier's network in the Town's will be designed based on PON Serving Areas (PSA). A PSA will have multiple PON ports allocated, but a single PON port will feed no more than 32 customers. This architecture design will inherently prevent congestion and oversubscription, and



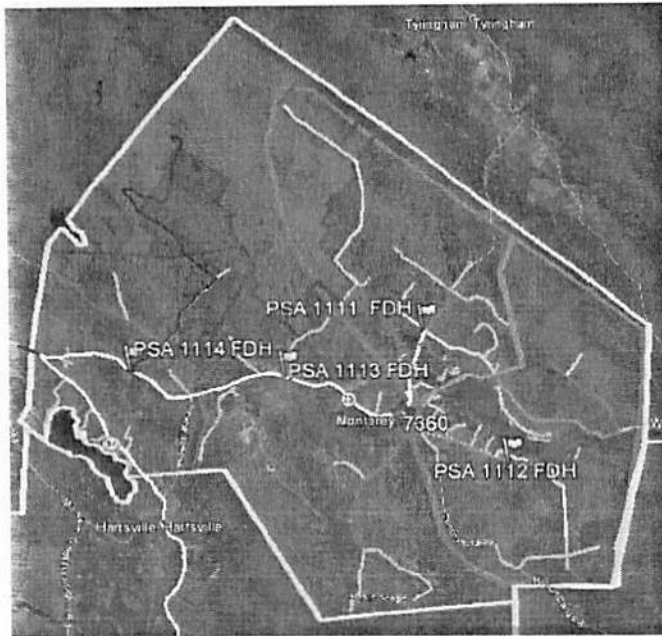
therefore minimize concerns of bandwidth-hogging by heavy-usage customers. In addition, our Network Planning team monitors bandwidth utilization of all Frontier GPON devices so that augments are initiated prior to the realization of any congestion on our network.

Frontier will build this proposed network by PSA. This will amount to “lighting up” fiber availability to approximately 200 households per build phase. Using this architecture and build strategy, engineering and construction resources will be efficiently used to bring customers in-service in waves – associated with the PSA’s ultimately identified for each of the towns. A definition of individual PSAs, and the schedule for individual PSA deployment, will be created, shared, and implemented when appropriate.

Each Town will be divided into three to six PSAs, based on population densities. A pole-mounted Fiber Distribution Hub (FDH) will mark the beginning of each PSA. Each PSA will include between 144 and 288 households. This architecture allows easy and efficient administration of the network. Maps depicting one potential division of PSAs for each Town is included below.

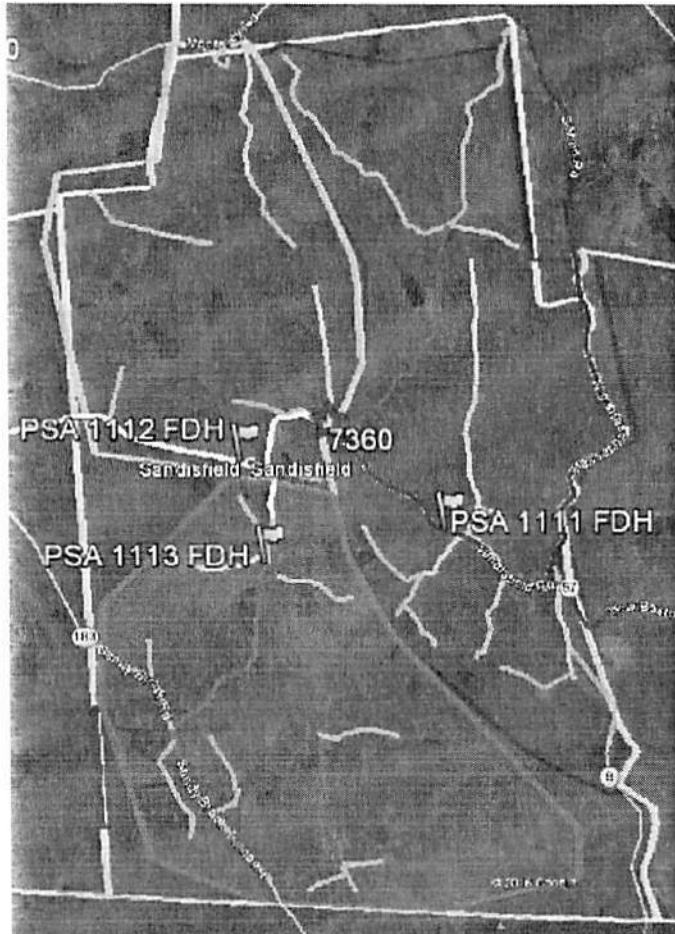






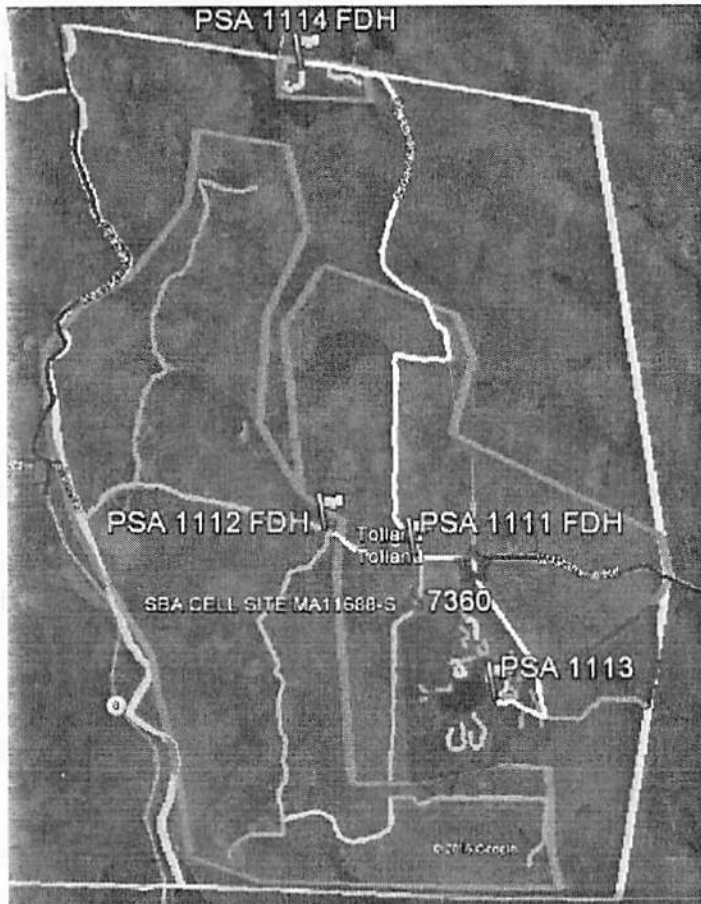
MONTEREY





SANDISFIELD





TOLLAND



**5.3.5 Service Options for Special Areas.** Proposing Vendor must provide the Town MLPs with options for offering broadband Internet services to subscribers located within Town boundaries on private roads and driveways, not connected via utility poles or underground conduit. Options should address situations where utility poles are not permitted.

**Special Town areas to assess:**

Monterey - Stevens Lake Association

Sandisfield - Otis Woodlands

Tolland - North Tolland (~95 homes), Beldon Road, East Otis

**Frontier Response:**

The Special Areas require further joint conversations with Town, local, homeowner association and/or owners of rights of way. The financial proposal for these is not included in this proposal.

**Sandisfield - Otis Woodlands:** Frontier will agree to enter discussions with Sandisfield and Otis Woodlands association to determine the best and most cost effective method to reach the residences there.

**Monterey - Stevens Lake Association:** No information was provided on this area, but Frontier will agree to enter discussions with Monterey and Stevens Lake Association to determine the best and most cost effective method to reach the residences there.

**Tolland - North Tolland (~95 homes), Belden Road, East Otis:** Frontier can place needed poles to reach the residences in North Tolland assuming Frontier is granted the use of the right of way. Frontier will agree to enter discussions with Tolland to determine the best and most cost effective method to reach the residences on Belden Road.

**5.3.6 Network Maintenance.** Proposing Vendor must describe its process for performing network maintenance and responding to emergencies. The Vendor must also describe its existing operating and maintenance infrastructure. Vendor should also address its current policy and plans for as-needed renewal and future upgrades, such as frequency of replacement of core network equipment, technology upgrades, or pro-active replacement of parts, for its existing broadband Internet customers.

**Frontier Response:**

Previously in this RFP response Frontier has described the breadth and depth of our experience in designing, building, installing, maintaining and servicing telecommunications networks such as we propose to implement in the Towns. As Frontier will own the network, and provide the



services utilized by customers over the network, we have an obvious vested interest in ensuring it operates at the designed performance levels continuously. Network maintenance begins with the on-going monitoring of the network, both through alarm monitoring and management, along with response to technician or customer-observed or experienced degradation in service quality.

Frontier is successful by providing stable network facilities and connectivity to its subscribers. This is accomplished by installing cable and equipment from top industry vendors. As owner of the network, Frontier is incented to ensure quality service to maintain and grow the revenue stream from subscribers. Frontier monitors network equipment remotely in an on-going, 24x7 basis for any alarms indicating actual or potential problems with equipment or cable. Should alarm conditions indicate that there is an immediate issue, one or more qualified technicians are dispatched to resolve the issue. Should alarm conditions over time rise to a level of potential component failure, Frontier will pro-actively dispatch one or more technicians with the assignment to replace devices or equipment generating such alarms. Often, such replacement is made with newer equipment which is designed to provide better service to both existing and new subscribers. As Frontier is incented to maintain the network facilities and connectivity in the most cost-effective manner, pro-active and planned network component upgrades and replacements are always preferred to emergency repair or replacement.

Technicians responsible for maintenance and repairs will be dispatched out of work center locations in Connecticut. The nearest current work center location is in Winsted, which, as an example, is within 45 minutes' drive time to the center of New Marlborough. As Frontier serves almost the entire state of Connecticut, we have ample resources available to respond to any specific outages in the Towns in a timely manner.

**5.3.7 Customer Service Plan.** Proposing Vendor must provide a copy of its current customer service plan made available to existing broadband Internet customers. The customer service plan must address subscriber billing and customer service problem handling.

**Frontier Response:**

Frontier would handle all customer marketing effort both for initial sign-up and subsequent efforts. Currently, Frontier has a national marketing presence that is able to target localized markets. With over 11 million customers, Frontier has the capability to handle subscriber billing. To handle customer service questions or issues, Frontier has several 24 hour call centers located strategically across our national footprint, with a major call center located in New Haven, CT. All Frontier call centers are based in the United States.

Also, please see attached Exhibit H: Frontier Residential Internet Service Agreement Terms and Conditions and at <https://frontier.com/corporate/terms>. These Customer Terms and Conditions are applicable to all of Frontier's customers throughout our nationwide footprint. These same Terms and Conditions would be applicable to customers located in the Towns, with some possible slight modifications to reflect the unique nature of the arrangement there.



**5.3.8 Marketing Plan.** In support of each Town MLP's desire for the proposing Vendor to be responsible for all customer-marketing efforts, the proposing Vendor should provide its plan for marketing its available broadband Internet services.

**Frontier Response:**

Frontier would handle all customer marketing effort both for initial sign-up and subsequent efforts. Currently, Frontier has a national marketing presence that is able to target localized markets. With over 11 million customers, Frontier has the capability to handle subscriber billing. To handle customer service questions or issues, Frontier has several 24 hour call centers located strategically across our national footprint, with a major call center located in New Haven, CT. All Frontier call centers are based in the United States.

Please see attached Exhibit I for specific marketing and billing information.

**5.3.9 Customer Terms and Conditions.** Proposing Vendor must provide a copy of its Customer Terms and Conditions governing its relationship with customers, currently provided to all existing broadband Internet subscribers.

**Frontier Response:**

Please see attached Exhibit H: Frontier Residential Internet Service Agreement Terms and Conditions and at <https://frontier.com/corporate/terms>. These Customer Terms and Conditions are applicable to all of Frontier's customers throughout our nationwide footprint. These same Terms and Conditions would be applicable to customers located in the Towns, with some possible slight modifications to reflect the unique nature of the arrangement there.

**5.3.10 Life-Line Services.** Proposing Vendor must describe its process for addressing life-line services, E911, and emergency handling in outage situations for existing broadband Internet customers. The Vendor must provide a description of any subscriber fees and billing associated with these services.

**Frontier Response:**

The network Frontier will build in the Towns will be supported by automated battery back-up systems, and generator deployment, to maintain service availability in the event of a commercial power outage. Frontier will provide a backup battery for the ONT we will install at the customer premises. As such, should commercial power be lost the customer would have the ability make phone calls if they have purchased voice service from Frontier and either have commercial power available to their premises or otherwise has a power source for the residential gateway device and, if needed, their phone set.



Through standard call routing procedures for a VoIP voice network, Frontier will ensure the subscriber has the ability to call 911 whenever the network is operational, whether on commercial, battery or generator power. In addition, Frontier will meet all applicable obligations regarding E911 service. As Frontier is not intending to provide service as an Eligible Telecommunications Carrier (ETC) we will have no obligation, nor plans, to provide life-line services.

**5.3.11 ISP Services.** Proposing Vendor must provide a list and description of the Internet Service Provider (ISP) services (e.g. Internet access, email, domain name registration, web hosting, online distributed discussion services (e.g. Usenet), cloud services, online storage services, etc.) provided to existing broadband Internet customers. The Vendor must provide a detailed description for the fees and fee structure associated with the ISP services offered.

**Frontier Response:**

Please see Frontier.com for the entire suite of services and products offered by Frontier.

**5.3.12 Third Party Services.** Proposing Vendor must provide its plan for supporting third party services, at both the subscriber and third party level

**Frontier Response:**

Frontier's plan for the construction and operation of the FTTH network in the Town's does not contemplate third party access.

*No Open Access  
to the AT&T like other  
world,  
but probably open to co-ops  
such as Nether, Idaho, etc*



**Exhibit A**  
**Certification and Signature Page**

Must be completed and submitted with proposal.

The Undersigned proposing Vendor submits this Proposal to deliver a Broadband Network Service to the Towns of Monterey, Sandisfield, Tolland and New Marlborough.



By: \_\_\_\_\_  
Kevin Smith  
Vice President, Business Development  
Frontier Communications  
February 23, 2017

**Certificate of Non-Collusion**

The undersigned certifies under penalties of perjury that this proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.



By: \_\_\_\_\_  
Kevin Smith  
Vice President, Business Development  
Frontier Communications  
February 23, 2017

**Tax Compliance Certification**

Pursuant to M.G.L. c. 62C, §49A, I certify under the penalties of perjury that, to the best of my knowledge and belief, I am in compliance with all laws of the Commonwealth of Massachusetts relating to taxes, reporting of employees and contractors, and withholding and remitting child support.



By: \_\_\_\_\_  
Kevin Smith  
Vice President, Business Development  
Frontier Communications  
February 23, 2017



## **EXHIBIT D**



Activation month is 2 months. Acquisition is per activation month.

Product	Migration			Acquisition
	Rack Rate	Month 25+	Month 13-24	Month 1-12
Vantage Fiber Simply 50/50	64.99	54.99	49.99	44.99
Vantage Fiber Simply 50/50	79.99	69.99	64.99	59.99
Vantage Fiber Simply 100/100	94.99	84.99	79.99	74.99
Vantage Fiber Simply 150/150	124.99	94.99	89.99	84.99
Vantage Fiber Simply 300/300	149.99	109.99	104.99	99.99
Vantage Fiber Simply 500/500	174.99	124.99	119.99	114.99
Vantage Fiber Simply 1G/100	219.99	179.99	184.99	134.99
Vantage Fiber 30/30	64.99			
Vantage Fiber 50/50	79.99			
Vantage Fiber 100/100	94.99			
Vantage Fiber 150/150	124.99			
Vantage Fiber 300/300	149.99			
Vantage Fiber 500/500	174.99			
Vantage Fiber 1G/100	219.99			

See bundle pricing below

Unit price is 2 years. Activation is per activation month.

Double Play Broadband and TV					Double Play Broadband and VoIP Unlimited					Double Play Broadband and VoIP 200					Triple Play Broadband - VoIP Unlimited + TV					Triple Play Broadband - VoIP 200 + TV				
Product	Migration			Acquisition	Product	Migration			Acquisition	Product	Migration			Acquisition	Product	Migration			Acquisition	Product	Migration			Acquisition
	Rack Rate	Month 25+	Month 13-24			Rack Rate	Month 25+	Month 13-24			Rack Rate	Month 25+	Month 13-24			Rack Rate	Month 25+	Month 13-24			Rack Rate	Month 25+	Month 13-24	
Broadband and TV	141.99	114.99	94.99	74.99	Broadband and Voice	99.99	64.99	59.99	54.99	Broadband and Voice	89.99	54.99	49.99	44.99	Broadband, Voice & TV	176.99	129.99	109.99	89.99	Broadband, Voice & TV	164.99	129.99	99.99	79.99
Vantage TV Prime	156.99	129.99	109.99	89.99						Vantage TV Prime	191.99	144.99	124.99	104.99	Vantage TV Prime	191.99	144.99	124.99	104.99	Vantage TV Prime	181.99	134.99	114.99	94.99
Vantage TV Extreme	156.99	129.99	109.99	89.99						Vantage TV Extreme	213.99	176.99	156.99	136.99	Vantage TV Extreme	213.99	176.99	156.99	136.99	Vantage TV Extreme	213.99	176.99	156.99	136.99
Vantage TV Ultimate	156.99	129.99	109.99	89.99						Vantage TV Ultimate	213.99	176.99	156.99	136.99	Vantage TV Ultimate	213.99	176.99	156.99	136.99	Vantage TV Ultimate	213.99	176.99	156.99	136.99
Broadband and TV	154.99	129.99	109.99	89.99	Broadband and Voice	114.99	79.99	74.99	69.99	Broadband and Voice	104.99	69.99	64.99	59.99	Broadband, Voice & TV	191.99	144.99	124.99	104.99	Broadband, Voice & TV	181.99	134.99	114.99	94.99
Vantage TV Prime	156.99	129.99	109.99	89.99						Vantage TV Prime	206.99	159.99	139.99	119.99	Vantage TV Prime	206.99	159.99	139.99	119.99	Vantage TV Prime	196.99	149.99	129.99	109.99
Vantage TV Extreme	171.99	144.99	124.99	104.99						Vantage TV Extreme	206.99	159.99	139.99	119.99	Vantage TV Extreme	206.99	159.99	139.99	119.99	Vantage TV Extreme	196.99	149.99	129.99	109.99
Vantage TV Ultimate	201.99	176.99	156.99	136.99						Vantage TV Ultimate	206.99	159.99	139.99	119.99	Vantage TV Ultimate	206.99	159.99	139.99	119.99	Vantage TV Ultimate	196.99	149.99	129.99	109.99
Broadband and TV	171.99	144.99	124.99	104.99	Broadband and Voice	129.99	99.99	89.99	84.99	Broadband and Voice	119.99	89.99	79.99	74.99	Broadband, Voice & TV	206.99	149.99	129.99	109.99	Broadband, Voice & TV	196.99	149.99	129.99	109.99
Vantage TV Prime	171.99	144.99	124.99	104.99						Vantage TV Prime	221.99	174.99	154.99	134.99	Vantage TV Prime	221.99	174.99	154.99	134.99	Vantage TV Prime	211.99	164.99	144.99	124.99
Vantage TV Extreme	186.99	159.99	139.99	119.99						Vantage TV Extreme	221.99	174.99	154.99	134.99	Vantage TV Extreme	221.99	174.99	154.99	134.99	Vantage TV Extreme	211.99	164.99	144.99	124.99
Vantage TV Ultimate	218.99	191.99	171.99	151.99						Vantage TV Ultimate	221.99	174.99	154.99	134.99	Vantage TV Ultimate	221.99	174.99	154.99	134.99	Vantage TV Ultimate	211.99	164.99	144.99	124.99
Broadband and TV	201.99	174.99	154.99	134.99	Broadband and Voice	159.99	109.99	99.99	94.99	Broadband and Voice	149.99	99.99	89.99	84.99	Broadband, Voice & TV	216.99	169.99	149.99	129.99	Broadband, Voice & TV	206.99	159.99	139.99	119.99
Vantage TV Prime	201.99	174.99	154.99	134.99						Vantage TV Prime	251.99	184.99	164.99	144.99	Vantage TV Prime	251.99	184.99	164.99	144.99	Vantage TV Prime	241.99	174.99	154.99	134.99
Vantage TV Extreme	216.99	169.99	149.99	129.99						Vantage TV Extreme	251.99	184.99	164.99	144.99	Vantage TV Extreme	251.99	184.99	164.99	144.99	Vantage TV Extreme	241.99	174.99	154.99	134.99
Vantage TV Ultimate	248.99	201.99	181.99	161.99						Vantage TV Ultimate	251.99	184.99	164.99	144.99	Vantage TV Ultimate	251.99	184.99	164.99	144.99	Vantage TV Ultimate	241.99	174.99	154.99	134.99
Broadband and TV	216.99	169.99	149.99	129.99	Broadband and Voice	184.99	124.99	114.99	109.99	Broadband and Voice	174.99	114.99	104.99	99.99	Broadband, Voice & TV	261.99	184.99	164.99	144.99	Broadband, Voice & TV	251.99	174.99	154.99	134.99
Vantage TV Prime	226.99	169.99	149.99	129.99						Vantage TV Prime	274.99	199.99	179.99	159.99	Vantage TV Prime	274.99	199.99	179.99	159.99	Vantage TV Prime	264.99	189.99	169.99	149.99
Vantage TV Extreme	241.99	184.99	164.99	144.99						Vantage TV Extreme	274.99	199.99	179.99	159.99	Vantage TV Extreme	274.99	199.99	179.99	159.99	Vantage TV Extreme	264.99	189.99	169.99	149.99
Vantage TV Ultimate	273.99	216.99	196.99	176.99						Vantage TV Ultimate	274.99	199.99	179.99	159.99	Vantage TV Ultimate	274.99	199.99	179.99	159.99	Vantage TV Ultimate	264.99	189.99	169.99	149.99
Broadband and TV	251.99	184.99	164.99	144.99	Broadband and Voice	209.99	129.99	129.99	124.99	Broadband and Voice	199.99	129.99	119.99	114.99	Broadband, Voice & TV	286.99	199.99	179.99	159.99	Broadband, Voice & TV	276.99	189.99	169.99	149.99
Vantage TV Prime	251.99	184.99	164.99	144.99						Vantage TV Prime	301.99	214.99	194.99	174.99	Vantage TV Prime	301.99	214.99	194.99	174.99	Vantage TV Prime	291.99	204.99	184.99	164.99
Vantage TV Extreme	264.99	199.99	179.99	159.99						Vantage TV Extreme	301.99	214.99	194.99	174.99	Vantage TV Extreme	301.99	214.99	194.99	174.99	Vantage TV Extreme	291.99	204.99	184.99	164.99
Vantage TV Ultimate	294.99	231.99	211.99	191.99						Vantage TV Ultimate	301.99	214.99	194.99	174.99	Vantage TV Ultimate	301.99	214.99	194.99	174.99	Vantage TV Ultimate	291.99	204.99	184.99	164.99
Broadband and TV	294.99	231.99	211.99	191.99	Broadband and Voice	254.99	204.99	194.99	144.99	Broadband and Voice	244.99	194.99	184.99	134.99	Broadband, Voice & TV	331.99	249.99	229.99	179.99	Broadband, Voice & TV	321.99	239.99	219.99	169.99
Vantage TV Prime	294.99	231.99	211.99	191.99						Vantage TV Prime	344.99	264.99	244.99	194.99	Vantage TV Prime	344.99	264.99	244.99	194.99	Vantage TV Prime	334.99	254.99	234.99	184.99
Vantage TV Extreme	311.99	249.99	229.99	179.99						Vantage TV Extreme	344.99	264.99	244.99	194.99	Vantage TV Extreme	344.99	264.99	244.99	194.99	Vantage TV Extreme	334.99	254.99	234.99	184.99
Vantage TV Ultimate	341.99	281.99	261.99	211.99						Vantage TV Ultimate	344.99	264.99	244.99	194.99	Vantage TV Ultimate	344.99	264.99	244.99	194.99	Vantage TV Ultimate	334.99	254.99	234.99	184.99

Unit price is 2 years. Activation is per activation month.



## **EXHIBIT E**





## **Frontier Communications Privacy Policy**

Protecting the privacy of our customers is important to Frontier. This privacy policy is designed to inform you about how we collect, use, share, and protect the information of customers of our consumer and residential services, namely our high-speed Internet, home phone, multichannel video, Wi-Fi Hot Spot, and Frontier Secure services. It also governs the information we collect when you visit our website, and describes certain choices we provide to our customers regarding the use of their information. This policy does *not* govern the services we offer to businesses, including Frontier Business Edge.

Please note that separate privacy policies may apply to the services of other providers that you purchase from us, such as our DISH TV Package. We encourage you to review the privacy policies and practices of such other providers.

### **What Information We Collect and How We Collect It**

We collect certain information when you use our products, services, and websites, as well as when you communicate with us.

*Information You Provide to Us.* We collect information you provide to us, such as your name and contact information, driver's license number, Social Security Number, and payment information. We also may maintain research records containing information obtained through voluntary subscriber interviews or surveys.

*Information Related to Your Use of Our Services.* We also collect information about how you use our products and services. This information may include call records, the websites you visit, information about the devices you use in connection with our services, your bandwidth usage, and your TV and other video viewership, including movie rental and purchase data.

*Information Collected When You Use Our Websites and Mobile Apps.* We collect certain information when you visit a Frontier website or use a Frontier mobile app, including information about your operating system and browser, IP address and device identification numbers, and web addresses of the websites you come from and go to next.

Frontier, or third-party analytic companies acting on Frontier's behalf, also may use cookies, web beacons, and other tracking mechanisms to collect information while you visit our websites. A cookie is a small data file placed in your browser. Web beacons are small, clear graphic images. Mechanisms such as these allow for the collection of information about your interactions with our websites. We also may receive demographic information about you, or information regarding your interests, from third-party analytics companies that use cookies and other tracking mechanisms.





Frontier also allows third-party advertising companies to display ads when you visit our websites. These companies may use information about your visits to our and other websites—but not your name, address, email address, or telephone number—to provide advertisements about goods and services of interest to you.

As described below, you have choices available to you regarding the use of your information for advertising. In addition, some browsers have incorporated "Do Not Track" mechanisms. Most of these mechanisms, when turned on, send a signal to the website or online service indicating that the user does not wish to be tracked online. However, because the providers of "Do Not Track" and similar signals do not yet operate according to common, industry-accepted standards, we currently do not respond to those signals. For more information about Do Not Track mechanisms, see <http://allaboutdnt.com/>.

*Information from Third Parties.* At times, we receive information about our customers from third parties, such as credit information from credit reporting agencies, when you purchase products or apply for service. We also may receive marketing and other information, including but not limited to demographic information, about you from third parties. If you rent your residence, we may have a record of whether the landlord's permission was required to install our facilities, as well as the landlord's name and contact information. In addition, we may obtain information from other service providers when you purchase certain services from us, such as our DISH TV Package.

If you use social media credentials to login or interact with a Frontier website, mobile app, or Frontier's social media pages, we may collect information about your social media profile. You can control the data we receive in this manner through the controls available in your social media account settings.

*When You Contact Us.* When you contact us or we contact you, we may monitor or record the communication, and keep records of and about the communication, so that we can provide better service. We will inform you during such a call that the call might be monitored or recorded.

### **How We Use and Share the Information We Collect**

We use the information we collect about customers to provide, manage, and improve the services we offer; bill and collect for our services; to better understand our customers and market our services, as well as to deliver relevant advertising; respond to customer questions and concerns; and to manage, repair, and protect our network.

We or third parties acting on our behalf use the information collected from cookies and other tracking mechanisms to customize your experience and gather information about how you navigate our website. For example, cookies and other tracking mechanisms allow us to remember you when you visit our websites, deliver relevant advertising to





you, market our services on our websites and on third-party websites, and keep track of your online ordering and account information.

We may share personal information with third-party agents and vendors that perform services on our behalf as necessary for them to perform these services. Frontier requires such agents and vendors to use this information only as we direct, and to protect it consistent with this policy. In addition, we may share information with other providers when you purchase their services from us, such as our DISH TV Package.

We also may share your information (1) with your permission, (2) as required by law, including in response to a duly-served subpoena or other government request for information, (3) to investigate or defend against third-party claims or allegations, (4) to protect our rights, property, and personal safety, or that of our customers or others, or (5) as part of any merger, acquisition, sale of company assets or transition of service to another provider.

We do not otherwise share your personal information. We may, however, share anonymous or aggregate information with third parties, including to improve how we provide service to existing and potential customers.

### **How You Can Limit the Sharing and Use of Your Information**

We provide you several choices regarding how we use and share your information.

*Customer Proprietary Network Information.* You may limit our use and sharing of a certain type of customer information, known as Customer Proprietary Network Information, or "CPNI." CPNI is information that relates to the type, quantity, destination, technical configuration, location, amount of use, and related billing information of your telecommunications services. Protecting the confidentiality of your CPNI is your right and our duty under federal law.

You can limit the use and sharing of your CPNI for marketing services other than the ones we currently provide to you by calling us at 1-877-213-1556 or visiting [www.frontier.com/cpni](http://www.frontier.com/cpni). Any restriction of our use of your CPNI will stay in effect until you notify us otherwise. If you choose to restrict access to your CPNI, your service will not be affected and you will continue to receive the same high quality services from us. Please note that restricting our use of your CPNI will not eliminate all of our marketing contacts with you, as you may still receive marketing contacts that are not based on your restricted CPNI. Frontier takes the privacy of customer information seriously and appreciates the opportunity to provide high quality communications services to you. Other choices regarding marketing contacts are described below.

We do not disclose CPNI to third parties, other than affiliated companies or their agents, without your consent, except as required or allowed by law.





*Information Used for Online Advertising.* If you would like more information about interest-based advertising, or about ways in which you can prevent companies from using this information, you can visit [http://www.networkadvertising.org/managing/opt\\_out.asp](http://www.networkadvertising.org/managing/opt_out.asp).

In addition, you can manage cookies by using features and functions available on most Internet browsers, for example by deleting or disabling cookies. Please note that disabling cookies may prevent you from using specific features on our websites and other websites.

*Do Not Call.* Federal "Do Not Call" laws allow you to place your phone number on the National Do Not Call List to prevent telemarketing calls to your phone number. Certain states have similar laws and maintain their own lists. Frontier also maintains an internal Do Not Call List. To view our Do Not Call Policy in its entirety, click [here](#).

*Marketing E-Mails.* To opt out of receiving marketing emails from Frontier, please email us at [privacy@ftr.com](mailto:privacy@ftr.com).

### **How We Protect Your Information**

We use reasonable technical, administrative, and physical safeguards to protect against unauthorized access to, use of, or disclosure of the personal information we collect and store. No program is 100% secure, however. As a result, we cannot guarantee that we will prevent every unauthorized attempt to access, use, or disclose personal information.

Personally identifiable and other sensitive records are retained only as long as reasonably necessary for business, accounting, tax, or legal purposes.

### **Information about the Cable Act**

To the extent that Section 631 of the Communications Act of 1934, as amended (the "Cable Act") applies to services you purchase, it entitles you to know certain information about the personally identifiable information a cable service provider collects. Under the Cable Act, you are entitled to know the nature of the personally identifiable information we collect; how we may use this personally identifiable information; under what conditions and circumstances we may disclose personally identifiable information and to whom; how long we maintain personally identifiable information; how you may obtain access to your personally identifiable information; and your rights under the Cable Act concerning the collection and disclosure of personally identifiable information and your right to enforce limitations provided by federal law. (Personally identifiable information is information that identifies a particular person; it does not include aggregate data that does not identify a particular person.)





The Cable Act permits Frontier to use the Frontier TV, Vantage and FiOS cable systems to collect personally identifiable information necessary to render our cable service or other services or to detect unauthorized reception of cable communications. The Cable Act prohibits us from using our cable system to collect personally identifiable information about any subscriber for any other purpose without the subscriber's prior written or electronic consent. Frontier considers the personally identifiable information contained in our business records to be confidential. We are, however, authorized under the Cable Act to disclose personally identifiable information if the disclosure is necessary to provide or conduct a legitimate business activity related to Frontier's cable service or other services provided over our facilities.

We may be required by law to disclose personally identifiable information about a subscriber without his or her consent and without notice in order to comply with a valid legal process such as a subpoena, court order or search warrant. The Cable Act requires that we disclose personally identifiable information (including the selection of video programming) to a third party or governmental entity in response to a court order. In the event the court order is sought by a nongovernmental entity, we are required to notify our subscriber of the court order. If the court order is sought by a governmental entity, the Cable Act requires that the subscriber be afforded the opportunity to appear and contest any claims made in support of the court order. We may also be required by federal law to disclose certain subscriber record information (but not records revealing the selection of video programming) to comply with valid legal process, such as warrants, court orders or subpoenas without any subscriber notice or consent to such disclosure.

The Cable Act permits cable operators to disclose subscriber name and address information to other parties, but only after providing subscribers with the opportunity to limit or prohibit such disclosure. It is Frontier's policy not to disclose any personally identifiable information about our cable subscribers to others outside of Frontier and its affiliates, vendors and business partners, unless our subscribers provide prior consent or we are required to do so by law. Before Frontier ever makes such mailing lists available to others outside of Frontier and its affiliates, vendors and business partners, we will provide our subscribers with notice and an opportunity to prohibit or limit such disclosure.

If you believe that your privacy rights have been violated, please contact us at [privacy@FTR.com](mailto:privacy@FTR.com) immediately. We will take immediate steps to address your concerns. If you believe that you have been aggrieved as a result of our violation of the Cable Act, you may enforce the limitations imposed on us by the Cable Act through a civil lawsuit seeking damages, attorney's fees and litigation costs. Other rights and remedies may be available to you under federal or other applicable laws, as well.





### **Links to Non-Frontier Websites and Content**

Our websites and apps may contain links to websites and apps managed and controlled by entities other than Frontier. For example, through our Frontier Games websites, we provide the ability to download thousands of online games. We are not responsible for the content on those websites and apps, or their privacy policies and practices. We encourage you to review the privacy policies and practices of such websites and apps.

### **Children's Privacy**

We do not knowingly collect any information from children under 13.

### **Your California Privacy Rights**

California Civil Code Section 1798.83 entitles California customers to request information concerning whether a business has disclosed personal information to third parties for the third parties' direct marketing uses within the previous calendar year. If you are a California resident and would like to make such a request, please e-mail us at [privacy@FTR.com](mailto:privacy@FTR.com) or contact us at Frontier Communications, 1398 South Woodland Blvd., DeLand, FL 32720.

### **Changes to This Privacy Policy**

We may make changes to this policy from time to time, and encourage you to periodically review this policy for any such changes. We will notify you of any material changes by posting a notice on our website home page and the privacy policy page 30 days before any change takes effect.

### **Contact Us**

If you have questions or concerns related to our privacy policy or information practices, e-mail us at [privacy@FTR.com](mailto:privacy@FTR.com) or contact us at Frontier Communications, 1398 South Woodland Blvd., DeLand, FL 32720.

***Last Updated July 7, 2016***



## **EXHIBIT F**



## **Network Management Policy**

Frontier invests significant resources to bring Internet access to our customers and strives to provide customers an optimum online experience that enables them to access all available content, including: up-to-date news and information, online shopping, communications tools, movies, video, music, gaming and an array of other online services.

As a result of explosive growth of the Internet and the availability of ever more sophisticated applications, per subscriber bandwidth consumption has dramatically increased. This may cause periodic congestion in the network that Frontier must address. Generally, Frontier utilizes a best-efforts approach to deliver residential Internet service. This means Frontier does not prioritize one type of traffic or application over other types, except as described in the specialized services section below. Frontier seeks to deliver all traffic at the speed the customer has purchased (e.g. 6/12/25/50 Mbps download speeds); network management is content and application agnostic.

Frontier uses network management tools to enforce quality of service to customers for applications that are sensitive to packet loss, delay or jitter like VoIP, time sensitive data, and video traffic.

Key features of Frontier's network management are:

- Frontier does not block, throttle, or inhibit any specific applications or classes of applications.
- Frontier does not restrict the types of devices that can be connected to its network.
- Frontier does not engage in paid prioritization.

Like other Internet service providers, Frontier manages its network to provide customers a secure and optimal Internet experience. Frontier monitors the flow of traffic on its network, including the amount of data sent to and from customer connections, the source and destination of data, and the type – but not the contents – of information sent and received. In limited circumstances, Frontier may also review the contents of the information to determine whether it is malicious (such as spam or a virus) or when required by law. Frontier continually upgrades its security and network management tools based on technology advances and network needs.

Frontier generally allows customers to attach any lawful device to its network so long as it does not impede the provision of Internet access service, harm the network, enable theft of the service or a violation of Frontier's Acceptable Use Policy or any terms of service, or harm other users of the service.

Additionally, like other Internet service providers, Frontier's Internet services are configured to use an Internet protocol address, which may be a publicly-routable Internet protocol address or a privately managed IP address utilizing CGN (Carrier Gateway NAT) technology.

## **Usage Terms & Conditions**

Customers can consult Frontier's general Terms and Conditions of service as well as Internet pricing plans for more information about their Internet service.

**Trial Information:** To better understand the dynamics of network utilization and network congestion, Frontier has instituted in certain markets to measure actual bandwidth consumption by application type. Frontier does not capture any site-specific information or restrict or inhibit the use of any applications. Frontier simply measures the amount of consumer bandwidth consumption by general type of application utilized (web-browsing, voice calling, video streaming, etc.).

## **Specialized Services – VoIP and Video**

For certain customers, Frontier offers specialized services, such as voice over IP ("VoIP") and video service, over the same customer facilities as broadband Internet access services. When the customer uses these specialized services, less bandwidth will be available for broadband Internet access service than when they are not using the specialized services. When





[www.Frontier.com](http://www.Frontier.com)

the specialized service is not in use, customers can in most cases use the capacity for broadband Internet access. Details regarding the specific effects of specialized services are disclosed to affected customers at the point of sale.

### **Service Performance**

The Service speeds identified in Frontier's marketing materials and other communications reflect service capability speeds in service speed tiers. The service tiers are usually denoted by a number that identifies the high-end of that service tier's speed range -- commonly referred to as "up to" the noted speed. The high-end of the speed range in a service tier represents the potential wired maximum speed capability in that service tier, but is not a statement or guarantee of the maximum speed you will receive. Some applications such as a short email without attachments or basic Web browsing do not require high speed service capability to function optimally, while other activities such as transferring large data files can be performed faster with higher speed services. The speed capability of the plan you purchase may not be suitable for some applications, particularly those involving high-bandwidth uses such as streaming video or video conferencing. Service is not available to all locations, and may not be available at certain speeds (or at all) at your location.

The maximum speed you will receive will depend on a multitude of factors, including, among other things: the distance of your premises from our nearest remote terminal or central office; the equipment in use and number of other users on the portion of our network that connects you to the remainder of our network or the Internet; interference; the wiring inside your premises; and the capacity or performance of your computer, device or modem. Furthermore, the speed you receive at a point in time may vary and may be less than your maximum speed, depending on, among other things, the composition of the information or files you are accessing, usage, and traffic on the Internet, the server with which you are communicating, and the networks you and others are using when communicating.

Frontier participates in the Federal Communications Commission's (FCC) annual Internet performance study of the top national Internet service providers. The FCC measures how Frontier's service performs compared to its advertised broadband speeds during peak Internet usage periods (weekdays from 7-11 p.m.). While performance varied based upon the speed tier tested, the FCC reports that Frontier provides:

- 95% of the advertised download speed and 106% of the advertised upload speed during peak periods for Frontier's fiber product.
- 81% of the advertised download speed and 94% of the advertised upload speed during peak periods for Frontier's DSL product.

Visit the FCC's website for a full set of the FCC's results and further discussion about Frontier's performance and how bandwidth throughput, latency, and other service metrics affect your Internet experience.

### **For More Information**

For more information or for specific inquiries regarding Frontier's network management policies, email [networkmanagement@ftr.com](mailto:networkmanagement@ftr.com).



## **EXHIBIT G1**



## **Residential Internet Acceptable Use Policy**

Customer understands that the following restrictions are applied to the service. If violated, the service will be terminated without notice.

### **General**

Our customers may not use our network, machines, or services in any manner which:

- Violates any applicable law, regulation, treaty, or tariff.
- Violates the acceptable use policies of any networks, machines, or services which are accessed through our network.
- Infringes on the intellectual property rights of others.

Prohibited activity includes but is not limited to unauthorized use (or attempted unauthorized use) of any machines or networks, denial of service attacks, falsifying header information or user identification information, monitoring or scanning the networks of others without permission, sending unsolicited bulk email, maintaining an open mail relay, collecting email addresses from the Internet for the purpose of sending unsolicited bulk email or to provide collected addresses to others for that purpose, and transmitting or receiving copyright infringing or obscene material. Repeated copyright infringements are grounds for termination of service.

### **Dialup Connections**

Customers may not run programs or configure machines in such a way as to keep a dialup connection active when not in use or otherwise bypass automatic disconnection for inactivity. Our users may not have multiple simultaneous connections with a single dialup account. We reserve the right to impose restrictions on or terminate accounts deemed to be in violation of these conditions.

### **High Speed Internet Access Service**

Customers may not resell High Speed Internet Access Service ("Service") without a legal and written agency agreement with Frontier. Customers may not retransmit the Service or make the Service available to anyone outside the premises (i.e. wi-fi or other methods of networking). Customers may not use the Service to host any type of commercial server. Customers must comply with all Frontier network, bandwidth, data storage and usage guidelines. Frontier, at its sole discretion, may suspend, terminate or apply additional charges to the Service if Service usage by the Customer is determined, by the Company, to be excessive or abusive in any manner.

### **Remote Access**

Although Frontier encourages its customers to use Remote Access Dialup when traveling, Frontier may suspend or terminate service if such usage exceeds a reasonable amount of usage that would normally be expected from a person occasionally traveling away from home. Remote Access Dialup usage is defined as Internet data calls to local access numbers beyond Frontier's local exchange telephone company territory.



## Commercial Use Prohibited

Frontier's residential Internet access services are provided for residential usage only. Commercial or business use of residential services is prohibited. In the event of such usage Frontier at its option may suspend or terminate service or may move the customer to a commercial Internet access service, in which case higher charges may apply.

## Email

Sending unsolicited bulk email is prohibited. Sending unsolicited bulk email from another provider advertising or implicating, directly or indirectly, the use of any service hosted or provided by us, including without limitation, email, Web, FTP, and DNS services, is prohibited and is grounds for termination of those services to customers or users who engage in the practice. Users who send unsolicited bulk email from our accounts will be charged the cost of labor to respond to complaints, with a minimum charge of \$200. Customers or users who send bulk email to "opt-in" lists must have a method of confirmation or verification of subscriptions and be able to show evidence of subscription for users who complain about receiving unsolicited email. Continuing to send someone email after being asked to stop is considered harassment and is prohibited. Using email to disrupt (e.g., mail bombing, "flashing," etc.) is prohibited. Sending email with falsified header information is prohibited. Chain letters, pyramid schemes, and hoaxes are prohibited.

## Email Address Harvesting

Customers and users may not use programs to harvest email addresses from the Internet for the purpose of sending unsolicited email or selling the addresses to others for that purpose. Usenet newsgroups We place no content restrictions on newsgroup postings by its users except that (a) no illegal content, including pyramid/Ponzi schemes, is permitted and (b) all postings should conform to the various conventions, guidelines and local culture found in each respective newsgroup and Usenet as a whole.

Posting 20 or more copies of the same article in a 45-day period ("spamming") or continued posting of off-topic articles after being warned is prohibited. Users who engage in spamming using our accounts will be charged the cost of labor to issue cancellations and respond to complaints, with a minimum charge of \$200. Users who engage in spamming from another provider advertising or implicating, directly or indirectly, the use of any service hosted or provided by us, including without limitation email, web, FTP, and DNS services, is prohibited and is grounds for termination of those services to those users.

Excessive crossposting (Breadbart Index of 20 or greater in a 45-day period) is prohibited. The Breadbart Index (BI) is calculated by taking the sum of the square roots of the number of newsgroups each copy of an article is crossposted to. If two articles are posted, one crossposted to 9 newsgroups and the other crossposted to 16 newsgroups, the BI =  $\sqrt{9} + \sqrt{16} = 3 + 4 = 7$ . Crossposting articles to newsgroups where they are off-topic is prohibited; a good rule of thumb is that if you are crossposting to more than five newsgroups, it's likely to be off-topic on at least one of them. Commercial advertising is typically off-topic and/or a violation of charter in most Usenet newsgroups. Information about advertising on Usenet can be found in Joel Furr's [Advertising on Usenet FAQ](#).

For more information on "spam," see the [FAQ on Current Usenet spam thresholds and guidelines](#) which is regularly posted to the news.admin.net-abuse.misc newsgroup by Chris Lewis, or visit [Fight Spam!](#).

Posting articles with falsified header information is prohibited. "Munging" header information to foil email address harvesting by "spammers" is acceptable provided that a reasonable means of replying to the message originator is given. Use of anonymous remailers is acceptable, so long as the use is not otherwise a violation of this policy. Users may not issue cancellations for postings except those which they have posted themselves, those which have headers falsified so as to appear to come from them, or in newsgroups where they are the official moderator.

Users are urged to familiarize yourself with the workings of Usenet by reading [FAQs regarding Usenet](#) before becoming active participants.



## **The World Wide Web and FTP**

The web space and public FTP space included with a dialup or DSL account may not be resold or used for adult-oriented material. We reserve the right to require that sites using such Web or FTP space which receive high amounts of traffic be moved to other servers. Web pages and FTP files may not contain any material, text, or images, whether hosted on our servers or "transcluded" (images from another site displayed on the page) which violate or infringe any copyright, trademark, patent, statutory, common law, or proprietary rights of others. Web pages and FTP files may not contain links that initiate downloads of copyright-infringing or other illegal material. Those who believe users of our services are infringing their copyrights must submit their complaints in writing to our Designated Agent to Receive Notifications of Claimed Infringement, Mark Nielsen, [dmca@frontier.com](mailto:dmca@frontier.com), Frontier Communications Corporation, 401 Merritt 7, Norwalk, CT 06851, 203-614-5600.

## **Servers, Proxies, and Networks**

Users may not run any program which makes a service or resource available to others, including but not limited to port redirectors, proxy servers, chat servers, MUDs, file servers, and IRC bots. Users may not run such programs on their own machines to make such services or resources available to others through one of our dialup or DSL accounts; a dedicated access account is required for such purposes. Customers are responsible for the security of their own networks and machines. We will assume neither responsibility nor accountability for failures or breach of customer-imposed protective measures, whether implied or actual. Abuse that occurs as a result of a compromised customer's system or account may result in suspension of services or account access.

## **Storing files**

The storage of any program, utility or file on our servers the use of which would constitute a violation of this policy is prohibited. For example, it is a violation to store hacker scripts, IRC bots, or spamming software on our servers. Frontier Communications reserves the right to modify this policy at any time. Customers will receive prompt notification of all modifications.

## **System Notifications**

In the event of system upgrades, Frontier may need to contact you via email with additional information and instructions. You are responsible for any follow-up actions defined within the email notification. If the instructions are unclear, please contact the Internet Help Desk at 800-584-3384. We will only distribute system notifications via email when absolutely necessary. Customers may not optout of Email System Notifications at this time. In order to protect the integrity and security of the network in an emergency, Frontier reserves the right to implement network changes without prior notification.

## **CHILD PORNOGRAPHY PROHIBITED**

Customers may not use our network in any fashion for the transmission or dissemination of images containing child pornography. Complaints and reports of child pornography may be made to [abuse-child@frontiernet.net](mailto:abuse-child@frontiernet.net). If circumstances indicate that child pornography is apparent, Frontier will report the circumstances to appropriate authorities, including but not limited to subscriber information relating to any person who has uploaded, transmitted, distributed or otherwise promoted the image that is the basis for the complaint. Frontier may without further notice remove, block or cease distribution of the content that is the subject of the complaint.

### **Termination of Service**

Frontier reserves the right to discontinue service at any time, for any reason, without prior notification. Customers may terminate their account by contacting Frontier by telephone. No email cancellations will be accepted.

Last Update: November 20, 2015



## **EXHIBIT G2**



## Commercial Internet Acceptable Use Policy

The following section of this Document comprises Frontier Communications, (referred to as Frontier, FrontierNet®, FrontierNet.net, gwni.com, epix.net, Citilink.net, and/or NewNorth.net) "Acceptable Use Policy" (AUP) as it exists the day that this agreement between Frontier and the Customer is entered into. As UCE and "hacking" technology develops at an alarming rate and is expected to continue to do so, Frontier reserves the right to add, remove, or modify specific prohibitions from this section of this Document. The Customer recognizes and agrees that the online AUP prohibitions, to be maintained by Frontier Communications, and always available to all Customers and to the public as the company's web pages supersede the prohibitions listed in this document.

User understands that the following restrictions are applied to the service. If violated, the service will be terminated without notice:

Customer shall not do any of the following, or permit any third party under its control (including its customers and their authorized users (ad infinitum)) to do the following, and must include provisions in its service agreements for its customers and authorized users that restrict them from doing any of the following:

1. Restrict or inhibit any other user from using and enjoying the Service and/or the Internet.
2. Upload, post, publish, transmit, reproduce, distribute, or participate in the transfer or sale, or in any way exploit any information, software or other material obtained through the Internet which is PROTECTED BY COPYRIGHT or other proprietary rights or derivative works with respect thereto, without obtaining permission of the copyright owner or rightholder. Repeated copyright infringements are grounds for termination of service.
3. Use the SMTP services of a third party for the purposes of relaying or sending electronic mail messages without the express permission of that third party.
4. Host a publicly-accessible "open relay" SMTP or anonymous remailer service for any purpose, cause, or reason.
5. Post a commercial advertisement to any USENET newsgroup, Internet "chat room", bulletin board, or similar forum, if the target forum is not specifically chartered for public advertisement by non-private parties of items "for sale".
6. Post to any USENET Newsgroup or other newsgroups, forum, email mailing list or similar group or list articles which are offtopic according to the charter or other public statement of the group.
7. Send Unsolicited Commercial Email (UCE, also known as SPAM) to any number of email users or lists.
8. Maintain, or send email to, "opt-in targeted marketing lists" if the Customer cannot demonstrate, to the satisfaction of Frontier, that the members of the list(s) have knowingly requested to be added to the list(s) in question through direct action of their own doing, and that easily-accessible, automated opt-out/removal mechanisms are in place and available to the members of the list(s).
9. Engage in any activity that is, or appears to be, an attempt to gain unauthorized access to a remote system or network, or to gain information that could later be used to assist in gaining unauthorized access to a remote system or network, such as port scanning, dictionary attacks, Denial of Service attacks, server/service hijacking, etc.
10. Engage in any of the foregoing activities using the service of another provider, but channeling such activities through an Frontier account or remailer, or using an Frontier account as a mail drop for responses to UCE, or hosting a web site that is advertised via UCE that originates from a non-Frontier connected source, or otherwise requiring return transit through the Frontier Internet backbone.
11. Falsify or "spoof" user information provided to Frontier or to other users of the Service, and for handling all complaints and trouble reports made by its own customers and authorized users.
12. Use the Service in violation or contravention of the Communications Act of 1934, as amended by the Telecommunications Act of 1996, or any other applicable law, regulation, order or other governmental directive, or abuse or fraudulently use the Service in any way not specifically set forth above.
13. Advertise, transmit, or otherwise make available any software, program, product, or service that is designed to violate this AUP, which includes but is not limited to, the facilitating the sending of Unsolicited Commercial Email (UCE also known as SPAM). Further, if Customer is notified by a Frontier Abuse Response Team



member through any form of communication, or the Customer discovers on their own or through any other means, that the Customer themselves or any third party under his/her control (including his/her customers and their authorized users [ad infinitum]) of a violation of any of the foregoing prohibitions, the Customer will take whatever steps are necessary to stop such activity, and prevent repeat violations by the offending entity.

14. **Remote Access** - Although Frontier encourages its customers to use Remote Access Dialup when traveling, Frontier may suspend or terminate service if such usage exceeds a reasonable amount of usage that would normally be expected from a person occasionally traveling away from home. Remote Access Dialup usage is defined as Internet data calls to local access numbers beyond Frontier's local exchange telephone company territory.

The Customer will respond to all violations reported by the Frontier Abuse Response Team within 1 (one) business day of the violation being reported, and will have put a stop to the activity within 2 (two) business days of the violation first being reported. If a single entity is responsible for multiple violation reports that are sent to the Customer by the Frontier Abuse Response Team, only a single response from the Customer back to the Frontier Abuse Response Team is required, provided that the Customer has taken whatever action was necessary to stop the current violation and prevent future repeat violations by the offending entity.

If, after the Customer has notified Frontier that the Customer has taken action to prevent future violations by a given entity, that entity is found accessing the Frontier network, Frontier may consider this a breach of its system integrity, and Frontier reserves the right to deal with this situation by whatever legal means deemed appropriate by Frontier.

Customer acknowledges that mounting complaints shall have a negative impact on the business and/or reputation of Frontier. Therefore, notwithstanding anything contained in this Policy or any Service Agreement to the contrary, Frontier may elect, at its sole discretion, to logically suspend any Frontier provided Internet service connection on its network if reports of abuse, UCE, or other activity deemed to have a negative impact on the network exceeds 60 complaints received in any rolling 30 day period. Prior notification of such action is not required but will be provided within 36 hours of a suspension. Service will be re-established upon the provision of satisfactory assurance to Frontier by the Customer that the complaints will not continue to a degree that exceeds the thresholds indicated above.

Complaints regarding the violation of any of the above conditions by any of Frontier's downstream networking clients or their customers, should include notification to the Frontier Security/Abuse Response Team ([abuse@frontier.com](mailto:abuse@frontier.com)) in addition to the ISP/NSP the violation actually sourced from.

Any complaints sent to [ipadmin@frontier.com](mailto:ipadmin@frontier.com) or [hostmaster@frontier.com](mailto:hostmaster@frontier.com) as listed in the frontiernet.net whois record, or sent to [postmaster@frontier.com](mailto:postmaster@frontier.com) and [webmaster@frontier.com](mailto:webmaster@frontier.com) may be forwarded to the Frontier Security/Abuse Response Team at [abuse@frontier.com](mailto:abuse@frontier.com) if the separate groups that answer those addresses have the time to do so. However, complaints sent to any of these addresses will take much longer to process if they are forwarded to the abuse team due to the delays in forwarding, as none of these addresses are valid points-of-contact for abuse complaints.

Abuse complaints to [abuse@frontier.com](mailto:abuse@frontier.com) are processed within two (2) working days upon receipt.

Complaints to the Frontier Security/Abuse Response Team should:

1. Be specific as to the nature of the complaint (i.e. UCE, Usenet Spam, etc).
2. Include a copy of the offending message/article with full message or article headers included.
3. Include a trace route or WHOIS output that demonstrates transit through the Frontier backbone to one of the responsible parties; or that they are a networking customer of Frontier or one of Frontier's networking customers.

Those who believe users of our services are infringing their copyrights must submit their complaints in writing to our Designated Agent to Receive Notifications of Claimed Infringement, Mark Nielsen, [dmca@frontier.com](mailto:dmca@frontier.com), Frontier Communications Corporation, 401 Merritt 7, Norwalk, CT 06851, 203-614-5600.

**CHILD PORNOGRAPHY PROHIBITED**



Customers may not use our network in any fashion for the transmission or dissemination of images containing child pornography. Complaints and reports of child pornography may be made to [abuse-child@frontier.com](mailto:abuse-child@frontier.com). If circumstances indicate that child pornography is apparent, Frontier will report the circumstances to appropriate authorities, including but not limited to subscriber information relating to any person who has uploaded, transmitted, distributed or otherwise promoted the image that is the basis for the complaint. Frontier may without further notice remove, block or cease distribution of the content that is the subject of the complaint. Last Updated: November 20, 2015



## **EXHIBIT H**



## **RESIDENTIAL INTERNET SERVICE AGREEMENT TERMS AND CONDITIONS**

THIS DOCUMENT IS A LEGALLY BINDING AGREEMENT AND DESCRIBES THE TERMS AND CONDITIONS PURSUANT TO WHICH FRONTIER ("Frontier" or "we") WILL PROVIDE YOU WITH INTERNET SERVICES AND RELATED EQUIPMENT. THIS AGREEMENT REQUIRES THAT ANY DISPUTE BE RESOLVED BY BINDING ARBITRATION ON AN INDIVIDUAL BASIS RATHER THAN LAWSUITS, JURY TRIALS OR CLASS ACTIONS, AS EXPLAINED MORE FULLY BELOW.

**BY USING OR PAYING FOR FRONTIER SERVICES, YOU ARE AGREEING TO THESE TERMS AND CONDITIONS.**

SEVERAL SECTIONS OF THIS AGREEMENT HAVE DIFFERENT TERMS AND CONDITIONS FOR FRONTIER'S WIRED AND SATELLITE INTERNET SERVICES.

### **SCOPE OF SERVICES**

For purposes of this Agreement, "Service", "Services" or "Broadband Services" means the service provided by Frontier that allows you to access the Internet, and offers you a capability for acquiring or retrieving information from, generating, storing, transforming, processing, or utilizing information on, or making available information to other Internet end points connected directly or indirectly to, the Frontier network. Services or Broadband Services include (whichever applies): DSL-based Internet services, including Frontier Internet service previously branded as U-verse® in Connecticut; fiber-based Internet services, including Frontier FiOS®; satellite Internet service resold by Frontier; and in some locations Wi-Fi access to Broadband Services. Services may be provided directly by Frontier or indirectly through resale or agent arrangements Frontier has made with third parties. By using or paying for the Service, you are agreeing to the terms and conditions in this Agreement.

### **TIME-PERIOD TERM ARRANGEMENTS**

Frontier may provide discounted term arrangements, gifts and/or promotions to customers who commit to a time-period term contract arrangement. If you are a term customer, your Service is subject to the term commitment you agreed to. You understand and agree that you must continue to purchase the Services for a minimum term to receive any promotional offer. You agree to keep the Frontier Services during this initial term and all applicable renewals. You must continue to purchase the Services for the minimum term agreed upon to receive the Service rates identified on your bill. If applicable, the term commitment will automatically renew for the same time period each time it expires unless you notify Frontier or we notify you of termination before the term commitment period ends. At the end of your term commitment, different service and equipment charges may apply going forward. If you do not fulfill your commitment for the minimum term (or, if renewed, the renewal term), you will be liable for and agree to pay to Frontier a termination charge up to \$400 that you agreed to when ordering Service.

### **SERVICE CHARGES**

The applicable charges, including equipment charges, for Broadband Service are identified at the time Service is ordered. Frontier may also bill you additional charges or fees, including a separate modem fee and an additional Frontier imposed HSI Surcharge. It is your responsibility to review your first bill carefully and contact Frontier within 30 days after receiving your first bill if there are any charges you dispute or that are inconsistent with the information provided to you at the time you placed an order for Service. If you subscribe to Service after October 1, 2012 and cancel Service, you will be charged a \$9.99 disconnection order processing fee. Unless otherwise prohibited by law or guaranteed by a Price Protection Plan (PPP) with Frontier, Frontier may, in its sole discretion, change or modify the rates you are charged for Services or equipment at any time. We may notify you of any such changes by posting notice of them on the Frontier website, by sending notice via e-mail or postal mail, or by a bill message. Continuing



to use the Service after notice of a change is acceptance of the change. If you do not agree to the change made by Frontier, you must stop using the Service and notify Frontier.

Frontier will bill you monthly for all charges associated with the Service. Payment in full is due no later than the due date indicated on your bill. You are responsible for paying any taxes, surcharges, fees and assessments imposed from time to time in connection with these Services. If you have authorized payment by credit card or by debiting a bank account, no additional notice or consent is required before we invoice the credit card or debit the bank account for all amounts due to us for any reason. We may accept late payments, partial payments or any payments marked as being "payment in full" or as being settlement of any dispute without losing any of our rights under this Agreement. You agree to pay costs and fees, including attorney's fees, we incur to collect any unpaid balance from you. A reasonable handling charge, up to \$30.00 depending on the state in which you subscribe to Service, will be assessed for all checks returned for insufficient funds, closed account, or any other insufficiency or discrepancy. Interest and/or a late payment fee at the rate of 1.5% per month or the highest rate allowed by law may be applied to any unpaid amount after the payment due date. This late payment fee will be in addition to and not in lieu of any other remedies we may have hereunder or under the law. If we do not receive notice of a payment dispute within 90 days after your receipt of a bill, the bill will not be subject to further challenge.

#### **NO RESALE**

Customers may not resell Service without a legal and written agency agreement with Frontier. Customers may not retransmit the Service or make the Service available to anyone outside the premises (i.e., by Wi-Fi or other methods of networking). Customers may not use the Service to host any type of commercial server.

#### **NETWORK MANAGEMENT, USAGE LIMITATIONS AND FAIR USE POLICY**

A very small percentage of customers use the Service in a way that creates harm to the network, compromises capacity, degrades network performance or service levels, or may adversely impact access to or the use of the Service by other customers. Frontier reserves the right to engage in reasonable network management practices, and to protect its broadband network from harm, compromised capacity, degradation in network performance or service levels, or uses of the Service which may adversely impact access to or the use of the Service by other customers. Reasonable network management practices that Frontier may adopt include, but are not limited to, the following: (i) data usage charges; (ii) a modification of a customer's serving facility or service technology; and/or, (iii) a modification of or a limitation on a customer's data throughput speed or data consumption. In the event that Frontier adopts a network management practice that will apply to your Service, we will provide you with a notice, by Web posting, bill insert, email, letter, and/or other appropriate means, which describes the network management practice, explains how it will work, and explains how it could impact your Service. Additional information regarding Frontier's data network management practices is available at: <https://frontier.com/networkmanagement>

You must comply with all Frontier network, bandwidth, data storage and usage limitations. You must ensure that your use of the Service, including the amount of data sent or received in the course of a month or shorter periods, does not exceed the limitations that are now in effect or may be established in the future. Continued use of the Service will constitute acceptance of any new limits. If your use of the Service exceeds applicable limitations, such use will be a violation of this Agreement. In such cases, Frontier may, in its sole discretion, terminate or suspend your Service account or request that you subscribe to a version of the Service with higher usage limitations if you wish to continue to use the Service at higher usage levels.

With the rise in spam, viruses and other instances of malware found on the Internet, Frontier reserves the right to restrict or block known ports that in the past have allowed for the transfer of spam, viruses, and other malware. See <http://www.frontierhelp.com/faq.cfm?qsaid=504>

#### **FAIR ACCESS POLICY FOR FRONTIER'S SATELLITE BROADBAND AND WIFI SERVICE**

To ensure fair Internet access for all Frontier satellite Broadband Service subscribers, Frontier maintains a Fair Access Policy. This policy assigns a Download Allowance to each service plan, which limits the amount of data that may be continuously downloaded within specified time periods. Subscribers who exceed this limit will experience a temporary



reduction of speed unless they purchase credits for additional data amounts. Details of the Fair Access Policy can be found here: <https://frontier.com/docs/policies/frontier-broadband-fair-access-policy>

Prior to using the Service you may be required to accept Terms of Service, Privacy Policy, and network rules that apply in addition to the terms included in this Agreement. In order to use the WiFi Service, you must have a wireless-enabled device for Internet connectivity. You agree that Frontier may have to manage the WiFi Service in order to make the service a good experience for multiple simultaneous users. This may include, for example, a time limit on each session, a limit on the number of sessions within a given time period, a limit on the number of devices per account, or a limit on the amount of bandwidth used by each device.

## **SERVICE SPEED AND AVAILABILITY**

The Broadband Service speeds identified in Frontier's marketing materials and other communications with you reflect Service capability speeds in Service speed tiers. The Service tiers are usually denoted by a name, and by a number that identifies the high-end of that Service tier's speed range -- commonly referred to as "up to" the noted speed. **The high-end of the speed range in a Service tier represents the potential wired maximum speed capability in that Service tier, but is not a statement or guarantee of the maximum speed you will receive.** Some applications such as a short email without attachments or basic Web browsing do not require high speed service capability to function optimally, while other activities such as transferring large data files can be performed faster with higher speed services. The speed capability of the Service plan you purchase may not be suitable for some applications, particularly those involving high-bandwidth uses such as streaming video or video conferencing.

Bandwidth is provided on a per-line (not a per-device) basis. The maximum speed you will receive will depend on a multitude of factors, including, among other things: the distance of your premises from our nearest remote terminal or central office; the equipment in use and number of other users on the portion of our network that connects you to the remainder of our network or the Internet; interference; the wiring inside your premises; and the capacity or performance of your computer, device or modem. Furthermore, the speed you receive at a point in time may vary and may be less than your maximum speed, depending on, among other things, the composition of the information or files you are accessing, usage, and traffic on the Internet, the server with which you are communicating, and the networks you and others are using when communicating.

Frontier therefore makes no promise or warranty, express or implied, that you will be able to download or upload data at any particular speed. If you are dissatisfied with the speed of Service you are receiving, you must contact Frontier in writing to the addresses identified in the Notices section below or by contacting our customer contact center and provide Frontier with the opportunity to investigate and attempt to address any issues with the Service.

Service is not available to all locations, and may not be available at certain speeds (or at all) at your location, even if Service is offered in your area or our initial testing indicated that your line qualified for a particular speed or Service. Service may be subject to technical line qualification. Installation options vary, and charges may apply. In order to utilize Service, you must have a computer or device with sufficient Internet-compatible equipment and software. Some homes may not be able to receive Frontier's satellite Broadband Service as a result of trees or other obstacles that block the signal from the satellite to the home.

## **ELECTRICAL POWER, EQUIPMENT AND SECURITY**

The Service requires electrical power from your premises to operate, which you are responsible for providing. Note that without battery backup the Service will not function in the event of a loss of customer-supplied power. This will disrupt the Service as well as any additional services that use the Service connection for transport (e.g., Voice over IP including e911). Frontier will have no liability for loss of any Service(s) in the event of interruption of customer-supplied power, with or without battery backup present in the Frontier equipment.

You are responsible for all use of your Service and account, whether by you or someone using your account with or without your permission, including all secondary or sub-accounts associated with your primary account, and to pay for all activity associated with your account. You agree to comply with all applicable laws, regulations and rules regarding your use of the Service.



All equipment provided by Frontier or installed by or on behalf of Frontier remains the property of Frontier unless you purchase the equipment pursuant to an agreement with Frontier. Frontier may require you to return all Frontier-owned equipment in the same condition as when provided, normal wear and use excepted, upon termination of Service. Failure to do so will result in a charge to be determined with reference to Frontier's then-current schedule of equipment charges. You agree to pay such charge(s) even if such equipment is lost (through theft or otherwise) or destroyed. For Frontier's satellite Broadband Service, you are not required to return all components, and Frontier is not obligated to de-install, the antenna, mount or any cables.

Other than the equipment and/or software provided to you by Frontier for use with the Service, you must provide all equipment, devices, and software necessary to receive the Service. Any equipment or software that was not provided to you by Frontier is not the responsibility of Frontier, and Frontier will not provide support, or be responsible for ongoing maintenance, of such equipment.

You are responsible for the security of your computer, hardware, software applications, data and files. Frontier will have no liability for any damage or loss to your computer, hardware, software applications, data and files. We make no representation or warranty that any software or content installed on your computer(s) or that you download using the Service does not contain a virus or other harmful feature, and it is your sole responsibility to take appropriate precautions to protect any computer or other hardware of yours from damage to its software, files or data as a result of any such virus or other harmful feature.

#### **MANAGEMENT OF YOUR COMPUTER AND DATA**

You are solely responsible for obtaining, maintaining and updating all equipment and software necessary to use the Service, and for management of your information, including but not limited to back-up and restoration of your data. **YOU AGREE THAT FRONTIER IS NOT RESPONSIBLE FOR THE LOSS OF YOUR DATA OR FOR THE BACK-UP OR RESTORATION OF YOUR DATA, REGARDLESS OF WHETHER THIS DATA IS MAINTAINED ON OUR SERVERS OR YOUR DEVICE(S). YOU SHOULD ALWAYS BACK-UP ANY IMPORTANT INFORMATION SEPARATELY FROM DATA STORED ON FRONTIER'S OR ANY THIRD PARTY'S SERVERS.**

WiFi Service and access to Service using a wireless modem or router is provided over wireless radio waves, which means that your transmissions could be intercepted by unauthorized persons. If you are in a public area or using a wireless modem or router, others may be able to view the content on your device. You assume all risk and release Frontier in the event of any damage you may suffer during use of WiFi Service or Service using a wireless modem or router, including the introduction of any viruses that may occur or breaches from unauthorized third parties.

#### **SOFTWARE**

Frontier may provide you, for a fee or at no charge, software for use in connection with the Service that is owned by Frontier or its third party licensors, providers and suppliers ("Software"). We reserve the right periodically to update, upgrade or change the Software remotely or otherwise and to make related changes to the settings and software on your computer or equipment, and you agree to permit such changes and access to your computer and equipment. You must use the Software only in connection with the Service and for no other purpose. Certain Software may be accompanied by an end user license agreement ("EULA") from Frontier or a third party. Your use of the Software is governed by the terms of that EULA and by this Agreement, where applicable. You must not install or use any Software that is accompanied by or includes a EULA unless you first agree to the terms of the EULA.

#### **DISCONTINUATION OR TERMINATION**

Frontier reserves the right to modify or discontinue the Service (including rates and charges), temporarily or permanently. If Frontier makes a change that would have a material impact on your Service, Frontier will give you notice. The terms and conditions for temporary changes, if any, will be included in the notice and will be automatically incorporated by reference to this Agreement at: [www.Frontier.com/terms](http://www.Frontier.com/terms). Your continued subscription to the Service after the effective date of the change constitutes your acceptance of the changes and the associated terms and conditions. In lieu of notice and Web site posting, Frontier may instead, at its sole discretion, require customers to enter into an agreement with Frontier regarding temporary material changes.



We may also discontinue or terminate Service if: you do not honor any provision of this Agreement (including payment obligations to Frontier for these or any other services); you use the Service in a manner that adversely affects service to other customers or harasses our customers or employees; you or others use the Service to engage in fraud or unlawful conduct or are suspected of doing so; or any regulatory agency, legislative body or court restricts or otherwise prevents Frontier from furnishing the Service.

You may terminate the Service by giving written notice to the address provided in the Notice section below or contacting a Frontier Contact Center if we do not remedy any ongoing breach of the terms and conditions in this Agreement within thirty (30) days after Frontier's receipt of notice from you of such alleged breach. To the extent permitted by applicable law, your exclusive remedy for a breach by Frontier is (i) termination of service by you, and (ii) a credit or refund of the charges you paid after providing notice to Frontier of the alleged breach or any other dispute, but not to exceed charges for ninety (90) days. If you fail to provide Frontier with notice and an opportunity to cure, to the extent permitted by applicable law, termination of service by you is your exclusive remedy for any breach by Frontier.

You agree that if your Service is terminated for any reason, Frontier has the right to immediately delete all data, files and other information (including any emails, address book and/or web storage content) stored in or for your account without further notice to you.

#### **INTERNET ACCEPTABLE USE POLICY**

You agree not to use or to allow others to use the Service for illegal or inappropriate activities, including but not limited to: invading another person's privacy; unlawfully using, possessing, posting, transmitting or disseminating obscene, profane or pornographic material; posting, transmitting, distributing or disseminating content that is unlawful, threatening, abusive, harassing, libelous, slanderous, defamatory or otherwise offensive or objectionable. You agree to comply with Frontier's Acceptable Use Policy (AUP), which Frontier may modify at any time. The current AUP is available for review at the following address, subject to change: [https://frontier.com/docs/policies/policies\\_residential\\_aup\\_112015.pdf](https://frontier.com/docs/policies/policies_residential_aup_112015.pdf)

#### **WARRANTIES AND LIMITATION OF LIABILITY**

**YOU ACKNOWLEDGE AND AGREE THAT THE SERVICE SUPPLIED HEREUNDER IS PROVIDED ON AN "AS IS" OR "AS AVAILABLE" BASIS, WITH ALL FAULTS. FRONTIER (AND ITS OFFICERS, EMPLOYEES, PARENT, SUBSIDIARIES, AND AFFILIATES) (COLLECTIVELY, THE "FRONTIER PARTIES"), ITS THIRD PARTY LICENSORS, PROVIDERS AND SUPPLIERS, DISCLAIM ANY AND ALL WARRANTIES AND CONDITIONS FOR THE SERVICE, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, NON-INFRINGEMENT, NON-INTERFERENCE, TITLE, COMPATIBILITY OF COMPUTER SYSTEMS, COMPATIBILITY OF SOFTWARE PROGRAMS, INTEGRATION, AND THOSE ARISING FROM COURSE OF DEALING, COURSE OF TRADE, OR ARISING UNDER STATUTE. ALSO, THERE IS NO WARRANTY OF WORKMANLIKE EFFORT OR LACK OF NEGLIGENCE. NO ADVICE OR INFORMATION GIVEN BY FRONTIER OR ITS REPRESENTATIVES SHALL CREATE A WARRANTY WITH RESPECT TO ADVICE PROVIDED.**

**FRONTIER DOES NOT WARRANT OR GUARANTEE THAT SERVICE CAN BE PROVISIONED TO YOUR LOCATION, OR THAT PROVISIONING WILL OCCUR ACCORDING TO A SPECIFIED SCHEDULE, EVEN IF FRONTIER HAS ACCEPTED YOUR ORDER FOR SERVICE. THE PROVISIONING OF SERVICE IS SUBJECT TO NETWORK AVAILABILITY, CIRCUIT AVAILABILITY, LOOP LENGTH, THE CONDITION OF YOUR TELEPHONE LINE AND WIRING INSIDE YOUR LOCATION, AND YOUR COMPUTER/DEVICE CONFIGURATION AND CAPABILITIES, AMONG OTHER FACTORS. IN THE EVENT YOUR LINE IS NOT PROVISIONED FOR ANY REASON, NEITHER YOU NOR FRONTIER SHALL HAVE ANY DUTIES OR OBLIGATIONS UNDER THIS AGREEMENT (OTHER THAN YOUR OBLIGATION TO RETURN ANY FRONTIER-PROVIDED EQUIPMENT).**



**FRONTIER DOES NOT WARRANT THAT THE SERVICE OR EQUIPMENT PROVIDED BY FRONTIER WILL PERFORM AT A PARTICULAR SPEED, BANDWIDTH OR DATA THROUGHPUT RATE, OR WILL BE UNINTERRUPTED, ERROR-FREE, SECURE, OR FREE OF VIRUSES, WORMS, DISABLING CODE OR CONDITIONS, OR THE LIKE. FRONTIER SHALL NOT BE LIABLE FOR LOSS OF YOUR DATA, OR IF CHANGES IN OPERATION, PROCEDURES, OR SERVICES REQUIRE MODIFICATION OR ALTERATION OF YOUR EQUIPMENT, RENDER THE SAME OBSOLETE OR OTHERWISE AFFECT ITS PERFORMANCE.**

**IN NO EVENT SHALL THE FRONTIER PARTIES OR FRONTIER'S THIRD PARTY LICENSORS, PROVIDERS OR SUPPLIERS BE LIABLE FOR: (A) ANY INDIRECT, PUNITIVE, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST PROFITS OR LOSS OF REVENUE, LOSS OF PROGRAMS OR INFORMATION OR DAMAGE TO DATA ARISING OUT OF THE USE, PARTIAL USE OR INABILITY TO USE THE SERVICE, OR RELIANCE ON OR PERFORMANCE OF THE SERVICE, REGARDLESS OF THE TYPE OF CLAIM OR THE NATURE OF THE CAUSE OF ACTION, INCLUDING WITHOUT LIMITATION, THOSE ARISING UNDER CONTRACT, TORT, NEGLIGENCE OR STRICT LIABILITY, EVEN IF FRONTIER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH CLAIM OR DAMAGES, OR (B) ANY CLAIMS AGAINST YOU BY ANY OTHER PARTY.**

**THE LIABILITY OF THE FRONTIER PARTIES, OR (SUBJECT TO ANY DIFFERENT LIMITATIONS OF LIABILITY IN THIRD PARTY END USER LICENSE OR OTHER AGREEMENTS) OUR THIRD PARTY LICENSORS, PROVIDERS OR SUPPLIERS, FOR ALL CATEGORIES OF DAMAGES SHALL NOT EXCEED A PRO RATA CREDIT FOR THE MONTHLY FEES (EXCLUDING ALL NONRECURRING CHARGES, REGULATORY FEES, SURCHARGES, FEES AND TAXES) YOU HAVE PAID TO FRONTIER FOR THE SERVICE DURING THE NINETY (90) DAY PERIOD PRIOR TO WHEN SUCH CLAIM AROSE, WHICH SHALL BE YOUR SOLE AND EXCLUSIVE REMEDY REGARDLESS OF THE TYPE OF CLAIM OR NATURE OF THE CAUSE OF ACTION.**

**ALL OF THE FOREGOING LIMITATIONS STATED IN THIS SECTION SHALL APPLY TO THE FULL EXTENT PERMITTED BY LAW, AND ARE NOT INTENDED TO ASSERT ANY LIMITATIONS OR DEFENSES WHICH ARE PROHIBITED BY LAW.**

**ALL LIMITATIONS AND DISCLAIMERS STATED IN THIS SECTION ALSO APPLY TO FRONTIER'S THIRD PARTY LICENSORS, PROVIDERS AND SUPPLIERS, AS INTENDED THIRD PARTY BENEFICIARIES OF THIS AGREEMENT.**

**THE REMEDIES EXPRESSLY SET FORTH IN THIS AGREEMENT ARE YOUR SOLE AND EXCLUSIVE REMEDIES. YOU MAY HAVE ADDITIONAL RIGHTS UNDER CERTAIN LAWS (SUCH AS CONSUMER LAWS), WHICH DO NOT ALLOW THE EXCLUSION OF IMPLIED WARRANTIES, OR THE EXCLUSION OR LIMITATION OF CERTAIN DAMAGES. IF THESE LAWS APPLY, OUR EXCLUSIONS OR LIMITATIONS MAY NOT APPLY TO YOU.**

#### **INDEMNIFICATION**

You agree to defend, indemnify and hold harmless the Frontier Parties against all liabilities, costs and expenses, including reasonable attorneys' and experts' fees, related to or arising from your use of the Service (or the use of your Service by anyone else): (a) in violation of applicable laws, regulations or this Agreement; (b) to access the Internet or to transmit or post any message, information, software, images or other materials via the Internet; (c) in any manner that harms any person or results in the personal injury or death of any person or in damage to or loss of any tangible or intangible (including data) property; or (d) claims for infringement of any intellectual property rights arising from or in connection with your use of the Service.

#### **DISPUTE RESOLUTION WITH FRONTIER BY BINDING ARBITRATION**

**\*\*\*PLEASE READ THIS CAREFULLY. IT AFFECTS YOUR RIGHTS\*\*\***



Frontier encourages you to contact our Customer Service department if you have concerns or complaints about your Service or Frontier. Generally, customer complaints can be satisfactorily resolved in this way. In the unlikely event that you are not able to resolve your concerns through our Customer Service department, you and Frontier each agree to resolve all disputes through binding arbitration or a small claims court rather than lawsuits in courts of general jurisdiction, jury trials, or class actions. Arbitration is more informal than a lawsuit. Arbitration uses a neutral arbitrator instead of a judge or jury, allows for more limited discovery than in court, and is subject to very limited review by courts. Arbitrators can award the same damages and individual relief affecting individual parties that a court can award, including an award of attorneys' fees if the law allows. For any non-frivolous claim that does not exceed \$75,000, Frontier will pay all costs of the arbitration. Moreover, in arbitration you are entitled to recover attorneys' fees from Frontier for your own dispute to the same extent as you would be in court. In addition, under certain circumstances (as explained below), Frontier will pay you more than the amount of the arbitrator's award if the arbitrator awards you an amount that is greater than what Frontier has offered you to settle the dispute.

**Arbitration Agreement:**

(a) You and Frontier agree to arbitrate all disputes and claims between us related to or associated with the Service. This agreement to arbitrate is intended to be broadly interpreted. It includes, but is not limited to, all claims arising out of or relating to any aspect of our relationship, whether based in contract, tort, statute, fraud, misrepresentation or any other legal theory, that arose either before or during this or any prior Agreement, or that may arise after termination of this Agreement. It also includes claims that currently are the subject of class action or purported class action litigation in which you are not a member of a certified class. References to "Frontier," "you," and "us" include our respective subsidiaries, affiliates, agents, employees, predecessors in interest, successors, and assigns, as well as all authorized or unauthorized users or beneficiaries of Frontier Broadband Services under this or prior Agreements between us.

Notwithstanding the foregoing agreement, Frontier agrees that it will not use arbitration to initiate debt collection against you except in response to claims you have made in arbitration. In addition, by agreeing to resolve disputes through arbitration, you and Frontier each agree to unconditionally waive the right to a trial by jury or to participate in a class action, representative proceeding, or private attorney general action. Instead of arbitration, either party may bring an individual action in a small claims court for disputes or claims that are within the scope of the small claims court's authority. In addition, you may bring any issues to the attention of federal, state, or local agencies, including, for example, the Federal Communications Commission. Such agencies can, if the law allows, seek relief against us on your behalf.

This Agreement evidences a transaction in interstate commerce, and thus the Federal Arbitration Act governs the interpretation and enforcement of this provision, even after the Agreement is terminated.

(b) A party who intends to seek arbitration must first send to the other, by certified mail, a written Notice of Dispute ("Notice"). The Notice to Frontier should be addressed to: Frontier Communications, Legal Department, 401 Merritt 7, Norwalk, CT 06851 ("Notice Address"). The Notice must (1) describe the nature and basis of the claim or dispute, and (2) set forth the specific relief sought ("Demand"). If Frontier and you do not reach an agreement to resolve the claim within 30 days after the Notice is received, you or Frontier may commence an arbitration proceeding. During the arbitration, the amount of any settlement offer made by Frontier or you shall not be disclosed to the arbitrator until after the arbitrator determines the amount, if any, to which you or Frontier is entitled.

(c) The arbitration will be governed by the Consumer Arbitration Rules ("AAA Rules") of the American Arbitration Association ("AAA"), as modified by the terms of this Agreement, and will be administered by the AAA. Procedure, rule and fee information is available from the AAA online at <http://www.adr.org>, by calling the AAA at 1-800-778-7879, or by calling Frontier at 1-877-462-7320, option 3. The arbitrator is bound by the terms of this Agreement. All issues are for the arbitrator to decide, except that issues relating to the scope and enforceability of the arbitration provision, including the scope, interpretation, and enforceability of section (f) below, are for a court to decide. If your claim is for \$25,000 or less, you may choose whether the arbitration will be conducted solely on the basis of documents submitted to the arbitrator, through a telephonic hearing, or by an in-person hearing as established by the AAA Rules. If your claim exceeds \$25,000, the right to a hearing will be determined by the AAA Rules. Unless Frontier and you agree otherwise, any in-person hearings will take place at a location that the AAA selects in the state of your primary



residence unless you and Frontier agree otherwise. Regardless of the manner in which the arbitration is conducted, the arbitrator shall issue a reasoned written decision sufficient to explain the essential findings and conclusions on which the award is based.

Frontier agrees to pay your AAA filing, administration, and arbitrator fees ("AAA fees") for claims for damages of up to \$75,000 and for claims for non-monetary relief up to the value of \$75,000, as measured from either your or Frontier's perspective (but excluding attorneys' fees and expenses). After Frontier receives notice that you have commenced arbitration, it will promptly reimburse you for your payment of the filing fee, unless your claim is for greater than \$75,000. (The filing fee currently is \$200 but is subject to change by the AAA. If you are unable to pay this fee, Frontier will pay it directly upon receiving a written request.) In addition, Frontier will not pay your share of the AAA fees if the arbitrator finds that either your claim or the relief sought is frivolous or brought for an improper purpose, as measured by the standards of Federal Rule of Civil Procedure 11(b). In such case, the payment of AAA fees will be governed by the AAA Rules, and you agree to reimburse Frontier for all monies previously disbursed by it that are otherwise your obligation to pay under the AAA Rules. If you initiate an arbitration in which you seek relief valued at more than \$75,000 (excluding attorneys' fees and expenses), as measured from either your or Frontier's perspective, the payment of AAA fees will be governed by the AAA Rules.

(d) If Frontier offers to settle your dispute prior to appointment of the arbitrator and you do not accept the offer, and the arbitrator awards you an amount of money that is more than Frontier's last written settlement offer, then Frontier will pay you the amount of the award or \$5,000 ("the alternative payment"), whichever is greater. If Frontier does not offer to settle your dispute prior to appointment of the arbitrator, and the arbitrator awards you any relief on the merits, then Frontier agrees to pay you the amount of the award or the alternative payment, whichever is greater. The arbitrator may make rulings and resolve disputes as to the payment and reimbursement of fees, expenses, and the alternative payment at any time during the proceeding and upon request from either party made within fourteen (14) days of the arbitrator's ruling on the merits.

(e) Although Frontier may have a right to an award of attorneys' fees and expenses if it prevails, Frontier agrees that it will not seek such an award.

(f) You and Frontier agree to seek, and further agree that the arbitrator may award, only such relief—whether in the form of damages, an injunction, or other non-monetary relief—as is necessary to resolve any individual injury that either you or Frontier have suffered or may suffer. In particular, if either you or Frontier seeks any nonmonetary relief, including injunctive or declaratory relief, the arbitrator may award relief on an individual basis only, and may not award relief that affects individuals or entities other than you or Frontier. YOU AND FRONTIER AGREE THAT WE EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN AN INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS, REPRESENTATIVE, OR PRIVATE ATTORNEY GENERAL PROCEEDING. FURTHERMORE, UNLESS BOTH YOU AND FRONTIER AGREE OTHERWISE IN WRITING, THE ARBITRATOR MAY NOT CONSOLIDATE MORE THAN ONE PERSON'S CLAIMS, AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A CLASS, REPRESENTATIVE, OR PRIVATE ATTORNEY GENERAL PROCEEDING. If a court decides that applicable law precludes enforcement of any of this paragraph (f)'s limitations as to a particular claim for relief, then that claim (and only that claim) must be severed from the arbitration and may be brought in court. Further, an arbitrator's award and any judgment confirming it shall apply only to that specific case and cannot be used in any other case except to enforce the award itself.

(g) Notwithstanding any provision in this Agreement to the contrary, you and Frontier agree that if Frontier makes any change to this arbitration provision during the period of time that you are receiving Frontier services, you may reject that change by providing Frontier with written notice within 30 days of the change to the Notice Address provided in (b) above and require Frontier to adhere to the language in this provision. By rejecting any future change, you are agreeing that you will arbitrate any dispute between us in accordance with the language of this provision.

#### **FORCE MAJEURE**

You understand and agree that temporary interruptions of the Service may occur as normal events in the provision of the Service and that Frontier is not liable for such interruptions. You further understand and agree that Frontier has no control over third-party networks you may access in the course of your use of the Service, and therefore, delays and disruptions of other network transmissions are beyond the control of Frontier. In addition, Frontier is not liable for



any failure of performance due to any cause beyond its reasonable control including acts of God, fire, explosion, vandalism, terrorism, cable cut, major weather disturbance, national emergencies, riots, wars, labor difficulties, supplier failures, shortages, breaches, any law, order, regulation, direction, action, or request by any government, civil, or military authority, or suspension of existing service in compliance with state and/or federal law, rules, and regulations, or delays caused by you or your equipment.

## **GENERAL TERMS**

If any part of this Agreement is held invalid or unenforceable, the remainder of this Agreement will remain in force. No waiver of any breach of this Agreement will be deemed a waiver of any future breach. This Agreement will be governed by the laws of the state where the Service is provided, without regard to its choice of law rules. Except as expressly set forth in this Agreement, this Agreement shall not provide any third party with a remedy, claim or right of reimbursement. We may assign this Agreement to another entity without any advance consent from or notice to you. You may not assign this Agreement without our consent.

## **OUR RIGHT TO MAKE CHANGES**

UNLESS OTHERWISE PROHIBITED BY LAW, FRONTIER MAY CHANGE THE TERMS AND CONDITIONS OF YOUR SERVICE AT ANY TIME BY GIVING YOU 30 DAYS NOTICE BY BILL MESSAGE, BILL INSERT, E-MAIL OR OTHER NOTICE, INCLUDING POSTING NOTICE OF SUCH CHANGES ON THE WWW.FRONTIER.COM WEBSITE. YOU ACCEPT THE CHANGES IF YOU PAY FOR OR USE THE SERVICES AFTER NOTICE IS PROVIDED

## **ENTIRE AGREEMENT**

The terms and conditions of this Agreement, together with the Service order and any specific agreement regarding a term commitment and price agreed upon by you and Frontier, are the entire agreement between you and Frontier, which may only be amended as described above. These terms and conditions supersede any inconsistent or additional promises made to you by any of our employees or agents. If you have signed (including electronically) an agreement with Frontier, in the event of a conflict between that agreement signed by you and Frontier and this document, the signed agreement shall control.

## **NOTICES**

Notices required under this Agreement by you must be provided to us at:

**Frontier Communications,  
Legal Department  
401 Merritt 7  
Norwalk, CT 06851**

With a copy to:

**Frontier Communications  
High Speed Internet Dispute  
1398 S. Woodland Blvd.  
Deland, FL 32720**

Notice by Frontier to you (including notice of changes to this Agreement) shall be deemed given when: (a) transmitted to your primary Frontier email address; or (b) mailed as a letter, bill message, bill insert postcard or other notice via the US mail to your address on file with us; or (c) when posted to the [www.Frontier.com/terms](http://www.Frontier.com/terms) website.

Last update: December 10, 2015



## **EXHIBIT I**





# Frontier Fiber

Customer Onboarding/Engagement

Frontier  
COMMUNICATIONS



# Onboarding and Keeping Customers



- Marketing to Prospects
  - Direct Mail.
  - Event Marketing.
- Onboarding
  - Orders taken by US based call centers. Live agents.
  - Installation done by experienced, trained Frontier employee technician.
  - Billing done directly by Frontier Communication to customer. No middleman.
  - Defined onboarding and billing process.
- Service
  - Customer Service call handled directly by Frontier.
  - Technical calls handled by specific trained Frontier employees.
  - Home service truck routed as required.



## Direct Mail to Fiber Households



**Fiber speeds as fast as**

# 1G

**now available In  
your neighborhood**

Call **1.855.730.8021** or visit **GetVantage.com/CTFiber**

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Dear Neighbor,

I am excited to share with you that Vantage® Fiber by Frontier is now available in your neighborhood.

With fiber optic technology to your home you may be able to achieve download speeds as fast as 1 Gbps and upload speeds as fast as 150 Mbps. Speeds like these help make your Internet and entertainment experience faster and richer than ever before!

## Speeds as fast as 1 Gbps:

 <b>Are 100 times faster than the average fixed high-speed internet connection*</b>	 <b>Allow you to stream multiple high-definition videos simultaneously</b>	 <b>Support high-definition online video chats</b>
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Sign up for Vantage Fiber, TV and Voice by Frontier and you could qualify for up to a \$400 Amazon.com Gift Card\*\*.

Cut the cable and join the Fiber Revolution. Call **1.855.730.8021** or visit **GetVantage.com/GiftCard** to switch today.

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Sincerely,  
*(signature)*

Print Name \_\_\_\_\_  
Title \_\_\_\_\_  
Frontier Communications

**Ask about how you can receive up to a \$400 Amazon.com Gift Card\*\***

\*Based on Comcast Xfinity service. Actual speeds vary based on network conditions.  
\*\*Eligible customers who sign up for new service by December 31st will receive one \$400 Amazon.com Gift Card. Offer subject to change without notice. See GetVantage.com/gifcard for details. ©2014 Frontier Communications Corporation. All rights reserved.



# Event Marketing





# Welcome Aboard – Day 1



## With Account Start Date

[Shop](#)[My Account](#)[Support](#)

# Welcome to Frontier!

Dear (First Name) (Last Name)

Thank you for ordering Frontier services. We're excited to have you as a customer and want to make sure you get the most out of your services.

For your reference, your account start date is: **XX/XX/XX**

**We're here to help!**

 The Frontier Help Center – our online resource available right at your fingertips.

[Learn More](#)

Thank you for being a Frontier customer!

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**Ftr**



# Frontier ID Introduction – Day 7



ShopMy AccountSupport



Easy Account Access  
with a Frontier ID

It's all about convenience.

Use the MyFrontier Mobile App  
Manage your account

Sign up for Auto Pay  
Enroll in paperless billing

View and pay your bill

Reboot your set top box and modem

[Get Registered](#)

Must be an existing Frontier Communications customer to use the MyFrontier App. A verified Frontier ID is required to activate the app. The app is available for download on the App Store and Google Play. The app is not available for download on other mobile devices. The app is not available for download on other mobile devices.

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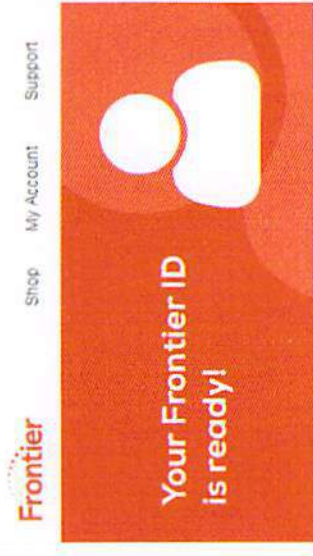


6

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# Thank You Email-Frontier ID



Frontier Shop My Account Support

Dear (First Name) (Last Name)

Your Frontier ID is ready to use. Start enjoying the benefits today!  
With your new Frontier ID you will now be able to:

	Pay your bill
	Manage your Internet, TV, and/or phone services
	Check the status of a pending order
	Manage your Account
	Enroll in Automatic Payments

Enroll in Auto Pay

Thank you for being a Frontier customer!

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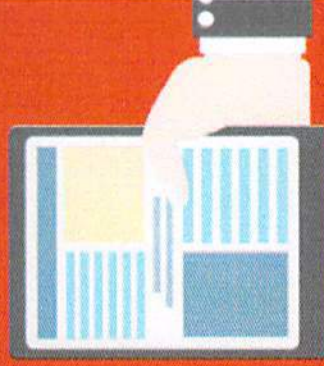


# How to Read Your Bill – Day 14



Shop My Account Support

An easy way to  
read your new bill



We know that your monthly statement includes a lot of information.  
That's why we're making it easy to understand.

**Watch Now**

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# Help Center Introduction – Day 30



Frontier

ShopMy AccountSupport

If you've got questions, we've got answers.

The Frontier Help Center – our online resource available right at your fingertips. At the Help Center you can:

Get answers to any questions you have regarding your Frontier Internet, TV and voice phone services

Manage Services – check order status and create trouble tickets

Access the toolbox, troubleshooting wizard and quick links

Explore Today

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**Saving money just got easier.** Refer your friends sign up for a qualifying Frontier service and you'll earn credits towards your account. It's just that easy.



### **3.1 Broadband Network Service**

*Question: Does the vendor understand that expecting the towns to be responsible for all make-ready work and utility pole surety bonds and yearly rental fees constitutes non-compliance with the RFP and will result in proposal disqualification? The 4 towns are jointly seeking a vendor who can provide a complete regional solution for meeting the need and goal of achieving high bandwidth Internet access for all residents and businesses in the towns.*

Matrix Design Group is interested in a true partnership with the Towns of Monterey, New Marlborough, Sandisfield and Tolland. In order to accomplish this under Massachusetts law it has to be done under the umbrella of the MLP (Municipal Lighting Plant) MGL 164 laws. Given the fact that each Town went through the trouble of two Town votes to establish an MLP and given the fact that the RFP was released collectively by the Towns' MLPs it is assumed that the Towns agree.

If a private company wanted to build a FTTH network in a town without the use of public funds there would be no need for that private company to get the permission or work in concert with either the Towns' Select Boards or Broadband Committees. See the Fiber Connect builds in Monterey and Egremont for example.

If public funds are being used (either from the Towns or the MBI) in this broadband project then certain rules and restrictions apply. The Matrix proposal is designed to conform with these rules and regulations.

**The Matrix proposal does not encumber future Select Boards or require Home Rule legislation.**

The Matrix plan calls for the Towns to be responsible for all aspects of the utility company pole make-ready process, pole details during make-ready, and a place to house and power the network electronics. Only the place to house and power network electronics would fall under the requirements of Mass 30B procurement law. Matrix would work with the Towns with the specifications and requirements needed for the bid process.

Even though Mass 30B procurement law does not apply to MLP's or MLP Cooperatives, on advice of counsel (Kopelman & Paige), a three year waiting period was inserted prior to the Town's Option to Purchase so that the agreement would not be viewed as in any way to be circumventing Mass 30B law.

According to advice from MLP Attorney Jack Ferriter to the Town of Princeton, the Town's MLP has to have "significant control" over a network built in Town. The Option to Purchase and the MLP's having control over pricing changes to the Standard Internet tier gives the MLPs "Significant Control" over the network. The initial Standard Internet pricing would be locked in for two years. After that any increase over CPI (Consumer Price Index) would have to be approved by the MLP. The Option to Purchase also in effect gives the MLPs the ability to "fire" Matrix – an equally important aspect of control.



At a recent MBI sponsored meeting the offices of the Mass IG and AG suggested they would be wary of “paper” MLPs. Under the Matrix plan the MLP’s would own and maintain the “right of way” for the Matrix fiber. This is a significant asset. The MLP’s would also own the place to house and power the network electronics plus any new poles installed to support the network. Combined with the Option to Purchase, the ability to control the pricing of the Standard Internet tier and the setting of the monthly MLP fees – under the Matrix proposal the MLP’s would be very “real”.

According to the last MBI Board of Directors meeting, the Towns are now eligible for both their allocated Construction funds AND their allocated Professional Services funds. With the addition of the Professional Services funds that means there should be no net cost to any of the 4-towns for the Matrix plan. In other words, the Matrix proposal should have **ZERO net tax impact** on any of the residents of Monterey, New Marlborough, Sandisfield or Tolland.

Since the MLP would set the MLP fee which would be paid for by just subscribers – there would be no ongoing tax impact to residents of the 4 towns.

In short, the Matrix plan offers the least impact on taxpayers and the quickest way to get broadband with the least risk to the Towns of Monterey, New Marlborough, Sandisfield and Tolland.



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### **5.2.3.1 Service Options and Rates**

*Question: What is the VOIP service quality being proposed? (which VOIP codec standard)  
Based on vendor response to this question the adjective rating can be no better than  
“Advantageous.” Vendor offers no television package service.*

The Calix VoIP services solution for fiber access relies on an Integrated Access Device (IAD) which is embedded in the ONT (Optical Network Terminal) and interfaces to the RJ-11 POTS ports. The ONT performs the call handling and IP packetization required for VoIP implementation. The integration of VoIP at the ONT uses Session Initiation Protocol (SIP) as specified in RFC-3261, with supplemental RFCs related to SIP employed on the unit for performance enhancements.

The objective of employing VoIP is to deliver the same features as a Class 5 TDM (Time Division Multiplexing) switch and also to add enhanced features only possible in an IP implementation. The integrated IAD allows Matrix and Calix to offer the same services in the home as those that are already present, and introduce new features. This approach means that end-user equipment – keypad phones, FAX machines, answering machines – do not need to be replaced or reconfigured.

VoIP implementations may face problems with latency, packet loss, or jitter. Most of these issues are associated with insufficient bandwidth which should be minimized or eliminated in the Matrix proposed deployment. Additionally utilizing FEC (Forward Error Correction) properly in the Calix and Cisco gear can further minimize or eliminate these issues.

The Matrix VoIP offering will support H.323 and G.711. All VoIP will support E911. Porting existing telephone numbers to the new VoIP service will also be supported. However, it has to be noted that if a subscribers suspends VoIP service (seasonal residents for example) then it cannot be guaranteed that the number will still be available when service is turned back on.



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### **5.2.1.1 Service Tiers**

- 1. Are the downstream and upstream data transfer rates for all tiers of Internet service proposed “up to” transfer rates, or sustained transfer rates?*
- 2. Is the 1 Gbps downstream/upstream service proposed as an available custom service option via a dedicated (point-to-point) active Ethernet link?*

1. The downstream and upstream data transfer rates for the proposed tiers of Internet are “up to” rates. It should be noted, however, that the Calix equipment utilizes Dynamic Bandwidth Allocation (DBA) which is a feature that dynamically changes upstream GPON bandwidth assignments at the port level based on traffic class and demand. The GPON DBA feature is enabled by default. DBA allows a user to “burst” above the 50 Mbps or 100 Mbps sustained speeds when uploading large files and there is unused bandwidth available.

2. The projected 1 Gbps service offering would be via existing GPON equipment. GPON can handle speeds of up to 2.5 Gbps down and 1.25 Gbps up. We would provide the subscriber asking for 1 Gbps their own “PON” with a dedicated 1 Gbps Internet transport link. In the future dedicated 1 Gbps connections may be via NGPON2 equipment which can handle up to 10 Gbps down and 10 Gbps up. Matrix does not envision utilizing Active Ethernet in this build unless specifically required by the subscriber.



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### **5.2.1.2 Service Bandwidth**

*Q: What evidence is available that can be provided to the selection committee to show that actual Internet downstream and upstream speeds for all levels of broadband service being proposed are at least 80% of the advertised bandwidths for a given tier of service across all time periods? Independent evidence is preferred, but not required. Evidence can be based on self testing. This requirement requires the vendor to submit some form of evidence to prevent the proposal from being disqualified.*

The normal rule of thumb for rural broadband builds is to provide approximately 1 Gbps of Internet backhaul for about every 500 homes passed. For example, the Town of Leverett has 2 Gbps of Internet backhaul to serve their 820 buildings in town. That works out to roughly 2.44 Mbps provisioned for 820 potential subscribers.

LeverettNet advertises their Internet service offering as a Gigabit Service.

Using the rule of thumb, if built individually, normally Matrix would have provisioned 2 Gbps of Internet backhaul for each of the Towns of Monterey, New Marlborough and Sandisfield plus 1 Gbps of Internet backhaul for the Town of Tolland. However, because the four Towns are acting collectively – it would be more cost effective for Matrix to provide 10 Gbps of Internet backhaul to be shared among the four Towns. That works out to roughly 3.23 Mbps provisioned for the 3,095 potential subscribers.

**Matrix would have 25% more bandwidth provisioned per potential subscriber for our 50 Mbps and 100 Mbps service offerings than what LeverettNet has provisioned for their “Gigabit” service offering.**

Matrix would also be utilizing Calix fiber access gear for the builds in the Towns of Monterey, New Marlborough, Sandisfield and Tolland. Calix has over 19-years of real world, standards based fiber deployment experience. Their equipment has been installed by over 1,300 communications service providers (CSP's) worldwide (including the Matrix builds for Leverett and EC Fiber in Vermont).

Matrix will be utilizing the Calix Compass suite of software applications to further support and enhance the Internet experience for the subscribers in the four Towns.

The Calix equipment also utilizes Dynamic Bandwidth Allocation (DBA) which is a feature that dynamically changes upstream GPON bandwidth assignments at the port level based on traffic class and demand. The GPON DBA feature is enabled by default. DBA allows a user to “burst” above the 50 Mbps or 100 Mbps sustained speeds when uploading large files.



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### 5.2.1.3 Customer Satisfaction

*Question: What evidence is available that can be provided to the selection committee to show that the current Internet customer satisfaction rating is at least 70%? Independent evidence is preferred, but not required. Evidence can be based on internal customer surveys. This requirement requires the vendor to submit some form of evidence. Without evidence the adjective rating for this requirement will be “Unacceptable.”*

The normal rule of thumb for rural broadband builds is to provide approximately 1 Gbps of Internet backhaul for about every 500 homes passed. For example, the Town of Leverett has 2 Gbps of Internet backhaul to serve their 820 buildings in town. That works out to roughly 2.44 Mbps provisioned for 820 potential subscribers.

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Matrix will be utilizing the Calix Compass suite of software applications to further support and enhance the Internet experience for the subscribers in the four Towns.



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### **5.2.1. Service Availability**

*Question: What evidence is available that can be provided to the selection committee to show that the Internet service availability will be at least 99.5%? Evidence for service availability can be based on actual measurements, or can be calculated based on the proposed network design. This requirement requires the vendor to submit some form of evidence. Without evidence the adjective rating for this requirement will be “Unacceptable.”*

There are many “moving parts” when it comes to designing, installing, maintaining and operating a fiber network. Some components Matrix would control but not others. What components would be included for “service availability” purposes? Would weather events like an ice storm or a tornado be included in service availability metrics? If Matrix utilized the MassBroadband123 network would any outages by Axia be counted against our network availability?

While it is impossible for Matrix, or any other vendor, to promise a service availability of 99.5% due to aspects outside the vendor’s control – Matrix can promise the Towns that we will utilize our over 20-years of designing and building robust fiber networks to maximize network “up time”.

Not knowing the pole data survey information or where each Town would be placing their telecom shelter it is difficult to outline fiber design highlights. We can tell you that the fiber network we built and did the final design for Leverett had ZERO warranty defects and the two words most commonly used to describe the network are “world class.” That network has also enjoyed 100% uptime with any outages being at the ISP level or individual subscriber outages due mostly to tree branches causing fiber breaks as the result of a weather event.

Matrix would be deploying a distributed network with each Town’s subscribers being served out of the telecom shelter in each Town. The subscribers would be served via a Calix E7-2 Ethernet Service Access Platform with each chassis being capable of serving up to 1,024 ONTs. The line cards and fan tray in each E7-2 are hot-swappable meaning cards can be added or replaced without uninstalling/installing power, alarms, or cables thus reducing repair time from hours to minutes.

Matrix would also be utilizing Calix’s Compass suite of software to support network uptime. See attached Flow Analyze case study.





*"If a customer calls with a slow Internet complaint now, the first place I look now is Flow Analyze. It has saved time and resources for my team from the very first day and helped us to keep our customers satisfied."*

— Ben Glenn,  
Internet Operations Supervisor,  
CTCI

## THE RESULTS

Within 90 minutes, CTCI's Internet Operations Team was able to use Calix Flow Analyze to diagnose and rapidly eliminate a DDoS attack that up to that point had affected 750 customers. This attack was responsible for two full days of network troubleshooting and extraordinary efforts to keep these customers satisfied. Now, CTCI is using Flow Analyze to monitor thousands of endpoints across their network and has seen a number of on-going benefits:

- ▶ **Improved Subscriber Experience:** With Flow Analyze, CTCI has had quicker time-to-resolution of network problems by correlating performance problems to specific IP addresses and applications within the home or business. For example, when customers complain of slow Internet service, CTCI has the network visibility to locate endpoints that may be causing the problem, such as the hijacking of unsecured wireless routers or the use of gaming or over-the-top (OTT) applications that are impacting performance throughout the rest of the home network, and addressing them.
- ▶ **Improved Efficiency:** Heightened levels of visibility have allowed the Internet Operations Team to spend less time on troubleshooting new issues and more time on network upgrades and new services that bring in new revenues and further enhance customer satisfaction.
- ▶ **Reduction in Truck Rolls:** In the past, when a subscriber's online speed tests were below normal levels, CTCI would dispatch a technician to troubleshoot at a customer premises. Now, many truck rolls are avoided as the issue is often identified through Flow Analyze.
- ▶ **Enhanced Network Visibility and Tools:** CTCI found that other software tools could only address small parts of their network or minor issues. Flow Analyze takes a holistic view of the network, both in real-time and with historic recording features. On those occasions when real-time views are not sufficient (intermittent problems, after-hours network usage), the recording features can help business customers troubleshoot their own networks.

## THE FUTURE

CTCI is expanding its use of Flow Analyze, training more technicians on the software. In addition, CTCI plans to take advantage of many Flow Analyze in-depth reporting features, including top users and bandwidth trend charts. In addition, Flow Analyze lays the foundation for new revenue-generating services for CTCI, and continues to strengthen the relationship between the company and its subscribers. As CTCI looks further into the future and its transition to IPv6, Flow Analyze will continue to provide visibility into their network, for both types of network addresses.







## CASE STUDY

# Improving Subscriber Satisfaction and Troubleshooting Efficiency with Flow Analyze

### COMPANY

Custer Telephone Cooperative, Inc. (CTCI)

### BUSINESS TYPE

Rural ILEC

### LOCATION

Challis, Idaho

### NETWORK

Four exchanges, over 2300 access lines

### SERVICES

Local and Long Distance Voice,  
High-Speed Internet, Video, Mobile Backhaul,  
Residential and Business IT Support

### CALIX SOLUTIONS

C7, E5, E7, 700 ONT Family, CMS,  
Compass Flow Analyze



### THE CHALLENGE

Founded in 1955, Custer Telephone Cooperative, Inc. (CTCI) serves a number of communities in Custer and Lemhi Counties, Idaho, offering voice, video, wireless, cable, and high-speed data services over GPON, point-to-point Gigabit Ethernet (GE), and DSL technologies. In this rural area, many CTCI subscribers rely on their broadband service for critical applications such as home businesses and online education. In addition, CTCI provides high-speed data services for a 22,000-acre molybdenum (moly) mine. Committed to delivering the highest quality of service to its subscribers, CTCI built a fully-redundant network, powered by Calix C- and E-Series platforms. However, when a distributed denial-of-service (DDoS) attack hit the CTCI network, 750 subscribers were impacted, bringing Internet speeds to a crawl.

### THE SOLUTION

CTCI's Internet Operations Team fielded customer complaint calls for two days, as they worked to determine the cause of the issue. Both free and for-purchase online software solutions proved to be inadequate, as they could not provide the visibility into the network and its various elements that CTCI required to combat the attack. After losing valuable time and resources, CTCI turned to Calix and its Compass Flow Analyze, which it was not previously subscribed to. In one hour, the Compass team had configured CTCI's system and had them up and running with Flow Analyze. Only 30 minutes after coming online with Flow Analyze, CTCI was able to locate and isolate the IP address that was causing the attack. By setting up a few rules, the attack had been shut down and customers were back up and running with high-speed data service.





February 23, 2017

Town of Sandisfield  
Sandisfield Town Hall Annex  
66 Sandisfield Road  
PO Box 90  
Sandisfield, MA 01255  
Attention: Willie Morales

Dear Joint MLP Broadband Committee,

Matrix Design Group is pleased to provide this response to the Towns of Monterey, New Marlborough, Sandisfield, and Tolland's Joint MLP High Bandwidth Internet Services Procurement RFP.

Matrix Design Group and our sister company Millennium Communications Group were founded over 20-years ago. Both companies are privately held with the same principal owners. Matrix can handle the engineering requirements of any fiber project, including the planning, permitting, design, and project management of the installation of our proposed fiber network on budget and ahead of schedule.

Millennium Communications Group handles the installation and electronics for fiber and technology projects. Combined our two companies can handle the "design" (Matrix) and "build" (Millennium) of any fiber project or as we like to say the ability to take any fiber project "from Concept to Completion." The quality of our work is nationally recognized with our companies being named for three years running one of the Top 100 FTTH Companies in the United States by *Broadband Communities Magazine*.

Due to the nature of the work being asked for by the Towns and for simplification's sake - this proposal is being submitted on behalf of Matrix Design Group. However, included in this submission is also information on Millennium Communications Group so that the Joint MLP Broadband Committee can better understand the depth of our combined resources and experience.

Matrix Design Group looks forward to working with the four Towns to help create a FTTH network that could include the following scope of work on our part:

- Matrix Design Group and sister company Millennium Communications would Design, Build and Operate a connected GPON FTTH network for the Towns of Monterey, New Marlborough, Sandisfield and Tolland
- Each Town or the MLP would have the option to purchase the completed network within Town borders for a set price after 3-years of operation (the individual buy-out price being based upon the number of network miles and houses passed in each town). The Towns would also have the option to purchase after 20-years for \$10.



- Town or the MLP would be responsible for all make-ready costs, police details during make-ready and place to house and power network electronics plus miscellaneous legal and other costs
- On an on-going basis the individual Towns or the MLP's would be responsible for maintaining the pole attachment surety bond, the yearly pole rental fees and power to the network electronics (we propose these cost be paid for via a Subscriber MLP fee).
- Matrix would offer residents Standard High Speed Internet Service (up to 50 Mbps symmetrical) for \$95 / month and Enhanced High Speed Internet Service (up to 100 Mbps symmetrical) for \$135 / month
- Matrix would offer residents High Speed Internet Service and a VoIP line for an additional \$20 / month
- A second VoIP line may be added for another \$20 / month
- An indoor ONT with built-in 802.11 AC WiFi will be optional for a charge of \$5 / month
- Subscribers would pay a \$500 installation fee (split into two payments) and have a 24-month commitment

This proposal is designed to minimize any tax impact on the citizens of Monterey, New Marlborough, Sandisfield and Tolland.

Due to our experience Matrix Design Group is uniquely qualified to provide this scope of work for the Towns. No firm better understands the unique problems facing a rural New England town trying to build a FTTH network. We have gained this experience and understanding not just from 20-years of building thousands of miles of fiber networks but also through providing the Town of Alford with their Fiber Design, building the Active Ethernet FTTH network and providing the final Fiber Design for the Town of Leverett and wholly or partially designing and building out nine towns for EC Fiber in Vermont.

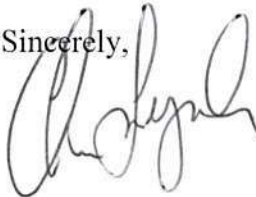
Matrix Design Group hopes to put this experience to work for the Towns of Monterey, New Marlborough, Sandisfield and Tolland.

Please direct any questions or requests for additional information to:

Chris Lynch  
 Director, Business Development  
 (508) 918-0478  
[clynch@matrixdg.com](mailto:clynch@matrixdg.com)

Thank you for the opportunity to submit this proposal for consideration.

Sincerely,



Chris Lynch  
 Director, Business Development





## **Joint MLP RFP Responses**



# **Monterey, New Marlborough, Sandisfield and Tolland Joint MLP RFP Responses**

## ***2.2 Purpose of Procurement***

*The Town MLPs for Monterey, New Marlborough, Sandisfield, and Tolland jointly seek a telecommunications Vendor who can provide a complete 4-Town regional solution for meeting the need and primary goal of achieving high bandwidth Internet access for residents and businesses in the Towns, with the availability of related services such as high definition Voice over Internet Protocol (VOIP) telephone service, viewed as a positive addition. The Town MLPs strong desire is for such services to be provided via a state of the art Fiber To The Premises (FTTP) network. The goal is in accord with the Commonwealth's goal of extending Internet access to Towns in western Massachusetts. The MLPs understand that the lack of density of houses and businesses in the unserved Western Massachusetts communities has been an obstacle to attracting broadband service providers who are willing to invest in infrastructure to deliver the services. The Town MLPs are hopeful that circumstances have changed and via this RFP are hoping to attract a company that will design, build, own, operate and maintain a network that can deliver, first and foremost, high bandwidth Internet access, and, secondarily, high definition telephony and perhaps television channel packages via the same high bandwidth network.*

Matrix Design Group (Matrix) is offering the Towns a GPON FTTH network designed, built, and operated at the expense of Matrix. The Towns would be responsible for all aspects of the utility pole make-ready process, police details during make-ready, a place(s) to house and power the network electronics, plus any legal and miscellaneous costs.

The fiber design will accommodate enough fiber strand for all existing buildings in the towns that are passed via aerial utility poles. In addition we will work with the Town Assessors to identify not just the existing buildings/homes but also any buildable plots of land. Extra strand will also be built into the design to help insure the fiber installed by Matrix is good not just for today's needs but the needs for the foreseeable future.

Matrix will be using Calix access gear capable of GPON speeds of 2.5 Gbps down and 1.25 Gbps up. This gear will also be compatible with NGPON-2 which is capable of up to 10 Gbps symmetrical. Our Standard Internet offering of up to 50 Mbps and our next tier of up to 100 Mbps are "best effort" offerings. Dedicated connections are available up to 10 Gbps via custom pricing.

While we are not offering any television channel packages of our own there are many commercially available packages such as Netflix, Hulu, Amazon Prime, HBO Go, etc. that would be available to each subscriber.

## ***3.1 Broadband Network Services***



***The Town MLPs for Monterey, Sandisfield, and Tolland jointly seek a telecommunications vendor who can provide a complete regional solution for meeting the need and goal of achieving high bandwidth Internet access for all residents and businesses in the Towns. Provision of this service will require that the Vendor provide connection to their network for all premises, residential and business, within Town boundaries, including those on private roadways and driveways. The selected Vendor will be responsible for program management, make-ready assessment and permitting, design and engineering, obtaining premise-entry consents, network implementation, network operations, subscriber marketing and billing, customer support, network maintenance and emergency response and network renewal, as needed. In responding to this RFP, the proposing Vendor will need to provide plans for how it will proceed to implement its service to the Towns involved in this joint procurement.***

Under the Matrix plan the Towns would be responsible for all aspects of the utility make-ready work including make-ready assessment and permitting.

See Appendix A for a representative detailed plan and schedule for proposed network.

### ***3.3 Required Services***

***The Towns of Monterey, Sandisfield, and Tolland require high bandwidth connection to the Internet, referred to as broadband, to all households/living units and businesses within the geographic boundaries of the Towns. Within this proposal request "subscriber" refers to each household/living unit and business that consents to a network connection on its property. As noted above, the Town MLPs highly desire for services to be offered via a Vendor-provided FTTP network. The MLPs will consider the Vendor to have provided ubiquitous service to all premises if the Vendor is able to offer connection to at least 96% of the premises in each Town. Services standards will be determined through the contract negotiation process.***

***In order to meet the needs of all potential subscribers, the Town MLPs consider it highly desirable for a Vendor to be capable of offering different levels (tiers) of broadband Internet service for subscribers to choose from, with each level of service supporting different network connection bandwidths for downstream and upstream data transfers. In order to be considered broadband service, a Vendor's Internet service, by FCC definition, must be capable of supporting a connection bandwidth no less than 25 megabits per second (Mbps) for downstream data transfer, and no less than 3 Mbps for upstream data transfer. It is highly desirable for the lowest tier of broadband service offered to be capable of supporting a network connection bandwidth of at least 50 Mbps for downstream data transfers. Symmetric data transfer service is not required, but highly desirable. What is required for all tiers of broadband Internet service offered, is the upstream connection bandwidth to be no less than 20% of the downstream connection bandwidth. So for a tier that offers a downstream connection bandwidth of 50 Mbps, this requires the tier to also provide an upstream connection bandwidth no less than 10 Mbps. In addition to tiers of service offered that will meet the needs of most subscribers, a proposal that offers subscribers the option of a network connection that supports a connection bandwidth equal to or exceeding 1 gigabit per second (Gbps) for both downstream and upstream data transfers, will be considered to be highly advantageous in the selection process. A proposal that also offers basic Internet service options to choose from for subscribers that do not require high bandwidth connection to the Internet will also be considered to be advantageous in the selection process.***

***Within this proposal request "bandwidth" refers to the sustained downstream or upstream data transfer rate supported for a given level of Internet service, not a peak (up to) transfer rate. This definition applies to both point-to-point and point-to-multipoint service connections.***



The Matrix plan calls for an aerial built GPON FTTH network. Areas in the Towns that are served via underground utilities are not included in this proposal.

Our Standard Internet offering will be up to 50 Mbps and our next tier of up to 100 Mbps are "best effort" offerings. Both tiers are symmetric. Dedicated connections are available up to 10 Gbps via custom pricing.

### **3.4 Optional Services**

*The Town MLPs highly desire a Vendor to be capable of offering high definition VOIP telephone service via its network. The Town MLPs believe that dramatic changes continue to shape both telephone and television services going forward. To that end, a Vendor capable of offering high definition (HD) and standard definition television channel package service to all premises via the Vendor's high bandwidth network is seen as a nice to have but not necessarily a requirement. A proposing Vendor must allow subscribers the availability of third party services (e.g. telemedicine, security, etc.) via its network.*

The Matrix plan will offer subscribers a standard VoIP connection for \$20 per month. Any additional third-party services, such as video packages (Hulu, Netflix, etc.) or security services, etc. will be up to individual subscribers to subscribe to.

### **4.0 Minimum Qualifying Criteria for Vendors**

*If the entity responding to this proposal differs from the entity that would enter into a Broadband Services Agreement with the Town MLPs, then that disclosure should be clearly made in the response. Further, if the proposing entity differs, then a statement must be provided by the proposing Vendor stating whether it will or will not provide a guaranty for the performance of the entity entering into the Agreement.*

Due to the nature of the work being asked for by the Town of Monterey this proposal is being submitted on behalf of Matrix Design Group. However, included in this submission is also information on Millennium Communications Group so that the Broadband Committee can better understand the depth of our combined resources and experience. Both Matrix and Millennium have the same ownership.

### **4.1 History and experience**

*The proposing Vendor must provide a brief history of the firm, noting its evolution of telecommunication services, and in particular broadband services. Further, a concise statement of its current business strategy must be provided. A proposal must include history of completing projects to provide Internet service similar to that required here. The Town MLPs require that a proposing Vendor be authorized to conduct relevant business in Massachusetts and the Towns. However, Vendors not currently authorized may respond. Vendors not currently authorized will need to provide details for the process and schedule for obtaining the required authorization.*

Matrix (and Millennium Communications) have been engineering and installing fiber optic networks for over 20-years. We measure the amount of fiber installed not by just miles or tens of miles but in thousands of miles of fiber network.



We have been named one of the Top 100 FTTH Companies in the United States in three of the past five years by *Broadband Communities* magazine. Some of our recent projects include building and doing the final design for the Town of Leverett's FTTH network, building two multi-million dollar smart grids for Public Service of New Jersey as well as dozens of projects for Verizon, Level 3 and AT&T.

Verizon, Level 3 and AT&T are three of the biggest Internet providers in the United States – if the not the three biggest. These companies have the choice of any company to work with in the Northeast and they choose to do business with us. We are currently working with Verizon on their new seven ring fiber backbone in Boston.

We will continue to do business with these companies and other established and new customers. Plus Matrix will leverage the experience we have gained in building FTTH networks for 10 rural New England towns to offer a unique Design, Build, Operate solution for unserved Western and Central Massachusetts towns.

For additional information please see Appendix B.

#### **4.2 Financial resources**

***The Town MLPs expect a proposing Vendor to finance the full capital cost of make-ready, design, commissioning, and provisioning of the network required for providing high-bandwidth Internet access and services in each Town. Further, the proposing Vendor must offer credible evidence of its ability to finance the project. If the proposing Vendor is a privately held corporation, it may enclose its audited financial statements in a sealed envelope marked "Proprietary and Confidential." The Town MLPs will hold confidential records submitted in such an envelope so marked until completion of evaluations and as otherwise permitted by law.***

Under the Matrix plan the Towns would be responsible for the costs of all aspects of the utility pole make-ready process.

Financials for the past two years have been provided in a separate envelop. This information is to be reviewed by ONLY the Town Treasurer or Financial Adviser and ONLY after signing a Non-Disclosure Agreement (see Appendix C). The financials are not to be reviewed by the Town Select Boards or Broadband Committees even in Executive Session (under Massachusetts Open Meeting Law even documents reviewed in Executive Session become public documents). Once the financials have been reviewed they are to be returned to Matrix.

Our financials were vetted by the Town of Leverett prior to entering into a \$2.6 million contract (also prior to the new Open Meeting Law requirements). Our financials were also reviewed under NDA by the Towns of Petersham, Princeton and Montague with no issues found for Matrix to move forward with proposed fiber builds.

#### **4.3 Minimum existing customer base for requested services**

***The proposing Vendor must provide evidence of currently providing high-bandwidth Internet services to rural communities similar to the Towns involved in this procurement. In the case where the Vendor does not currently provide Internet access and service to at least 1000 subscribers in rural communities, the Vendor must provide detail on existing contracts and provide a plan showing their ability to deploy (funding, resources and organization) and support a multi-town broadband Internet service.***



The combined homes passed for the Leverett FTTH network and the nine EC Fiber towns in Vermont (Barnard, Chelsea, Norwich, Pomfret, Randolph, Royalton, Sharon, Stratford, Thetford, Turnbridge, and Vershire) is well over 2,000. Matrix built the FTTH network to service these homes, tested each subscriber connection and provisioned each subscriber for Internet service before handing of the subscriber to an ISP.

For the Newark Housing Authority we built over 25 miles of fiber to connect ~1,100 IP security cameras. These cameras are harder to maintain than FTTH ONT's (Optical Network Terminals) because of the pan-tilt and zoom functions of the cameras.

Matrix did not provide the capital for these projects (although we are an investor in EC Fiber in Vermont) and outside of maintaining the Newark Housing Authority build we are not the current Internet Service Provider (ISP).

We are currently finalizing a contract with the Town of Petersham, MA to design, build and operate a GPON FTTH network. The Town has roughly 530 homes plus the Harvard School of Forestry and a new rehabilitation hospital.

See Appendix D.

The two main aspects of being an ISP are customer technical support and customer billing.

In regards to customer technical support, our CTO (Chief Technical Officer) holds a Cisco CCIE certification. This is the highest level of certification Cisco offers. There are only a few thousand people to hold this level of certification in the world. Our tech support staff also includes 6 additional Cisco certified engineers (and we are looking to add additional staff). We have an in-place live answer tech support telephone line and in-place afterhours automatic trouble-ticket system. Our technicians are available 24/7 for emergency response.

In regards to customer billing, we have a CFO (Chief Financial Officer) and a staff that already handles millions upon millions of customer invoicing per year. The additional billing responsibilities should not be difficult to handle especially since many of the customers will opt for paperless automatic payment via check or credit card.

### ***5.1 Business history and experience.***

Matrix (and Millennium Communications) have been engineering and installing fiber optic networks for over 20-years. We measure the amount of fiber installed not by just miles or tens of miles but in thousands of miles of fiber network.

We have been named one of the Top 100 FTTH Companies in the United States in three of the past five years by *Broadband Communities* magazine. Some of our recent projects include building and doing the final design for the Town of Leverett's FTTH network, building two multi-million dollar smart grids for Public Service of New Jersey as well as dozens of projects for Verizon, Level 3 and AT&T.

Verizon, Level 3 and AT&T are three of the biggest Internet providers in the United States – if not the three biggest. These companies have the choice of any company to work with in the Northeast and they choose to do business with us.

We will continue to do business with these companies and other established and new customers. Plus Matrix will leverage the experience we have gained in building FTTH networks for 10 rural New England



towns to offer a unique Design, Build, Operate solution for unserved Western and Central Massachusetts towns.

For additional information please see Appendix B.

### ***5.2 Financial resources.***

Matrix and Millennium combined have about 100 employees. The companies have been in business for over 20-years over which time we have done hundreds of projects and installed thousands of miles of fiber network (now approaching 5,000 miles of fiber network).

For additional company information please see Appendix B

### ***5.3 Description and size of broadband Internet service customer base***

Millennium Communications is a Cisco Premiere reseller with 50 plus major accounts that we have installed and service.

In regards to customer technical support, our CTO (Chief Technical Officer) holds a Cisco CCIE certification. This is the highest level of certification Cisco offers. There are only a few thousand people to hold this level of certification in the world. Our tech support staff also includes 6 additional Cisco certified engineers (and we are looking to add additional staff). We have an in-place live answer tech support telephone line and in-place afterhours automatic trouble-ticket system. Our technicians are available 24/7 for emergency response.

### ***5.4 Internet Service Performance Requirements***

*The proposing Vendor must provide a description of the tiers of Internet service that will be available to Subscribers to choose from, for both downstream and upstream services per the requirements provided in Section 3.3.*

There are two (2) residential service tiers:

**Standard Internet:** Up to 50 Mbps Internet connection for \$95/month.

**Enhanced Internet:** Up to 100 Mbps Internet connection for \$135/month.

Custom connections of above 100 Mbps up to 1 Gbps are priced on a case by case basis. Dedicated connections of up to 10 Gbps are also available on a custom price basis.

**Internet and VoIP:** A VoIP line will allow for unlimited local and long distance calling (lower 48 US States). The VoIP service will come with standard features including but not limited to Caller ID, Call Waiting, 3-Way Calling, etc. Cost to add a VoIP line would be \$20/month. A second VoIP line may be ordered for an additional \$20/month.

Digital voicemail services are available for \$3 per month per voicemail box. This includes the voicemail to email feature, which allows you to listen to your voicemail from your email account when you are away from your home phone.



Subscribers at time of installation may opt for a Calix GigaCenter indoor ONT with built in 802.11 AC WiFi for an additional equipment charge of \$5/month.

Pricing does not include any applicable taxes or estimated MLP fee which will differ on a town-by-town basis..

#### 5.4.1

***Proposing Vendor must provide evidence of being able to provide high-bandwidth Internet service to the Subscriber. The preferred methods for providing such evidence is via references (with contact information) and recent results from an independent study that measures broadband service performance as delivered by an Internet service provider to the consumer, such as the Federal Communication Commission's (FCC) Measuring Broadband America Program. References are the agencies within the towns/cities responsible for monitoring performance. Via evidence, Vendor's actual connection bandwidths for all levels of broadband service offered must be shown to be greater than 80% of the advertised bandwidths across all time periods.***

Matrix cannot supply evidence that subscriber connections were greater than 80% of the advertised bandwidth since we were not the ISP for the Town of Leverett or 9 EC Fiber towns in Vermont. In the Town of Leverett it is HIGHLY unlikely that the advertised speed of up to 1 Gbps was actually anywhere near the actual customer experience.

Matrix will be partnering with Calix to provide Internet service. Calix has over 19-years of real world, standards based fiber deployment experience. Their equipment has been deployed by over 1,300 communication service providers (CSP's) worldwide (including the Matrix builds in Leverett and in Vermont for EC Fiber).

Matrix will be utilizing the Calix Compass suite of software applications to provision, activate and maintain the broadband service for the residents of Monterey, New Marlborough, Sandisfield and Tolland.

See Appendix E

#### 5.4.2

***Proposing Vendor must provide evidence of being able to satisfy its existing broadband Internet service customers with respect to service performance, service options available, subscriber billing, service pricing, maintenance and emergency response, and service problem handling. The preferred method for providing such evidence is via independent survey results, such as the report released by the American Customer Satisfaction Index, that measures the level of national cross-industry customer satisfaction for products and services. Via evidence the Vendor's current level of customer satisfaction for all levels of broadband service offered must be shown to be greater than 70%.***

Matrix cannot document customer service levels over 70%. However, we would point to the fact that the biggest names in Internet service such as Verizon, Level 3 and A&T keep coming back to us project after project to leverage our professionalism and experience. Currently Matrix is doing the engineering on Verizon's new seven-ring fiber backbone in Boston. Verizon would not trust the engineering of this project to just anyone.

Matrix will be partnering with Calix to provide Internet service. Calix has over 19-years of real world, standards based fiber deployment experience. Their equipment has been deployed by over 1,300



communication service providers (CSP's) worldwide (including the Matrix builds in Leverett and in Vermont for EC Fiber).

Matrix will be utilizing the Calix Compass suite of software applications to provision, activate and maintain the broadband service for the residents of Monterey.

See Appendix E

#### **5.4.3**

***Proposing Vendor must provide evidence of being able to provide broadband Internet service that is highly available. Within this proposal request "availability" refers to the proportion of time broadband Internet access and services (per performance requirements specified in Section 3.3) are expected to be provided to all subscribers. Evidence for availability can be measured for existing broadband Internet customers, or calculated based on the Vendor's proposed network design. Network design features that will drive service availability are network component reliability, component and system-level redundancy, backup power generation, etc. Within this proposal request the term "downtime" refers to periods of time when Internet access and service is unavailable to subscribers, exclusive of periods of time required for the Vendor to perform scheduled maintenance.***

Matrix cannot supply the information being asked for here. There are too many uncertain variables such as fiber design, head-end location(s), Internet back-haul provider (Axia or other), etc.

Matrix will be the service provider and after the initial 2-year commitment from the subscriber it will be incumbent on Matrix to continue to provide superior service and products in order to keep our subscribers satisfied. The Matrix plan also offers the Broadband MLPs the option to purchase the network if the any of the Towns are not satisfied with Matrix and wishes to go in a different direction.

In a combined Town network Matrix would most likely be utilizing a 10 Gbps backhaul to the Internet instead of 6 Gbps combined if the Towns were built and maintained separately. This additional bandwidth should reduce or eliminate any network congestion.

#### **5.5 Service Schedule Requirements**

***Proposing Vendor must be able to provide broadband Internet service to all subscribers within three years from contract commencement. To the extent service availability is delayed due to causes that could not be anticipated and/or are beyond the Vendor's control, and the Vendor can demonstrate it is exercising diligence in its efforts, the contract will be amended as appropriate.***

Once the individual checks for the utility pole applications were accepted by the utility companies – it took Matrix/Millennium 18 months to build the Town of Leverett's FTTH network. Since we would be both building and operating the network – Matrix projects we should be able to first start "lighting up" subscribers within 12-months.

It should be noted that during the period we were building the Town of Leverett – that project represented just 10% of the network fiber Matrix/Millennium built during that time span.

For the plan and a representative schedule for the Towns please see Appendix A

#### **5.5.1**



***Proposing Vendor must provide Internet service to all subscribers located on public and private roads in the Towns, to the extent such subscribers are currently connected to existing utility poles or conduit with space available for additional cables. If a Vendor proposes a linear connection allowance for reaching subscribers on a private road or driveway, the Vendor must propose a per foot unit price applicable to the overage allowed per connection.***

The Matrix plan calls for connecting to all housing units and businesses that are reachable via existing utility pole lines or usable conduit for which we have a "right of way". Standard connections to the home will be 300 feet aerial from the curb or 300 feet from the curb using existing useable conduit. For connections longer than 300 feet – additional costs may apply. For estimate purposes each additional foot for aerial could be \$1 per foot and for usable conduit each additional foot could be also be estimated \$1 per foot over and above the 300 feet from the curb. Each case will be priced on a case by case basis however.

#### **5.5.2**

***Proposing Vendor must provide a plan, including equipment and cost to subscribers, if any, for initial installation of on-premises equipment (e.g. network terminal units, modems, routers, uninterruptible power supply, etc.)***

The Matrix plan calls for the subscriber to have the choice of a Calix outdoor ONT or a Calix GigaCenter indoor ONT with built in 802.11 AC Wi-Fi. Either ONT will come with an installed indoor battery back-up unit. The subscriber cost during construction will be \$500 which would be broken into two payments of \$250 each. The first payment would be during a 3-month pre-subscription period and the second just prior to construction. There needs to be at least 1,660 subscribers committed to the build (an combined take-rate of 53%) before Matrix begins engineering or construction work. The first payment of \$250 would be collected by the Town Treasurer on behalf of the MLP and would be fully refundable to the subscriber prior to construction.

We give the subscriber the choice of an outdoor or indoor ONT because there are a number of reasons a subscriber might prefer an outdoor ONT.

#### **5.5.3**

***Proposing Vendor must provide a plan for addressing how broadband service will be provided to new premises after the network construction has been completed. To the extent possible the plan shall include the applicable terms, conditions, and costs that will apply, as well as who will be responsible for future costs.***

The post construction cost to install a new house drop would be \$1,500 (in comparison - it is \$2,400 in Leverett). The same terms and conditions would apply to the new drop as it does to existing subscribers with the exception that the new customer would not be required to agree to a minimum of 24-month of service.

#### **5.6**

***Proposing Vendor must provide a comprehensive description of its business proposition for each Town and its subscribers, including all offered service options and the associated rates (cost) for each service. The Vendor must provide broadband Internet service. Other services, such as high definition telephone service, high definition television channel package service, and basic Internet are not required, but are***



*considered by the Town MLPs to be highly desirable. The Vendor shall provide a complete description of the television packages available to subscribers if applicable.*

Matrix will design, build and maintain a GPON FTTH system, in accordance with the manual of construction procedures known as Telcordia SR-1421, FTTH accepted best practices and applicable law. The costs for the design, build and maintenance of the GPON FTTH system shall be borne by Matrix. Subject to the terms of Agreement, Matrix shall own, operate, maintain and manage the GPON FTTH system. The Towns or MLPs shall have the option to purchase the FTTH network after 3-years for a predetermined price which would decrease each subsequent year until after year 20 the buy-out price would be \$10.

The Towns or MLPs would be responsible for the costs of all aspects of the make-ready process, police details during make-ready, a place to house and power the network electronics, plus whatever legal or miscellaneous costs associated with this agreement.

The Matrix plan calls for the subscriber to have the choice of a Calix outdoor ONT or a Calix GigaCenter indoor ONT with built in 802.11 AC Wi-Fi. Either ONT will come with an installed indoor battery back-up unit. The subscriber cost during construction will be \$500 which would be broken into two payments of \$250 each. The first payment would be during a 3-month pre-subscription period and the second just prior to construction. There needs to be at least 1,660 subscribers committed to the build before Matrix begins engineering or construction work. The first payment of \$250 would be collected by the Town Treasurer on behalf of the MLP and would be fully refundable to the subscriber prior to construction.

As far as the subscribers - there are two (2) residential service tiers:

**Standard Internet:** Up to 50 Mbps Internet connection for \$95/month.

**Enhanced Internet:** Up to 100 Mbps Internet connection for \$135/month.

Custom connections of above 100 Mbps up to 1 Gbps are priced on a case by case basis. Dedicated connections of up to 10 Gbps are also available on a custom price basis.

**Internet and VoIP:** A VoIP line will allow for unlimited local and long distance calling (lower 48 US States). The VoIP service will come with standard features including but not limited to Caller ID, Call Waiting, 3-Way Calling, etc. Cost to add a VoIP line would be \$20/month. A second VoIP line may be ordered for an additional \$20/month.

Digital voicemail services are available for \$3 per month per voicemail box. This includes the voicemail to email feature, which allows you to listen to your voicemail from your email account when you are away from your home phone.

Subscribers at time of installation may opt for a Calix GigaCenter indoor ONT with built in 802.11 AC WiFi for an additional equipment charge of \$5/month.

Pricing does not include any applicable taxes or estimated MLP fee(s). The MLP fee(s) would be used to pay for the yearly pole rentals, surety bonds and miscellaneous MLP expenses. The MLP(s) fee would be set by the MLP(s).



***Proposing Vendor shall identify and specify any service value enhancements it plans to offer the Towns, such as a minimal fee or no fee for basic Internet service for all subscribers, and free or discounted broadband Internet service fees for Town institutions (Town Hall, Schools, Library, Fire Station, etc.).***

Matrix will offer free Standard Internet to three municipal buildings (Town Hall, Library, Fire Station, etc.) in each participating Town. However, each institution would still be responsible for the \$500 installation fee.

## **5.8**

***If the proposing Vendor takes exception to any portion of the requirements of this Proposal, the Vendor shall concisely and clearly articulate its exception and its reasoning therefore. Vendor should consider that a material exception may lead to the Vendor being deemed non-responsive. A proposing Vendor, however, may suggest alternative approaches to those required here that in its judgment provides similar, equal to or greater value. Any alternative approach(s) will be subjected to the same comparative criteria herein.***

Areas where our proposed solution does not exactly match up with the RFP as written include:

Under the Matrix plan the Town would be responsible for all aspects of the utility make-ready work including make-ready assessment and permitting. (Section 3.1)

Under the Matrix plan subscribers would be offered the option of a standard VoIP line not a high definition VoIP line. (Section 3.4)

Financials for the past two years have been provided in a separate envelop. This information is to be reviewed by ONLY the Town Treasurer or Financial Adviser and ONLY after signing a Non-Disclosure Agreement (see Appendix B). The financials are not to be reviewed by the Town Select Board or Broadband Committee even in Executive Session (under Massachusetts Open Meeting Law even documents reviewed in Executive Session become public documents. (Section 4.2)

We are not currently servicing 1,000 residential customers. (Sections 4.3)

Matrix cannot supply evidence that subscriber connections were greater than 80% of the advertised bandwidth since we were not the ISP for the Town of Leverett or 9 EC Fiber towns in Vermont. In the Town of Leverett it is HIGHLY unlikely that the advertised speed of up to 1 Gbps was actually anywhere near the advertised 1 Gbps. (Section 5.4.1)

Matrix cannot supply evidence of subscriber satisfaction above 70% because we have not acted as ISP for the 10 rural New England towns that we have built. (Section 5.4.2)

Matrix cannot supply the information being asked for here. There are too many uncertain variables such as fiber design, head-end location(s), Internet back-haul provider (Axia or other), etc. (Section 5.4.3)

The Matrix plan customer service terms and conditions are currently being vetted by attorneys. Matrix plans to utilize very similar if not exact terms and conditions, with permission, as the Concord Broadband MLP. (Section 5.16)

Even though the RFP states that the Towns have no current intention to gain any residual ownership interest in the network – the Matrix plan does give the MLPs the option to purchase the network for a pre-



agreed upon price. We offer the option to purchase not to just to conform to MGL 164 but also to give the towns choices. The option to buy, among other things, gives the Town the ability to join a regional cooperative like WiredWest. (Section 6.0)

#### **5.9**

***If any part of the Scope of Vendor Service is to be provided or completed by a SubVendor or Subcontractor, the proposing Vendor certifies that they will be responsible for all work and/or services provided by the Sub-Vendor or Subcontractor.***

Agreed.

#### **5.10**

***Proposing Vendor must provide contact information for all similar contracts with a town for broadband Internet service completed in the last two years in the Northeast.***

Chip Bull  
Petersham Broadband MLP Chair  
[chipbull@gmail.com](mailto:chipbull@gmail.com)  
(978) 724-3339  
(Contract Pending)

Marjorie McGuinness  
LeverettNet Broadband MLP Manager  
[townadministrator@leverett.ma.us](mailto:townadministrator@leverett.ma.us)  
(413) 548-9699

#### **5.11**

***Proposing Vendor must agree to be responsible for obtaining consents from premise owners to make connections***

Agreed

#### **5.12.1**

***The Town MLPs require the selected Vendor to adhere to the principle of Net Neutrality whereby access is available to all content and applications regardless of the source, and without blocking particular products, content, or websites. To that end, describe your network management or non-discrimination policy as regards to (a) types (network protocols) of traffic, (b) sources or destinations of traffic (including Vendor's own), and (c) traffic content.***

Matrix adheres to Net Neutrality. We will not hinder access to content or applications regardless of the source. There will be no blocking or favoring of specific websites or products.

#### **5.12.2**

***The Town MLPs require the selected Vendor to maintain the privacy of all subscribers, and not track, publish, or share information related to the content accessed by individual or groups of subscribers. To***



***that end, describe what monitoring and statistics you maintain regarding network traffic. Include in the description what customer specific information is logged and how long those logs are retained.***

The Calix equipment will monitor among other things historical system bandwidth and system usage via Flow Analyze Plus and the Consumer Connect Plus software will, among other things, collect real-time and historical data on how the end-user is using the network, particularly the Wi-Fi network. This data is used to more efficiently provide customer support in solving subscriber issues. We also utilize Service Verify for its predictive service analytics and for any required SLA management.

See Appendix E

The privacy of our customers is very important to Matrix. However, some of the data received via our system is subject to Public Records Law, MGL Chapter 66, Section 10. Matrix cannot insure absolute privacy.

#### **5.12.3**

***Describe in detail your network management in regards to bandwidth and capacity planning with a particular focus on bandwidth between a Town's users and the Internet. If you are providing diverse Internet circuits/gateways, address capacity planning for each circuit as appropriate.***

Matrix will be utilizing the Calix suite of enhanced software packages to manage bandwidth and capacity planning.

See Appendix E.

Designing network transport routes and Internet providers will take place after the Town decides to take advantage of the offer Matrix is making. Matrix is committed to providing the Town with at least 2 Gbps in Internet backhaul.

#### **5.12.4**

***Describe in detail your monitoring of Customer Premises Equipment and customer usage.***

Please see Appendix E.

#### **5.12.5**

***Describe in detail any limitations on the use of the service that will be applied to customer usage***

Matrix will not limit subscribers. Available bandwidth will utilize dynamic bandwidth allocation so that bandwidth is fairly utilized throughout the network up to the tier level the subscriber has chosen. There are no data caps.

#### **5.12.6**

***Describe in detail what would constitute abuse of the network or network service, and what steps would be taken regarding an abuser.***

The customer Terms of Service and Acceptable Use Policies are subject to change. Among the prohibited subscriber activities include:



- Unauthorized solicitations and spamming
- Intellectual property and privacy violations
- Obscene speech or materials (transmitting, distributing or storing of any material in violation of any applicable law or regulation is prohibited)
- Defamatory or abusive language or content
- Forging of headers or content
- Illegal or unauthorized access to other computers or networks
- Exploitation of vulnerabilities in hardware or software for malicious purposes
- Distribution of Internet viruses, worms, Trojan horses, or other destructive activities
- Facilitating a violation
- Phishing and deceptive practices
- Solicitation of minors
- Other illegal activities

#### **5.12.7**

***Describe in detail processes for requesting new or modifications to services (e.g. cancellation, temporary and/or seasonal stoppage, etc.).***

There will be an "800" number for new or existing customers to call. During the day the number will be answered live to handle the subscribers' change of service, billing issues, and technical support questions. After hours the callers would be directed to an existing trouble ticket system.

The subscriber would also have the option of a self-service portal to handle reporting service issues, change of service requests or for bill payment.

Most changes of service (move to a different tier, cancel service, schedule new service, suspend service) can be handled remotely. Only if a technician physically has to visit the property should there be a delay.

#### **5.12.8**

***Detail plans and processes that minimize operational cost increases to Subscribers through minimization of truck rolls and other high cost support services. This may include use of local resources, sub-contractors or other ongoing cost minimization programs.***

Matrix would be utilizing Calix' Consumer Connect Plus platform to help identify and fix subscriber issues. The capabilities of this software suite are unmatched in the industry. Consumer Connect Plus Wi-Fi analyzer capabilities alone will minimize the need for a technician to make a truck roll to a subscriber's home.

Please see Consumer Connect brochure in Appendix E.

Matrix will have at least one technician in the area to handle day-to-day work such as installing or replacing an ONT or battery back-up unit or fixing splices in cases of tree branch damage, etc. For larger requirements we have a number of regional subcontractors that we work with. For larger ice-storm type events Matrix could dispatch crews from New Jersey.

#### **5.13**



***The Town MLPs desire to gain insight into the design of high bandwidth networks the Vendor typically constructs to provide customers with broadband Internet services. In support of this desire the proposing Vendor must provide a description of the proposed regional network design it will plan to construct to provide customers in each Town with required services listed in Sections 5.4 and 5.6. The description of the network design should include content such as system-level schematics and block diagrams for the proposed network architecture and topology, identification of the network component technologies to be used, a list of the user equipment for each premise, a list of equipment to be centrally located (regionally or within each Town) and operated by the Vendor, etc.***

Matrix will design, build and maintain a GPON FTTH system, in accordance with the manual of construction procedures known as Telcordia SR-1421, FTTH accepted best practices and applicable law. The costs for the design, build and maintenance of the GPON FTTH system shall be borne by Matrix.

A sample of our design work has been included with our submittals.

#### **5.14**

***Proposing Vendor must provide the Town MLPs with options for offering broadband Internet services to subscribers located within Town boundaries on private roads and driveways, not connected via utility poles or underground conduit. Options should address situations where utility poles are not permitted.***

***Special Town areas to assess:***

***Monterey - Stevens Lake Association***

***Sandisfield - Otis Woodlands***

***Tolland - North Tolland (~95 homes), Beldon Road, East Otis***

The Matrix plan calls for aerial installation of fiber. Areas with usable conduit to which the Town owns a right of way may also be added into the service area. Parts of Town with direct buried utilities or areas with underground utilities but no usable conduit are not part of the Matrix offer to the Towns.

Options to service areas with underground utilities include:

- Town or Broadband MLP can install new conduit at their own expense
- Homeowners on Private Roads or Homeowner Associations can install new conduit at their expense
- Town or Broadband MLP can install a new Pole Line in areas with underground utilities. Installed new poles would be paid for and remain property of the Broadband MLP.
- Do nothing and wait for National Grid to update facilities at which time Town or Broadband MLP could also install new conduit.

In specific to the Otis Woodlands homes in Sandisfield, that development can only be access via Route 8 in Otis. Matrix had a discussion with officials in the Town of Otis and they are still not sure how the homes located in Otis Woodlands on the Otis side of the border will be served.

#### **5.15**

***Proposing Vendor must describe its process for performing network maintenance and responding to emergencies. The Vendor must also describe its existing operating and maintenance infrastructure. Vendor should also address its current policy and plans for as-needed renewal and future upgrades, such as frequency of replacement of core network equipment, technology upgrades, or proactive replacement of parts, for all of its existing broadband Internet customers.***



Matrix would be utilizing intelligent electronics which would generate alarms and actively call out to emergency technicians.

Matrix would also be utilizing Calix' Consumer Connect Plus platform to help identify and fix subscriber issues. The capabilities of this software suite are unmatched in the industry. Consumer Connect Plus Wi-Fi analyzer capabilities alone will minimize the need for a technician to make a truck roll to a subscriber's home.

Please see Consumer Connect brochure in Appendix E.

Matrix will have at least one technician in the area to handle day-to-day work such as installing or replacing an ONT or battery back-up unit or fixing splices in cases of tree branch damage, etc. For larger requirements we have a number of regional subcontractors that we work with. For larger ice-storm type events Matrix could dispatch crews from New Jersey.

#### **5.16**

***Proposing Vendor must provide a copy of its current customer service plan made available to existing broadband Internet customers. The customer service plan must address subscriber billing and customer service problem handling.***

The Matrix plan customer service terms and conditions are currently being vetted by attorneys. Matrix plans to utilize very similar if not exact terms and conditions, with permission, as the Concord Broadband MLP.

<http://www.concordnet.org/483/Terms-Conditions>

#### **5.17**

***In support of each Town MLP's desire for the proposing Vendor to be responsible for all customer-marketing efforts, the proposing Vendor should provide its plan for marketing its available broadband Internet services.***

Matrix would utilize the following to market our broadband solution to the residents of the four Towns:

- Town wide mailings to describe the plan and how to sign up
- Advertising in the Monterey News, Sandisfield News, etc.
- Multiple information sessions at Town Halls
- Saturdays at the Transfer Stations. Usually the best place to speak with residents of most rural New England towns.

#### **5.18**

***Proposing Vendor must provide a copy of its Customer Terms and Conditions governing its relationship with customers, currently provided to all existing broadband Internet subscribers.***

The Matrix plan customer service terms and conditions are currently being vetted by attorneys. Matrix plans to utilize very similar if not exact terms and conditions, with permission, as the Concord Broadband MLP.



**5.19**

***Proposing Vendor must describe its process for addressing life-line services, E911, and emergency handling in outage situations for existing broadband Internet customers. The Vendor must provide a description of any subscriber fees and billing associated with these services.***

Matrix would be utilizing standard E911 VoIP which would be "up and working" as long as the battery back-up power lasts. If the subscriber is utilizing the broadband service as a cellular "hot spot" then the E911 compatibility would be responsibility of cellular provider. If the subscriber is utilizing is using a third party provider such as Skype or Vonage then the E911 compatibility would be the responsibility of those providers.

**5.20**

***Proposing Vendor must provide a list and description of the Internet Service Provider (ISP) services (e.g. Internet access, email, domain name registration, web hosting, online distributed discussion services (e.g. Usenet), cloud services, online storage services, etc.) provided to existing broadband Internet customers. The Vendor must provide a detailed description for the fees and fee structure associated with the ISP services offered***

Matrix will offer two (2) tiers of Internet service; a Standard Internet connection of up to 50 Mbps for \$95 per month and an Enhanced Internet connection of up to 100 Mbps for \$135 per month. Matrix will also offer the subscriber the option of an indoor GigaCenter ONT with built-in 802.11 AC Wi-Fi for \$5.00 month.

Tiers of above 100 Mbps up to 1 Gbps are available on a custom pricing basis. Dedicated connections of up to 10 Gbps are also available on a custom pricing basis.

Static IP addresses are also available at a price to be determined.

**5.21**

***Proposing Vendor must provide its plan for supporting third party services, at both the subscriber and third party level.***

Matrix adheres to Net Neutrality. We will not hinder access to third party content or applications regardless of the source. There will be no blocking or favoring of specific websites or products.



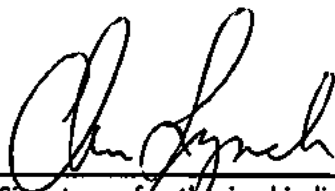
## **Exhibit A Signature Page**



**Exhibit A**  
**Certification and Signature Page**

Must be completed and submitted with proposal.

The Undersigned proposing Vendor submits this Proposal to deliver a Broadband Network Service to the Towns of Monterey, Sandisfield, and Tolland.



Signature of authorized individual submitting proposal

Date: 2/23/2017

Name of business: Matrix Design Group

**Certificate of Non-Collusion**

The undersigned certifies under penalties of perjury that this proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.



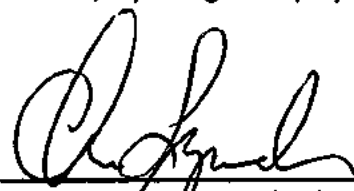
Signature of authorized individual submitting proposal

Date: 2/23/2017

Name of business: Matrix Design Group

**Tax Compliance Certification**

Pursuant to M.G.L. c. 62C, §49A, I certify under the penalties of perjury that, to the best of my knowledge and belief, I am in compliance with all laws of the Commonwealth of Massachusetts relating to taxes, reporting of employees and contractors, and withholding and remitting child support.



Signature of authorized individual submitting proposal

Date: 2/17/2017

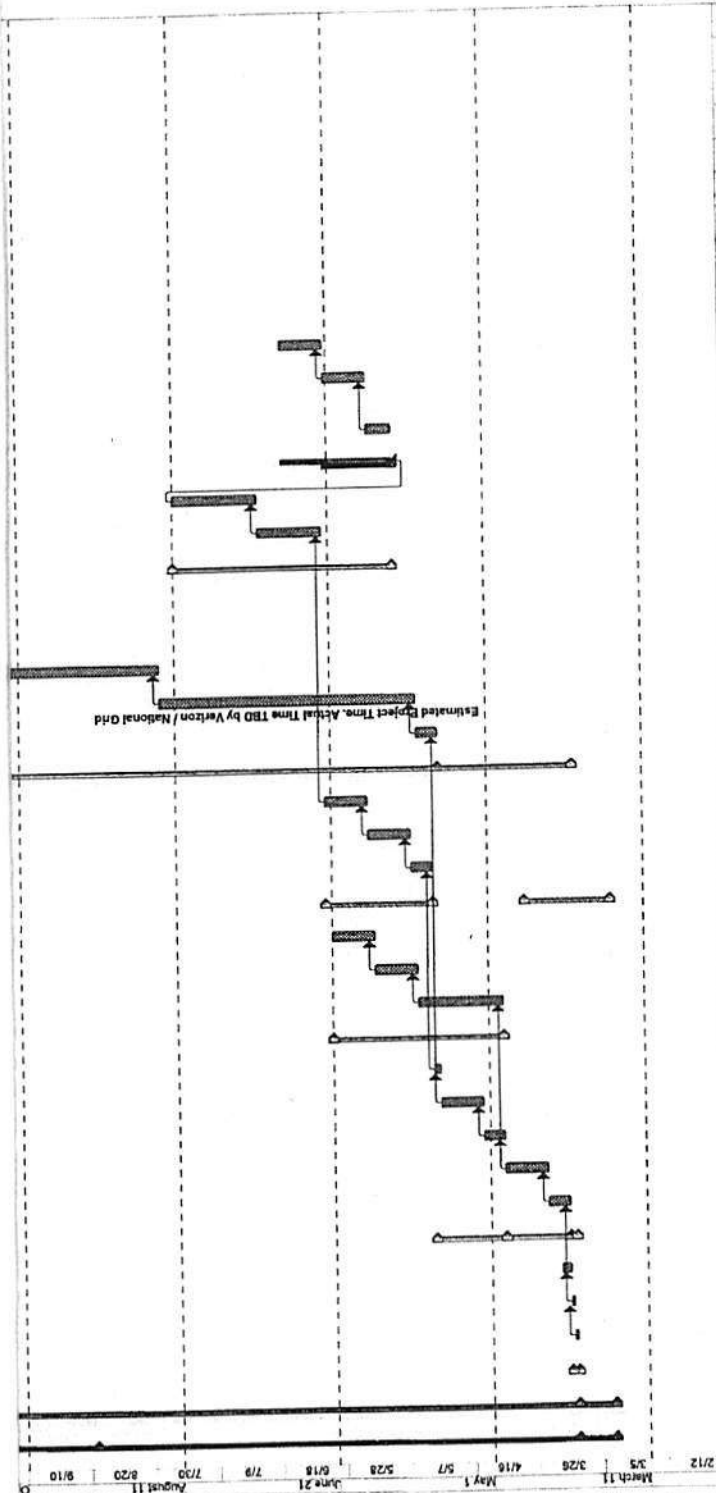
Name of business: Matrix Design Group





## **Appendix A**



ID	Task Name	% Complete	Duration	Start	Finish	Preced
1	0% Monthly FTTH Project		11 days	Mon 4/3/17	Thu 9/7/17	
2	Design & Engineering	0%	418 days	Mon 4/3/17	Wed 1/7/18	
3	Project Kick-Off	0%	2 days	Mon 4/3/17	Tue 4/4/17	
4	Agreement Signed	0%	1 day	Mon 4/3/17	Mon 4/3/17	
5	Project Review with M&M-LP	0%	1 day	Tue 4/4/17	Tue 4/4/17	
6	Information Gathering / Transfer	0%	3 days	Wed 4/5/17	Fri 4/7/17	
7	Field Surveying	0%	17 days	Mon 4/3/17	Tue 4/25/17	
8	Pole Survey & Initial Design	0%	5 days	Wed 4/5/17	Tue 4/11/17	
9	Aerial Application Processing	0%	10 days	Wed 4/12/17	Tue 4/25/17	
10	Pole Survey & Initial Design	0%	5 days	Wed 4/25/17	Tue 5/2/17	
11	Aerial Application Processing	0%	10 days	Wed 5/3/17	Tue 5/15/17	
12	Survey Permitting Locations	0%	2 days	Wed 5/17/17	Thu 5/18/17	
13	Fiber Route Design	0%	40 days	Wed 4/25/17	Tue 6/20/17	
14	Design an Optimal FTTH Network Route	0%	20 days	Wed 4/26/17	Tue 5/23/17	
15	Quality Control	0%	10 days	Wed 5/24/17	Tue 6/6/17	
16	Final Design to 100%	0%	10 days	Wed 6/7/17	Tue 6/20/17	
17	Specify Equipment	0%	20 days	Wed 5/23/17	Tue 4/18/17	
18	Specify Network Technology	0%	5 days	Fri 5/19/17	Tue 5/25/17	
19	Specify Architecture	0%	10 days	Fri 5/26/17	Thu 6/9/17	
20	Review Technology with M&M-LP	0%	10 days	Fri 6/9/17	Thu 6/22/17	
21	Aerial Pole Applications & Make Ready	0%	158 days	Mon 4/3/17	Thu 1/18/17	
22	Submit Applications	0%	5 days	Wed 5/3/17	Tue 5/23/17	
23	Oversee Licensing Process	0%	60 days	Wed 5/24/17	Tue 8/15/17	
24	Utility Company Make Ready	0%	50 days	Wed 8/16/17	Tue 10/24/17	
25	Receive Licenses	0%	40 days	Wed 10/25/17	Tue 12/19/17	
26	Engineering & Design Complete	0%	5 days	Wed 12/20/17	Tue 12/26/17	
27	Material Selection and Procurement	0%	82 days	Wed 8/3/17	Thu 8/10/17	
28	Cut Sheet Acquisition	0%	15 days	Fri 8/23/17	Thu 7/13/17	
29	Material Order	0%	20 days	Fri 7/14/17	Thu 8/10/17	
30	Material Delivery	0%	15 days	Wed 8/31/17	Tue 6/20/17	
31	Fiber and Hardware	0%	8 days	Wed 5/31/17	Wed 6/7/17	
32	Fiber Optic Cable	0%	10 days	Thu 6/8/17	Wed 6/21/17	
33	Optical Transport Gear	0%	10 days	Thu 6/8/17	Wed 6/21/17	
34	Splicing Materials	0%	10 days	Thu 6/22/17	Wed 7/5/17	
35	Aerial Construction	0%	208 days	Mon 1/16/17	Mon 8/20/18	
36	Install ADSS Fiber Optic Cable	0%	40 days	Wed 12/20/17	Tue 2/13/18	
37	Aerial Splicing	0%	69 days	Wed 2/14/18	Mon 5/21/18	
38	Terminations at Hub	0%	20 days	Tue 5/22/18	Mon 6/18/18	
39	Test and Document Trunk Cables	0%	15 days	Tue 6/19/18	Mon 7/9/18	
40	Drop Installation	0%	85 days	Fri 6/15/18	Thu 9/13/18	
41	Prep Fiber Drop Housings	0%	30 days	Tue 7/10/18	Mon 8/20/18	
42	Install Drop Cables & ONTs	0%	60 days	Tue 8/21/18	Mon 11/12/18	
43	Project Close Out	0%	10 days	Fri 9/21/18	Thu 10/4/18	
44	Documentation Package	0%	10 days	Tue 11/13/18	Mon 11/26/18	





Manual Task		Manual Summary Rollup		Start-only
Duration-only		Manual Summary		Finish-only



## **Appendix B**





## From Concept To Completion



Serving all landscapes across the country, we specialize in fiber optic network deployments, civil engineering, and complete broadband solutions. Our mission is to enable communities, cooperatives, municipalities, and utilities the ability to provide best-in-class broadband communications networks. From feasibility studies, budgeting, underground conduit and aerial cabling, to bridge crossings and outside plant construction, Matrix will provide everything from concept to completion.

### Our Experience

As a full service civil engineering and telecommunications design firm, we will perform a variety of public and private sector projects ranging from complete communications networks to storm water management strategies. Whether it's planning the migration of a legacy copper plant, designing a new Fiber To The Premises (FTTP) network, or providing turnkey outside plant managed services, Matrix provides value and savings by being the only go to source for all your project needs.

### Our Staff

Our professional staff strives to understand the complexities of each project in order to develop an efficient and effective engineering solution. Our success is built on providing a transparent project environment where clients and their partners are actively involved in the process. We offer unmatched professionalism through a stringent quality control program. Matrix is dedicated to delivering the best services that meet our customers' needs.

### Our Promise

We are dedicated to providing next generation technology to all of our industries. We strive to deliver an infrastructure capable of handling the fastest broadband so that our clients can reap the benefits of having the most reliable network. By having Matrix design and engineer a communications system capable of handling big data, our clients get a fast, reliable network infrastructure capable of growing with their business operation.

In addition, we will provide civil engineering services that help our clients solve their toughest challenges. From storm water and environmental services to transportation and traffic engineering and planning, we strive to serve our markets with the utmost quality to deliver the most robust project solutions.







## **Ron Cassel**

### **CEO**

#### **SUMMARY**

Ronald Cassel is the Chief Executive Officer of Millennium Communications and one of its founding members. While he was originally brought into the company for his expertise in advanced communications systems, Ron's dedication to providing value added services has propelled him to the forefront of the company. Ron's knowledge of advanced telecommunications systems began with his first job as a technician for a fledgling cable television company in New Jersey. In his fifteen plus years working at the company, Ron excelled in every aspect of the telecommunications engineering field. His experience includes broadband RF distribution systems, operation of the most extensive microwave transmission network in the northeast, work on and with scientists from Bell Laboratories on the first amplitude modulated fiber optic systems, the very essence of today's advanced fiber based broadband networks.

In 2000, Ron took over as the CFO of Millennium immediately following the collapse of the Telecom industry. In his role as CFO, he was able to reorganize Millennium and retrain its focus not only towards supporting the newly emerging telecoms, but also diversifying Millennium's business offerings to what they are today. Working with our management and recruiting experts in their respective fields, Ron has assembled a competent, disciplined management staff with core competencies in all areas of advanced communications systems.

Today, Ron oversees all aspects of running a successful corporation including looking for new opportunities to expand our service offerings. While his position may have reshaped his role at Millennium, he is never far from the technologies at the heart of our success.

#### **SELECTED EXPERIENCE**

##### **Fiber-To-The-Home**

AT&T Research (New Jersey/ California)

Responsible for the design and installation of two experimental communication networks. These networks deliver video, data and voice communications to residential customers over fiber optic cable.

##### **EC Fiber (Vermont)**

Served as the principle engineer on the project. The project entails 22 towns in East Central Vermont forming a consortium to build their own Fiber to the Home network. The project budget is \$66,000,000 and will be the largest public works project ever undertaken in Vermont.

##### **ValleyNet (Vermont)**

Served as the principle engineer on the project. The project encompassed the design and installation of 23-miles of aerial self-support fiber optic cable providing area homes and businesses with high speed broadband internet and comprehensive telephone service.

#### **EDUCATION**

1978 - Seton Hall University, South Orange, NJ - Accounting

1982 - DeVry Technical Institute, Woodbridge, NJ - Electrical Engineering Technology

1990 - Optical Networks International-Advanced Fiber Communications Technologies (certificate)

1993 - AT&T- Advanced SONET System Architecture (certificate).

#### **REGISTRATIONS / MEMBERSHIPS**

SCTE - System Member

NJBIA - Member

NECA - Board Member

Society of American Military Engineers (SAME)



# Kenneth McLaughlin

## Senior Vice President, Business Development

### SUMMARY

Mr. McLaughlin is Senior Vice President of Business Development and holds over 24 years of experience in construction of communications infrastructure and CATV/ security networks. His experience also includes 10 years within the Competitive Access industry. Mr. McLaughlin's responsibilities have included the installation and maintenance of 2600 miles of distribution plant; in addition to, the construction and maintenance of a 160-mile SONET network in New Jersey. His experience has allowed him to utilize his skills to develop critical networking solutions for clients, focusing on advanced communications, interoperability, security of critical infrastructure and unified communications systems.

### SELECTED EXPERIENCE

#### Rutgers RU-Net

This project involved the design, build, and maintenance of Rutgers' privately owned and advanced voice, data, and video infrastructure. The tasks involved in this project were to integrate the New Brunswick, Camden, and Newark campuses to provide faster internet and to link the classrooms, libraries, and residence halls allowing robust voice and data capabilities.

#### Cablevision Strategic Fiber

Responsible for the design and construction of 500 miles of fiber optic plant in New York and New Jersey. This project linked all of Cablevision's transmit facilities with redundant capabilities.

#### MCI/WorldCom North Jersey Overbuild

This project involved the overbuilding of a 100-mile jointly owned fiber optic system in the North Jersey area. The associated tasks included route feasibility studies, utility relocation engineering and material B.O.M.'s.

#### Madison, New Jersey (AT&T – "RoseNet") Fiber Project

Responsibilities included overseeing the construction of 9 miles of fiber optic plant in the Borough to tie in all public facilities. Complete project management from initial design through project acceptance.

### REGISTRATIONS/MEMBERSHIPS

State member of S.C.T.E.  
National Rights Of Way Association  
BICSI Corporate Member

### EDUCATION

BS, Montclair State University, Montclair, New Jersey  
Certification, CALC  
Certification, Chubb



## **William A. Stark**

### **Vice President, Field Operations**

#### **SUMMARY**

Mr. Stark has over 27 years' experience in engineering, design, and construction of communications facilities with an emphasis on outside plant.

Additionally, he provides oversight of all field operations, including the management and direction of all field employees. Mr. Stark ensures that all resources are managed and coordinated in an efficient and professional manner on all projects, in order to perform work within the budget and ahead of schedule.

Recent work history includes project management, engineering of fiber optic networks and building laterals, in addition to, communications survey's with route design.

#### **SELECTED PROJECT EXPERIENCE**

##### **AT&T I.T.S. - Fiber interconnection**

Completed survey and design for AT&T Local Services engineering project. This included designing diverse fiber optic lateral feeds to over 75 AT&T/Lucent facilities throughout New Jersey. Responsibilities included survey work, preparation of drawings, construction estimates, B.O.M.'s, and managing construction crews. Similar projects were also completed for Hyperion Telecommunications (Adelphia) and Lightpath (Cablevision).

##### **Rutgers University - Telecommunications Survey**

Managed field survey crews responsible for cataloging all existing OSP telecommunications facilities on six campuses at Rutgers University. Project included physical survey of all manholes, handholes, pull boxes and building demarcation points. Responsibilities included compiling all field data (sketches, digital photos, duct information), preparing as-built documentation, and submitting progress reports to University engineers

##### **Private Fiber Networks**

Project managed the construction of approximately 455 miles of aerial & underground fiber optic plant for various municipal entities in New Jersey. Responsibilities included material procurement, customer interfacing, field crew management, and as-built submittals

##### **CLEC Support**

Provides ongoing utility construction services to various communications suppliers in the Northeast region. This includes new capital build-outs, relocation work, daily maintenance and providing 24-7 emergency support.

#### **EDUCATION**

Cook College, Rutgers University - New Brunswick, New Jersey



## Chris Lynch

### Senior Account Manager, New England Division

#### SUMMARY

Chris Lynch has over 20-years of experience in high-tech communications technology. He has worked with structured cable, optical networking, and voice and data communications solutions. For the past 12-years, Chris Lynch has focused on the communications requirements of Tier 2 and 3 telcos and alternative communications providers. He is an acknowledged expert in the field of IPTV. Mr. Lynch's roles have ranged from owning his own consulting firm to managing a sales force responsible for over \$53 million in yearly sales.

Whether in managing his own territory or managing others – Mr. Lynch employs a solutions geared approach where the customer's needs are paramount. His experience ranges from local small business deployments to Fortune 500 networks

#### SELECTED PROJECT EXPERIENCE

- Upgrading Sprint's Overland Park, Kansas campus headquarters from an ATM based video network to MPEG2 IP live-video streaming network.
- Serving as AT&T SystemMax subject matter expert for Sprint North Supply's national enterprise sales team in addition to managing a team of six covering 13 Northeast States.
- Design and deployment for an over 200-channel IPTV system for New Visions Communications in East Syracuse, New York.
- Integration and deployment of an IP video system for the headquarters of State Street Financial in Boston, Massachusetts.
- Responsible for Business Development relationships between SES Americom's IP Prime Division and Cisco, Nortel, Entone and others. SES is the largest private satellite company in the world

In addition to the above, Mr. Lynch has experience in the MSO market (Time Warner, Cablevision), carriers (AT&T, Verizon), broadcasters (ABC, CBS, CNN) and satellite providers (PanAmSat, BTV+, Hughes).





## Client: Rutgers, The State University of New Jersey

*Project: Rutgers University RUNet 2000 Telecommunications OSP Design*

*Location: Throughout New Jersey*

## Background

The State University of New Jersey, welcomes over 50,000 students every year. It is one of the nation's leading universities with 7 campuses located in New Brunswick, Piscataway, Newark and Camden, New Jersey. In order to maintain their leading university status, they needed to create a comprehensive and advanced data, video, and voice communications infrastructure that would meet the challenges facing Rutgers in the Information Age.

Rutgers recognized the need to improve its communication infrastructure and network capabilities. Soon after, the university published a Strategic Plan entitled, A Vision For Excellence, which clearly specified that in order to achieve the goals stated within the document, a robust, reliable network infrastructure was deemed necessary. From this idea, RUNet 2000 was born.

## Solution

To help move Rutgers towards their goals, Matrix Design Group, provided an engineering and design solution coupled with project management and construction services for the implementation of the Rutgers RUNet 2000 project, the largest project of its kind at an American university, to meet the communications needs of the university well into the next century.

The design included 100 miles of on-campus duct bank and overhead fiber optic backbone systems across six (6) main campuses. The backbone completion phase included 340,000 feet of underground conduits, 150 manholes, and 50 aerial poles. In addition to all Rutgers' residence halls, the RUNet system was connected to all campus academic buildings, libraries, sports arenas, campus centers, student centers and recreation centers.

Utilizing advanced Global Positioning System (GPS) technology, Matrix prepared as-built mapping of the entire system. More than 750 buildings were located with associated database information embedded in the subsequent graphic elements. Detailed data dictionaries were designed based on client requirements to ensure continuity, system performance and functionality. All final mapping is geo-referenced into the appropriate coordinate system to create a university wide telecommunications GIS layer. Subsequent projects included connecting fiber optic cabling to the universities alternative energy windmills, electrical transmission points, and additional new construction buildings.

Matrix has helped Rutgers provide technology-based innovation in research and instructional programs, administrative procedures, and information systems through a robust, reliable network infrastructure capable of handling the needs of their faculty, staff and students.

## Project Goals

Provide technology-based innovation in research and instructional programs, administrative procedures, and information systems

Build a robust, reliable network infrastructure capable of supporting client/server administrative systems

Assist in positioning Rutgers in the top quartile of research universities

Upgrade network to permit high-speed data transport, interactive video transmitting, and improved voice applications

Link Rutgers academic and residential buildings through an integrated data, voice and video network







## Client: ECFiber

*Project: East Central Vermont Community Fiber-Optic Network*

*Location: Vermont*

## Background

Having been continually overlooked in their quest for adequate broadband service by the incumbent service providers, 23 towns in east central Vermont banded together in 2008 to explore building a community owned fiber optic network. As the traditional carriers did not find it cost effective or profitable enough to provide high speed bandwidth in their towns, this group of communities decided to take control of the situation. Their cause has resonated throughout rural communities all over the country.

East central Vermont is made up of some of the most rural communities in the United States. These communities recognize that reliable broadband is more than just a matter of profitability; in some cases it's about the very survival of their communities and the rural way of life. The collection of towns formed an organization, known as ECFiber, and through grass roots action in their respective communities, they sought out and received overwhelming community support to build and run their own Fiber To The Home Network (FTTH). When they needed the expertise to help them carry out the plan, they found it in Matrix Design Group.

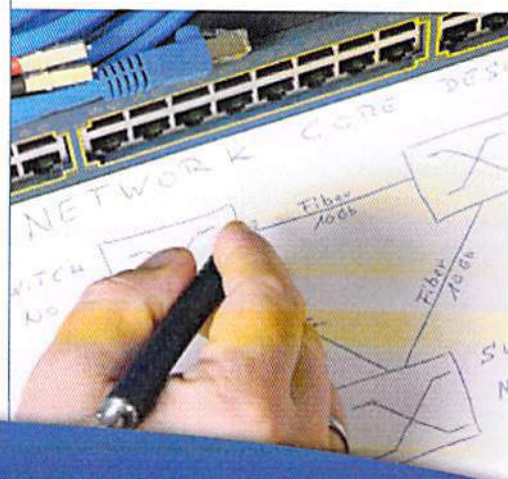
## Solution

Matrix Design Group began working with the ECFiber Governing Board, helping to identify the right network design to suit the needs of the community today and tomorrow. Matrix designed a robust network that would connect all 23 towns and all of the homes and businesses within the towns to the outside world. Additionally, Matrix provided capital budgeting oversight for the network plan, including preparation of the financial documents necessary to go to the public markets and managerial support at multiple meetings, both internally and externally.

When the public bond market collapsed, Matrix, without missing a step, redesigned the network to match the much more limited resources available to the project; resources that relied on local grass roots funding by the very people that would use the network. Matrix used its years of experience in designing, building, and operating complex fiber based networks to totally redesign the network to suit the very limited budgets. Although just as viable as the original design, the new design captured the essence of what Matrix is all about; designing and building to meet our client needs, within their budget. This new network, which is operational today, combines innovative thinking, solid engineering and cost effective construction techniques, to deliver world class FTTH service to rural communities in Vermont.

"Matrix has provided an invaluable service to the citizens of East Central Vermont. Our ambitious plan to take control of our future broadband needs was met by a company that stepped right up and made themselves an integral part of our team. We're grateful for their guidance and contribution to our project. Without their truly innovative design, we may not be where we are today, delivering real broadband to areas of our State that may have never gotten it otherwise"

**Loredo Sola,**  
*Chairman, ECFiber*







## Client: Vermont Telecommunications Authority (VTA)

*Project: "Middle-Mile" Fiber Optic Broadband Network*

*Location: Vermont*

## Background

The VTA, an independent agency of the State of Vermont, was created in 2007 for the purpose of expanding access to broadband and mobile telecommunication services for Vermont residents. As a small, rural state with rugged terrain, Vermont has difficulty attracting broadband Internet providers, who are often unable to build profitable business models for serving the state. The VTA's goal was the development of a 773 "middle-mile" fiber-optic network in Southern, Central, and Northeastern Vermont. The project would connect over 340 community anchor institutions in the project area, encompassing seven of Vermont's fourteen counties.

In 2011, the National Telecommunications and Information Administration (NTIA) awarded VTA with a \$33.4 million dollar grant from the Broadband Technology Opportunities Program. This accomplishment allowed VTA to start soliciting Engineering and Design firms to design open fiber optic networks that would provide data transport services up to 1 Gbps to community anchor institutions, government agencies, and "last-mile" providers throughout the project area.

## Solution

Matrix Design Group was selected as an engineering and design consultant to design 27.4 miles of fiber optic infrastructure from Hardwick to Irasburg. In addition to the design of the fiber optic network, Matrix provided additional support services including verification of pole line and underground routes, GIS data collection of pole stock and potential customer sites, preparation of make-ready applications, make-ready joint walk services, utility ride-out with all pole attachments, verification of utility make-ready estimates, material selection and budgeting, construction specifications for a draft RFQ, and optical fiber loss budget calculations.

With the help of Matrix, the VTA was able to offer wholesale data transport services to providers such as Internet Service Providers (ISP's), telecommunications organizations and cellular companies. Matrix designed a network that provides 1 Gbps connections, allowing increased build-outs to additional community anchor institutions such as K-12 schools, libraries, colleges, state government offices, and public safety communications networks throughout the state of Vermont.

## Results

The network now brings upgraded broadband and cellular service to areas of the state.

This "middle-mile" network gives educational institutions increased opportunities through media-rich on-line learning.

Brings improved patient care through the support of Electronic Health Records, including transfers of large medical imaging files.

Supports an increase in web-based interactions from state residents to state agencies and reduces state costs of travel and data center space through video conferencing and data center consolidation.

Gives the public access to super high-speed broadband service at public libraries and educational institutions.







**Client: Level (3) Communications**

*Project: Newtown, PA to Newark, NJ*

*Location: Newtown, Pennsylvania to Newark, New Jersey*

## Project Description

This two year, 56-mile project from Newtown, PA to Newark, NJ crossed 14 bridges (including the Delaware, Raritan, Rahway, and Elizabeth Rivers), required review and permitting from 15 townships, 4 counties, and 2 states, crossed 14 railroads (including Conrail, NJ Transit, and Amtrak), and necessitated the review of 9 environmental and historic state agencies. The bulk of the permitting was completed within the first four months of the project. The final routing alignment utilized the NJ State Route 1 corridor to achieve its goal of linking the Washington D.C. backbone with the Connecticut backbone. Matrix Design Group was responsible for project management and administration, utility data collection and verification, conceptual/preliminary/and final running line design, directional drill design, ROW permitting, environmental investigation and permitting, bridge attachment design and permitting, rail crossing design and permitting, and the development of construction and final bid documents.

## About Matrix Design Group

Serving all landscapes across the country, we specialize in fiber optic network deployments and complete broadband solutions. Our goal is to enable communities, cooperatives, municipalities, and utilities the ability to provide best-in-class broadband communications networks. From feasibility studies, budgeting and underground conduit and aerial cabling, to bridge crossings and outside plant construction, we provide everything from concept to completion.

### Contact:

11 Melanie Lane, Unit 14  
East Hanover, NJ 07936

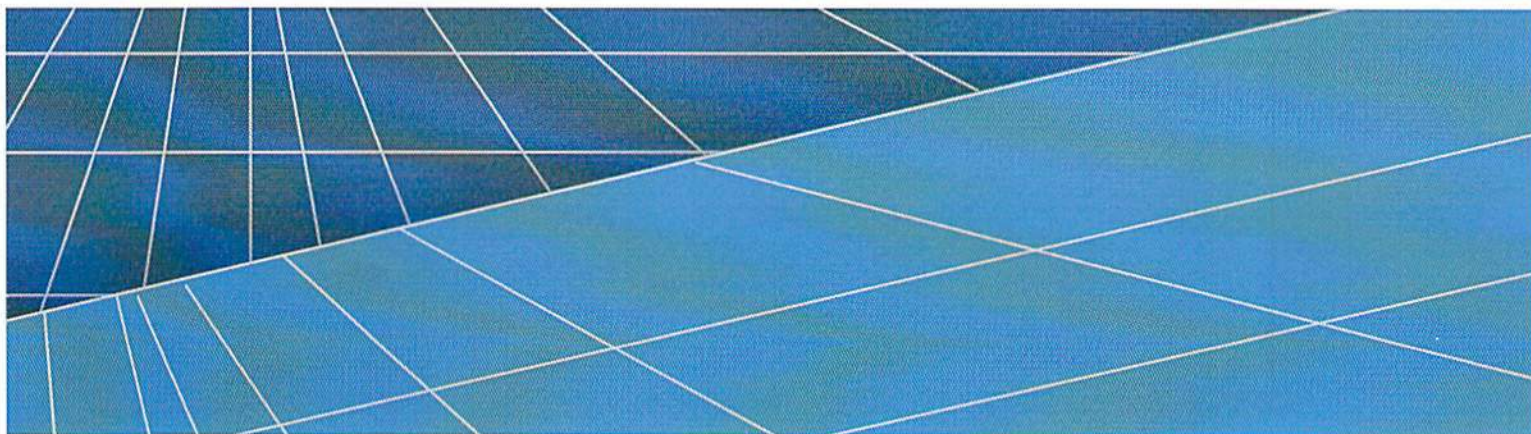
[matrixdg.com](http://matrixdg.com)

866.792.9930

[info@matrixdg.com](mailto:info@matrixdg.com)











## ABOUT US

Millennium Communications Group Inc. provides advanced communication infrastructures utilizing integrated technology solutions across the public and private sectors. We offer broad IT solutions that combine fiber optic infrastructures with innovative networking equipment.

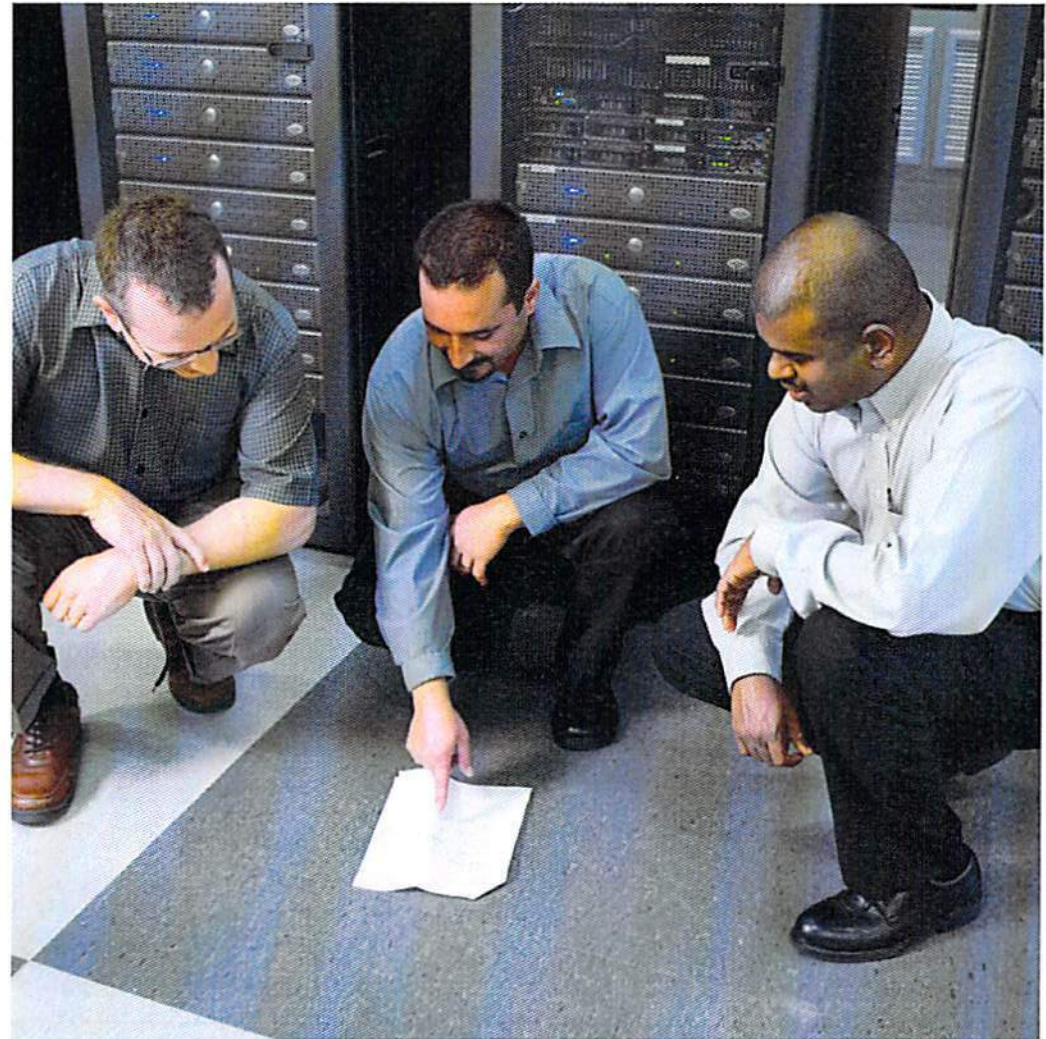
Our solutions enhance business efficiency, reduce costs, secure data and improve your overall network. We will develop a technology solution that addresses key business challenges, leverages emerging technologies, and enhances operational efficiencies.

We eliminate the hassle of multiple vendors and contractors by handling every aspect of building your network. From preliminary budgeting and design, to building and final acceptance, we provide a full end-to-end solution that will meet and exceed your needs. From planning to perfection, we are your single point of contact for endless possibilities.



## COMPANIES YOU RELY ON, RELY ON US...

For more than twenty years, Millennium has provided our customers with solutions for their IT, Security, Fiber Optics, Engineering and Design, and Construction needs. We've worked with some of the top companies within the industry as well as large government entities, counties, and cities. However, did you know Millennium works with all major communication carriers as well as many power utilities, authorities, and major financial institutions, all of which rely on our premier services? Many of the lifeline service companies that are vital to communities, trust us to ensure they maintain their services no matter the circumstances. Chances are our services have already touched your life.





**ONE PHONE CALL,  
THAT'S ALL...**

It is difficult to find a company that contains all the necessary components involved in a network build out, but with Millennium that's just what you get. From start to finish, we handle all aspects of your project. By doing so, we can ensure our customers receive a Millennium-quality experience from conception to final implementation.







# OUR SOLUTIONS

PLAN > DESIGN > BUILD > INTEGRATE > MANAGE

Our solutions enhance business efficiency, reduce costs, secure data and improve your overall network. We will develop a technology solution that addresses key business challenges, leverages emerging technologies, and enhances operational efficiencies. Optimize your business with technologies that enhance the value of your technology investment.

## FIBER OPTICS

Our fiber optic solutions provide the latest in fiber optic cable technology to meet our customers current and future bandwidth needs.

## STORAGE

Our network storage solutions are geared towards speed, convenience and efficiency.

## MOBILITY

Our wireless solutions help you achieve the cost and productivity benefits of mobile computing.

## MANAGED SERVICES

Our managed services augment your IT staff with flexible, 24/7 remote or on-site support.

## COLLABORATION

VoIP bundles phone, data, and video into one unified service so you can do more with less. Our VoIP solutions save your organization time and money making it easier to manage your communications.

## PHYSICAL SECURITY

We are experts in engineering advanced security and surveillance networks to meet the specific needs of our customers.

## ENTERPRISE NETWORKS

Our enterprise networking solutions allow you to simplify operations while reducing risk.

## OUTSIDE PLANT

We offer outside plant solutions that cover a wide variety of capabilities to satisfy all of your engineering and installation requirements for broadband infrastructure.

## DATA CENTER

Our data solutions are designed to meet the most demanding business applications, while delivering the reliability, security and ease of administration that IT managers appreciate.

## CLOUD

Our cloud solutions can help reduce the complexity of IT and quickly adapt to business changes and opportunities.





## PHYSICAL SECURITY DIVISION

### PROTECT WHAT MATTERS MOST

We are experts in engineering advanced security and surveillance networks to meet the specific needs of our customers. We have the ability to tackle large, complex jobs all the way down to small deployments.

- Video Network Design
- Certified Professional Installation
- Security Consoles
- Wide Area Video Network
- Access Control Systems
- Web Monitoring Systems
- Motion Systems
- Parking Lot Monitoring Systems
- Intrusion Detection and Prevention
- Emergency Operations Centers
- Centralized Authentication
- Mobile Monitoring
- Emergency Notification Systems
- Automated Lockdowns



## INFORMATION TECHNOLOGY DIVISION

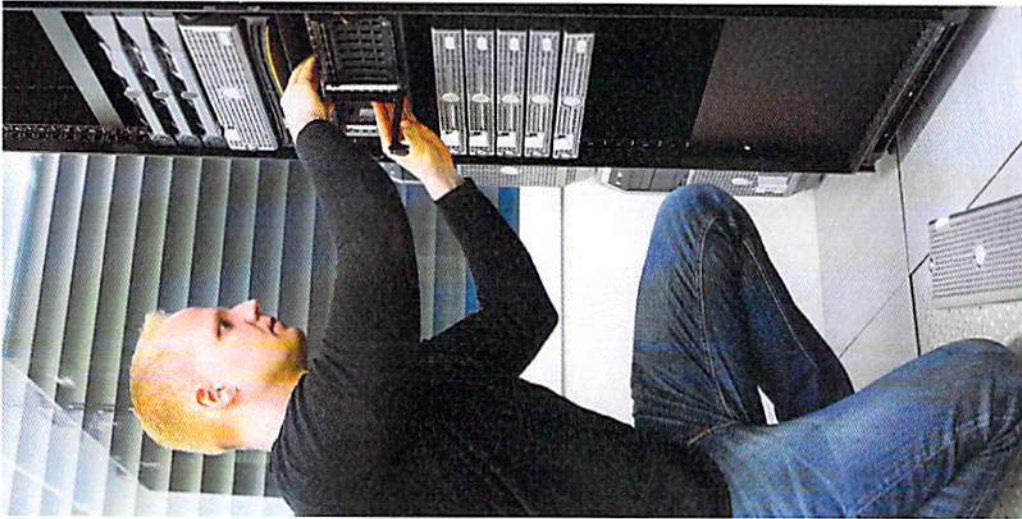
### ENHANCE YOUR NETWORK

We have the ability to develop a technology solution that addresses key business challenges, leverages emerging technologies, enhances operational efficiencies, and saves on the bottom line.

- System Engineering
- Network Engineering
- Enterprise Networks
- Wireless Networks
- Optical Network Solutions
- Information Security Engineering
- Server Consolidation/Virtualization
- Data Center Solutions
- Cloud Services
- Collaboration
- Voice, Video & Web Conferencing
- Interactive White Boards
- Back-up/Disaster Recovery
- VPN/Remote Access
- Internet Access







## MILLENNIUM MANAGED SERVICES

### WE HAVE YOUR BACK

Proactive network management is critical to preventing downtime for networks today. Our mission is to provide our customers with persistent and innovative 24/7 IT services and support from closet to cloud that satisfies both their IT needs and budget for their peace of mind.

- Remote Monitoring and Management
- 24/7 Proactive Monitoring
- Virtual Helpdesk Support
- 24/7 Technical Resource Access
- Block Hour Support

## OUTSIDE PLANT SOLUTIONS

### A STRONG FOUNDATION

Our Outside Plant Solutions offer a wide variety of capabilities to satisfy all of your engineering and installation requirements for broadband infrastructure. Our team of experts focus on the unique requirements of each network, while considering system functionality, reliability, future growth, and maintenance requirements.

- Aerial Construction
- Underground Construction
- Fiber Optic Splicing and Testing
- 24/7 Emergency Restoration





## FIBER TO THE HOME

Fiber can sustain community demands both now and into the future. FTTH is fiber deployed directly to the end user. These networks are scalable creating a long term value proposition. Our fiber designs have won praise from industry leaders for their ability to bring cost effective fiber solutions to all our customers. These same innovations have also helped us design fiber to the home models that are suitable for rural communities previously labeled "unserviceable." Fiber to the home or premise networks will open new worlds to residents who explore all they have to offer.





## OUR INDUSTRIES



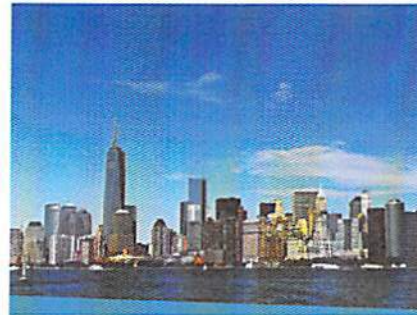
### GOVERNMENT

Private government networks demand highly organized and secure communications between a wide range of organizations and offices. We offer proven and reliable IT solutions to build an advanced technology infrastructure for a connected and responsive government. We help Federal, State, and Local governments plan, design, build and implement cost effective IT solutions that allow easy access to information and services across agencies and departments.



### EDUCATION

School districts and college campuses are often strapped for resources while trying to provide outstanding educational services. We provide districts with the ability to offer enhanced technology services while saving valuable resources. Whether it's a distance learning program or the consolidation of computer resources, we provide school districts with the tools necessary to enhance the learning experience while reducing costs and carbon footprint.



### PRIVATE SECTOR

A strong communications infrastructure is necessary to meet the demands of a complex and ever-changing business environment. Our comprehensive IT solutions leverage emerging technologies to enhance operational efficiency, reduce IT costs, and secure customer data. We will develop a customized technology solution that helps address key business challenges.



### UTILITIES

With regulatory requirements as a top priority, we service utilities, of any kind, by providing real-time monitoring capabilities through network infrastructures and technology upgrades. We will work to integrate your communications infrastructure with new technology that provides you with better control of your assets. From infrastructures to data centers, we provide utilities solutions for a reliable future.





## HOW DO WE WORK FOR YOU?

Millennium has many cooperative purchasing options available that could help you procure your technology needs and we continue to add new contracts to our purchasing tools every year. The Communications Wiring Services State Contract allows us to directly provide wiring services to the public sector, and marks a milestone event in Millennium's lifetime.

The PEPPM contract allows you to shop for and buy tens of thousands of items from hundreds of product lines that are all bid discounted and bid protected. PEPPM is designed to reduce the time and effort between the decision to buy and the receipt of the products. GSA offers customers many ways to purchase what they need. GSA simplifies federal procurement by negotiating large multi-user contracts and by leveraging the volume of the federal market to drive down prices.

NASPO Value Point (formerly WSCA-NASPO) utilizes the "lead state" model to carefully ensure open, competitive cooperative contracts. The lead state owns and manages the contract. All contracts have been awarded by a competitive solicitation process, usually an RFP, to all contracted vendors in compliance with the lead state's statutory requirements.

## KEY PURCHASING VEHICLES



#12989/#88740



## WE VALUE OUR CUSTOMERS

Our most valuable relationships are the ones we share with our customers. We would like to invite you to contact us to set up an appointment where we would be happy to evaluate your current technology resources and provide recommendations based on our assessment.

Contact us at

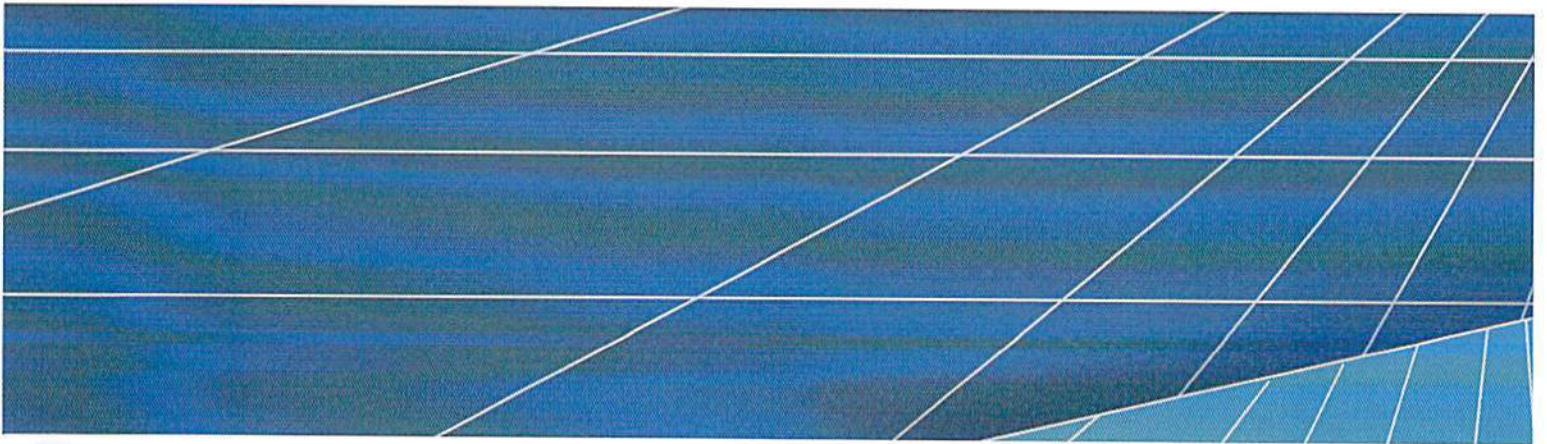
[info@millenniuminc.com](mailto:info@millenniuminc.com)

Discover all of our solutions at

<http://www.millenniuminc.com/>



[millenniuminc.com](http://millenniuminc.com) | 800.677.1919





## **Appendix C**



## NON-DISCLOSURE AGREEMENT

This Agreement is made by and between Millennium Communications Group, a New Jersey corporation having its principal place of business at 11 Melanie Lane, Unit 13, East Hanover, NJ ("Company") and \_\_\_\_\_, a \_\_\_\_\_ corporation whose principal mailing address is \_\_\_\_\_ ("Recipient").

1. **Definition of Confidentiality.** As used in this Agreement, "Confidential Information" refers to any information which has commercial value and is either (i) technical information, including patent, copyright, trade secret, and other proprietary information, techniques, sketches, drawings, models, inventions, know-how, processes, apparatus, equipment, algorithms, software programs, software source documents, and formulae related to the current, future and proposed products and services of Company, or (ii) non-technical information relating to Company's products, including without limitation pricing, margins, merchandising plans and strategies, finances, financial and accounting data and information, suppliers, customers, customer lists, purchasing data, sales and marketing plans, future business plans and any other information which is proprietary and confidential to Company.
2. **Nondisclosure and Nonuse Obligations.** Recipient will maintain in confidence and will not disclose, disseminate or use any Confidential Information belonging to Company, whether or not in written form. Recipient agrees that Recipient shall treat all Confidential Information of Company with at least the same degree of care as Recipient accords its own confidential information. Recipient further represents that Recipient exercises at least reasonable care to protect its own confidential information. If Recipient is not an individual, Recipient agrees that Recipient shall disclose Confidential Information only to those of its employees who need to know such information, and certifies that such employees have previously signed a copy of this Agreement.
3. **Survival.** This Agreement shall govern all communications between the parties. Recipient understands that its obligations under Paragraph 2 ("Nondisclosure and Nonuse Obligations") shall survive the termination of any other relationship between the parties. Upon termination of any relationship between the parties, Recipient will promptly deliver to Company, without retaining any copies, all documents and other materials furnished to Recipient by Company.
4. **Governing Law.** This Agreement shall be governed in all respects by the laws of the United States of America and by the laws of the State of New Jersey.
5. **Injunctive Relief.** A breach of any of the promises or agreements contained herein will result in irreparable and continuing damage to Company for which there will be no adequate remedy at law, and Company shall be entitled to injunctive relief and/or a decree for specific performance, and such other relief as may be proper (including monetary damages if appropriate).
6. **Entire Agreement.** This Agreement constitutes the entire agreement with respect to the Confidential Information disclosed herein and supersedes all prior or contemporaneous oral or written agreements concerning such Confidential Information. This Agreement may only be changed by mutual agreement of authorized representatives of the parties in writing.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written below.

COMPANY:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

RECIPIENT:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



## **Appendix D**





July 12, 2016

To the Community of Petersham:

This letter is sent in support of Petersham's application to the MBI grant for broadband services. Calix is a longtime partner of Matrix Design Group, who will design, build and operate the Petersham network.

Calix and Matrix have worked in partnership for over five years, starting with the deployment of a Fiber-to-the-Home system (FTTH) in Vermont in 2011. This partnership then expanded to include Massachusetts. Matrix and Calix now wish to serve the underserved in Petersham.

As the largest supplier of fiber optic electronics for FTTH in the United States, Calix has over 800 different service providers deploying fiber to residences and businesses. Calix is currently serving over 50 communities through public-private partnerships. There have been numerous articles and reports written on our successful broadband deployments and the power of these public-private initiatives. This has given Calix a unique perspective on credible builders and operators of fiber access networks. Matrix has been our preferred partner in Massachusetts for good reasons: Expertise, work ethic, honesty and customer service. Matrix has demonstrated time and again that they have the skills and character to build and operate a quality fiber network.

During our 5+ year partnership, Matrix has assisted Calix in making the transition through different generations of fiber access technologies and platforms. Calix has contributed its technical expertise and Matrix its design and operational excellence deploying Gigabit networks in a variety of New England communities.

Calix has invested significant development resources to ensure that Matrix is able to maintain their leadership. Calix offers total systems solutions, software and field support through its direct sales and support organization

Sincerely,

David Russell

Sr. Solutions Marketing Director





The Commonwealth of Massachusetts  
MASSACHUSETTS SENATE

SENATOR ANNE M. GOBI  
Worcester, Hampden, Hampshire  
and Middlesex District

STATE HOUSE, ROOM 513  
BOSTON, MA 02133-1034  
TEL: (617) 722-1540  
FAX: (617) 722-1078

ANNE.GOB@MASENATE.GOV  
WWW.MASENATE.GOV

Chair  
JOINT COMMITTEE ON  
ENVIRONMENT, NATURAL RESOURCES  
AND AGRICULTURE

Vice Chair  
JOINT COMMITTEE ON  
ECONOMIC DEVELOPMENT  
AND EMERGING TECHNOLOGIES

July 19, 2016

Mr. Chip Bull, Petersham Broadband Committee  
Town of Petersham  
3 South Main Street  
P.O. Box 486  
Petersham MA 01366

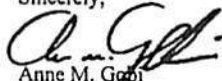
Dear Mr. Bull,

I am writing in regards to the Town of Petersham's broadband project. I would like to offer my support of any efforts by the Town of Petersham to conduct a local build-out of broadband services.

I have seen firsthand the need for broadband improvements in many rural towns in my district. Petersham is defined as an unserved town with no cable access and limited DSL and during my time representing the town, I have heard directly from many constituents about the inadequacy of broadband service in the community. I have fielded numerous requests for my assistance in working with the town and the state to improve the situation. I hope that this project will be able to proceed in a satisfactory manner.

Thank you for your attention to this matter. If you have any further questions, please do not hesitate to contact me.

Sincerely,

  
Anne M. Gobi  
State Senator

AMG/tlw





**HARVARD UNIVERSITY**

**HARVARD FOREST**

324 NORTH MAIN STREET  
PETERSHAM, MASSACHUSETTS  
U.S.A. 01366

PHONE 978-724-3302  
FAX 978-724-3595  
[HTTP://HARVARDFOREST.FAS.HARVARD.EDU](http://HARVARDFOREST.FAS.HARVARD.EDU)

13 July 2016

Mr. Bill Ennen  
Last Mile Implementation Liaison  
Massachusetts Broadband Institute  
75 North Drive Westborough, MA 01581

Re: Urgent need for broadband in Petersham

Mr. Ennen,

Please accept this letter on behalf of Harvard Forest, a department of the Faculty of Arts and Sciences, Harvard University. Harvard Forest, which has operated as Harvard University's main ecological research and educational facility since 1907, is located on 3600 acres primarily in Petersham MA.

The Forest provides a complete base for research in forest, ecosystem and historical ecology and biosphere-atmosphere interactions. Since 1988, when the Forest became a National Science Foundation Long Term Ecological Research (LTER) site, the Forest has seen phenomenal growth in scientists, educators, students, collaborators, research and education programs, and laboratory, computing, archival, teaching, and housing facilities. The Harvard Forest is also the core site for the Northeast domain of the National Ecological Observatory Network (NEON). Forest research is funded by many federal agencies (NSF, DOE, DOD, USDA, NASA) as well as large and small private foundations (Smithsonian Institute, Doris Duke Foundation, etc.).

Harvard Forest serves as the base for a year-round staff of 40 including senior and junior scientists and support staff. We also host thousands of national and international students and researchers for periods of 1 day to 1 year. This includes:

- Local K-12 school groups visiting for a day
- Regional K-12 science teachers coming for ecological training
- University courses visiting from throughout the Northeast
- Mid-career faculty on lengthy research sabbaticals
- Conservation groups including local, state and regional organizations holding multi-day retreats



We have extensive facilities (~105,000 sf) including offices, conference space, library, dining facilities for 40, laboratories, greenhouses, archives, herbarium, dorms and residences to host these diverse groups. University-owned housing includes the three dorms for visiting groups, and 14 residences currently occupied by visiting faculty, graduate students and post-doctoral fellows and their families. In addition, the Environmental Measurement Station (EMS), the oldest continuously operated eddy-flux and micrometeorological tower in North America (established in 1990), is located approximately 1.7 km into the wood from the main campus. Our newest eddy flux tower (2015) is NSF-funded NEON tower.

The Forest is fortunate that, despite this beautiful but rural location, we have been able to obtain and pay for an optical fiber circuit (100 Mbps) that connects the Forest to Harvard University and the Internet. Wired and wireless network access is available in all offices and labs and in some residences. A field wireless network provides high-speed Internet access to major experimental sites across a portion of Forest-owned lands, including the eddy flux towers.

However, we have not been able to extend Internet coverage for two crucial areas.

First, most of our housing for visitors does not have Internet access. Many researchers need access round the clock to conduct their research in an effective manner. Also we have increasingly found that it is a significant drawback if not outright deterrent to researchers' families taking up residence in Petersham. More and more visitors are choosing to stay in outlying towns that provide ready access to affordable high speed bandwidth such as that to be provided by this proposal from the Town. An Internet access solution for the town might complement our existing network infrastructure. For instance, we might have 3-5 faculty on sabbatical coming to work at the Forest in a year. For the past few years, one or more have chosen to rent in Amherst due to the lack of Internet access here.

Second, much of the land owned by the Forest does not have access to hard-wired or wireless access. Thus the research tract closest to the main campus has an extensive wireless network and one major research site has optical fiber going directly to the site. However, about 2000 acres of land in two other major tracts located in central Petersham do not have any access and thus our ability to conduct sophisticated monitoring projects on them is limited.

Sincerely,



Edythe Cherkas Ellin

Director of Administration

Cc: Chip Bull, Chair, Petersham Broadband Committee

Nancy Allen, Chair, Petersham Selectboard





# Athol Hospital

*Member of the Heywood Healthcare Family*

July 14, 2016

Mr. Chip Bull  
Petersham Broadband Committee  
Town of Petersham  
3 South Main Street  
Petersham, MA 01366

Chair,

Dear Mr. Bull and Petersham Broadband Committee,

I am writing on behalf of Heywood Healthcare/Quabbin Retreat of Petersham to provide our support for your efforts in securing much-needed stable broadband service in Petersham.

As a long-time hospital and healthcare provider for the region and now with a critical new project underway in Petersham specifically, we at Heywood Healthcare fully understand and see on a daily basis the need for stable, successful broadband service in our rural areas and in communities. This need is only growing stronger in communities such as Petersham where there is no cable service available and limited DSL service.

We strongly believe broadband service is a critical component in our ability to provide top quality care delivery, in our communications, and in our overall efforts to meet the healthcare needs of the community and the greater region. From patient-doctor-administration communications, to emergency services, to research, to general business — the list of uses and needs for successful broadband service is endless for a healthcare setting.

We fully support Petersham's efforts to obtain community wide broadband build-out and thank all the groups and state agencies who are working towards that goal for Petersham and for central and western Massachusetts. Please share this letter with those who will find it helpful as they review your project and your request for support.

Sincerely,

Rebecca Bialecki, BSN, PhD  
Vice President, Community Health / Chief Agent of Change  
Heywood Healthcare



July 22, 2016

Nancy Allen, Chair  
Town of Petersham Selectboard  
3 South Main Street  
P.O. Box 486  
Petersham, MA 01366

Dear Chairwoman Allen,

I would like to offer my support, on behalf of the Worcester Regional Chamber of Commerce, for the Town of Petersham and their request for grant assistance from the Massachusetts Broadband Institute.

Having recently commissioned a study regarding the need for fiber connectivity in the City of Worcester we are keenly aware of the need for faster internet access. Our study showed that upgrades to the City's current fiber infrastructure would dramatically improve the current residential and business climate for internet connectivity. Further it also stated that improved infrastructure creates a marketing opportunity to help attract new businesses and residents.

Respecting that Worcester and Petersham are different in population and landscape they are both communities looking to provide exemplary services to current residents and businesses, as well as attracting others who wish to locate there. Bringing enhanced and reliable broadband service to the Town of Petersham will improve the services provided to residents; and further will create a more robust business environment.

In helping to strengthen Petersham you will also strengthen the region. Many local companies will benefit from the comprehensive build-out the town has planned under this project. I am sure many of the equipment and subcontract services needed to complete this build-out will be sourced locally. And those companies traveling from outside of the region to assist in this project will be staying at local hotels, while eating and shopping at local establishments.

I would like to offer, on behalf of the Worcester Regional Chamber of Commerce, our support for your grant application to the Massachusetts Broadband Institute.

I thank you for your time and wish you well in your endeavor to provide enhanced internet service to the Town of Petersham.

Sincerely,

  
Timothy P. Murray  
President and CEO

**AFFILIATE CHAMBERS OF COMMERCE**

Auburn • Blackstone Valley • Central Mass South • Wachusett Area • Webster Dudley Oxford



## **Appendix E**





# Consumer Connect Plus

## COMPASS APPLICATION BRIEF

### The Compass suite

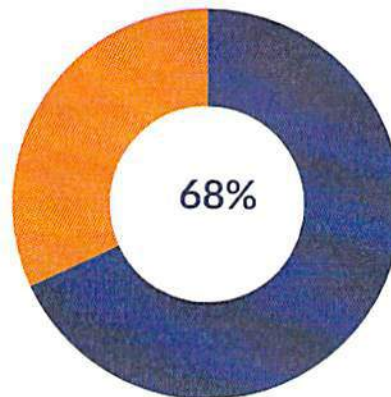
The Compass suite of software applications can be used standalone, with other Compass products, or with third party software to help you cut costs, identify revenue opportunities, and generally do your job more effectively.

## Consumer Connect Plus: Optimize home networks and the subscriber experience

**The problem and the opportunity:** Service providers worldwide have identified subscriber experience as their number one priority. What is driving this issue? People are unhappy with their Wi-Fi.

Consumer Connect Plus is a powerful tool that does many things, but it excels at directly addressing that problem.

**68% of service providers view subscriber experience as their number one strategic priority**



Ernst and Young 2015 Global Communications Study

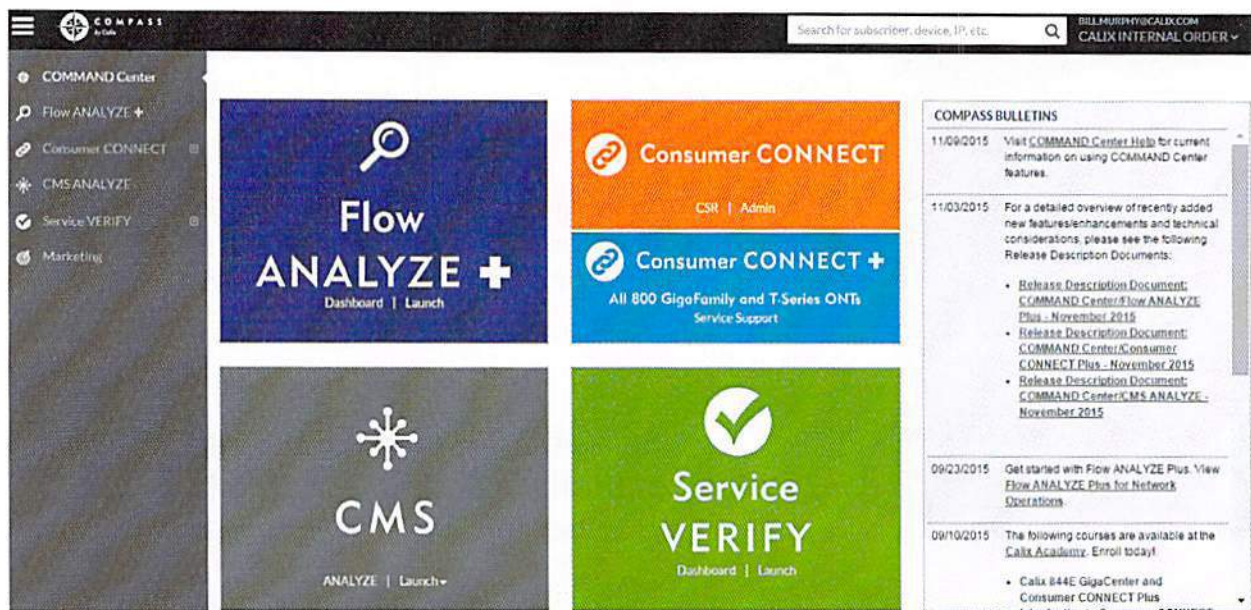
### Consumer Connect Plus can be an ACS as well

Consumer Connect Plus can be a powerful Wi-Fi analyzer, an auto configuration server (ACS), or both.

Besides its unique ability to be a powerful tool to reduce the cost and time it takes to support customer Wi-Fi issues, Consumer Connect Plus can act as a conventional ACS for TR-069 devices. It has configuration and firmware build management templating built in to allow you to make the replication and modification of firmware and gold configurations easy.



Consumer Connect Plus is part of the Compass suite of applications accessed through Command Center (shown below).

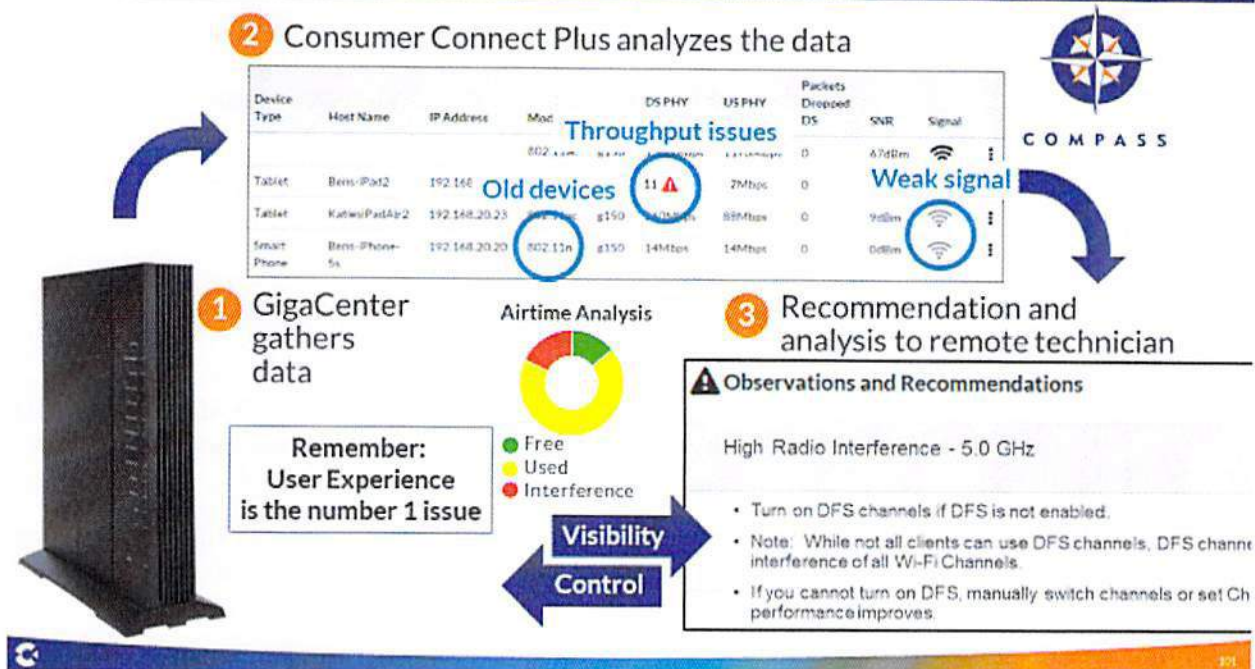


## What does Consumer Connect Plus do?

- It allows your engineering, customer support, and field personnel to see what's happening inside a customer's Wi-Fi network, and resolve issues remotely.
- It allows you to set up automated processes for updating firmware and changing feature profiles across your ONTs, residential gateways, and DSL modems.
- It gathers data on device usage by number and type in the home. This data can be used to help identify which services to offer, and to which customers.
- It stores data historically. This is very useful for troubleshooting.
- It can be used with Calix GigaFamily products, other Calix ONTs, and third party devices.



## How Consumer Connect Plus works with GigaCenters



## Using Consumer Connect Plus with GigaCenters

The pairing of Consumer Connect Plus with Calix GigaCenters is optimized to deliver the best possible home user experience.

GigaCenters excel at the distribution of Wi-Fi signals throughout the home. They also act as smart data probes sending data back to Consumer Connect Plus and other Compass applications.

Consumer Connect Plus can also send instructions to GigaCenters for a variety of tasks. There are many use cases supported, but this is how the basic process works:

1. **The GigaCenter gathers data** on what is happening in the home network (such as signal strength, presence of other 802.11 radios in "routers," and details about attached devices) and sends the data to Consumer Connect Plus.
2. **Consumer Connect Plus displays that data** in useful ways for your personnel for such uses as troubleshooting, grooming the devices to the right radio, and setting performance expectations.
3. **Consumer Connect Plus stores key pieces of that data.**





### Consumer Connect Plus benefit highlights:

- Troubleshoot and resolve home network issues remotely: WAN, LAN, Wi-Fi, and voice.
- Reduce truck rolls and unnecessary equipment swap-outs.
- Reduce churn: Prevent and quickly resolve subscriber Wi-Fi issues.
- Gather data that will make your marketing more effective.
- Track historical changes.
- Works with Calix and third party devices.

4. Consumer Connect Plus also makes recommendations to your team and interacts with the GigaCenter to resolve and proactively prevent performance issues.
5. All the data gathered is usable by your marketing team to target offerings that best fit a subscriber's needs.

Consumer Connect Plus also is designed to make upgrades and profile setting for devices much easier for your staff. The process becomes simpler, modular, easily modifiable, and easily replicable whether it is for one device or many.

This is done by an on-screen **templating** process, in which a series of standard tasks is made into a single automated process.

### What data and analysis features can you use for troubleshooting?

- Data on other 802.11 ac radios nearby for 2.4 GHz and 5.0 GHz (see when your neighbor's router is impacting your subscriber's router).
- Troubleshooting recommendations for your support personnel to provide to subscribers based on analysis of the data being gathered from the in-home router.
- History of air-time interference per radio, as well as other historical attributes added per release.
- Attached device and number of devices per both 2.4 GHz and 5.0 GHz radios.
- Phy rate and signal strength per device.
- Logs on channel changes.
- For each radio, percentage of bandwidth free, used, and wasted as interference.
- WAN, wired LAN, and voice (where appropriate) troubleshooting tools.
- Many others.

### Some sample screens

Some sample screens are below. Consumer Connect Plus is best seen through a demo from your Calix Sales team.





## Recommended action to take based on analysis

2.4 GHz Radio    5 GHz Radio

### ⚠ Observations and Recommendations

#### High Radio Interference

Analyze

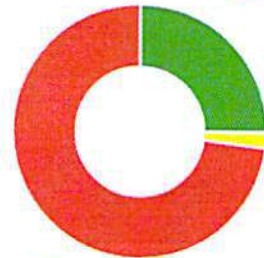
- Please force an auto channel re-scan by turning the Wi-Fi radio off and then back on to determine if performance improves. If performance does not improve, please run a site scan and switch to the best channel.

Channel re-scan will cause a momentary interruption in traffic.

#### Best Channel By Site Scan

- Recommended
  - Channel 11
  - Overlapping Channel SSIDs: 2

### Airtime Analysis ⚠

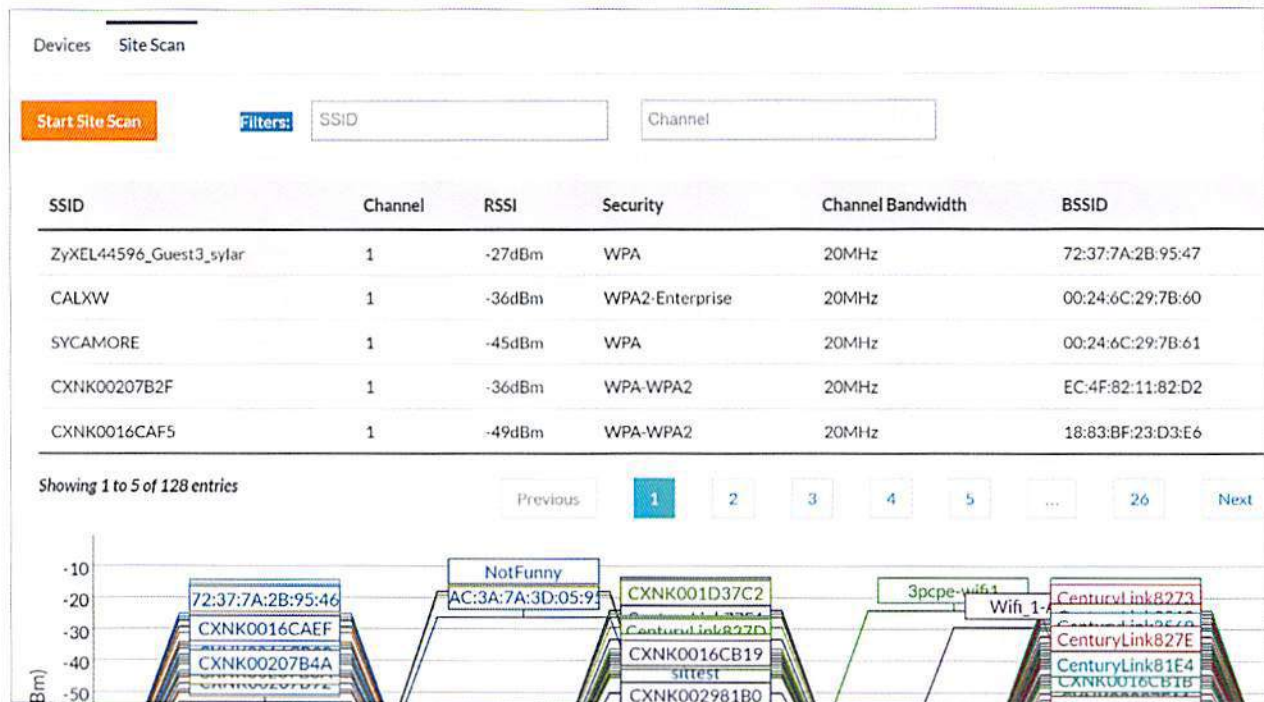


- Free
- Used
- Interference





Site scan: See which other 802.11 radios are impacting your subscriber



## Operational uses of Consumer Connect Plus

Consumer Connect Plus can also be used to manage configuration and features of individual or large numbers of CPE devices via TR-069. This is the conventional use of TR-069 as an ACS. The screen below shows some of the capabilities.





## Templating a TR-069 workflow

Consumer CONNECT / NetOps / **Workflows**

Workflows > Wizard

```
graph LR; 1((1)) --- 2((2)) --- 3((3)) --- 4((4)) --- 5((5));
```

**Step 1 - Start**

Name

Description (optional)

### Using Consumer Connect Plus with non-Calix CPE products

Consumer Connect Plus can be used with other products supporting TR-069 besides GigaCenters – for example:

- Calix T-series ONTs
- Many Calix 7XX ONTs
- Many third party devices

We are continually adding more devices to our supported list each quarter. Please contact your Calix Sales team to see if a particular device is supported or can be added. The features supported by Consumer Connect Plus for each device vary by what is supported by the device and addressable by Consumer Connect Plus.

### Using Consumer Connect Plus with Flow Analyze Plus and NetValet

Consumer Connect Plus can be used by itself or along with other Compass applications to enhance the subscriber experience.

For example:

- Flow Analyze Plus looks at subscriber usage by volume (bytes) and by individual application (like Netflix) by individual or group IP addresses throughout your network. Working with





Consumer Connect Plus, this can improve overall support ROI. See the Flow Analyze Plus Application Brief for details.

- NetValet is the Calix subscriber self-care smartphone app. This app allows subscribers to control aspects of their home network such as changing passwords and parental controls. Changes made in NetValet are automatically transferred to Consumer Connect Plus. NetValet is one more tool for lowering churn and support costs. See the NetValet Application Brief for details.

### How it works

Consumer Connect Plus makes use of the TR-069 protocol to exchange information between the Compass cloud and an access device, which can be a Calix GigaCenter, an ONT, a DSL modem, or a residential gateway.

### Who will benefit from Consumer Connect Plus?

**Customer Support:** Troubleshoot Wi-Fi issues remotely and sell up based on data.

**Field personnel:** Troubleshoot issues at a subscriber's home.

**Marketing:** Understand usage by subscribers. Use this knowledge to more precisely target the right subscribers with the right offers.

**Subscribers:** Resolve more problems on the first call. When paired with NetValet, give subscribers more control over their home network.

### Learn more about Consumer Connect Plus

More information about Consumer Connect Plus:

<https://www.calix.com/compass/consumer-connect-plus.html>

For monthly updates on all Compass applications, log in to My Calix on the Calix website:

<https://www.calix.com/my-calix/monthly-update.html>





# Flow Analyze Plus

## COMPASS APPLICATION BRIEF

### The Compass suite

The Compass suite of software applications can be used standalone, with other Compass products, or with third party software to help you cut costs, identify revenue opportunities, and generally do your job more effectively.

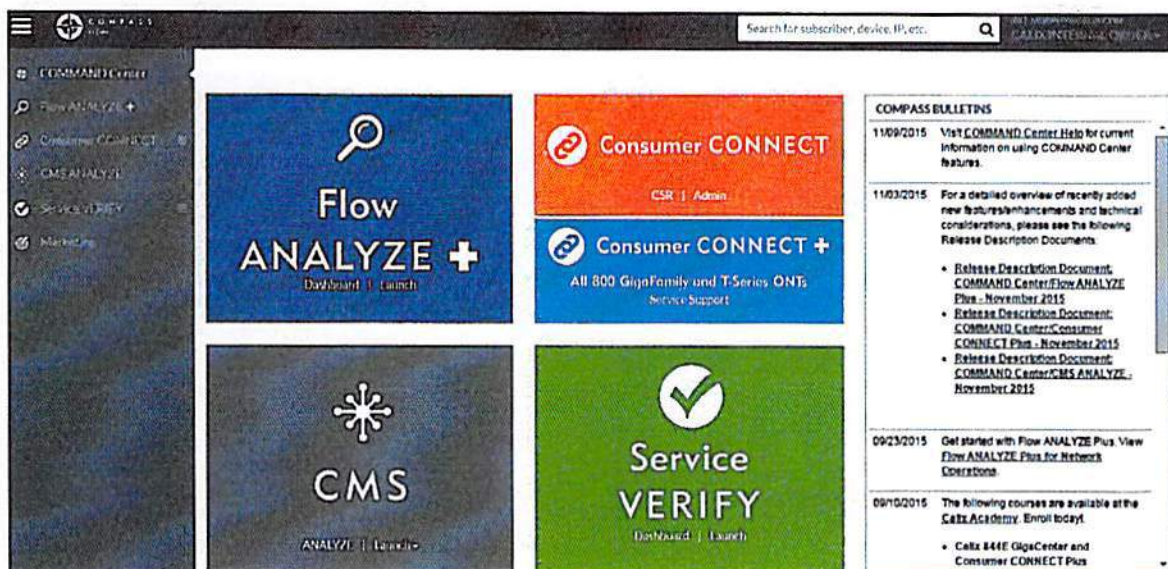
## Flow Analyze Plus: Turn your network's usage and application data into actions to improve your ROI

**The problem and opportunity:** What if your network (really the data in your network) told you:

- What action you should take to target services upgrades to customers.
- Where to place fiber next.
- Which node to upgrade.
- What applications are running during a support call.
- That a customer should move to the next HSI service tier.
- Where your network is congested.
- How much OTT (over the top) traffic is passing any point in your network (like Netflix).

With Flow Analyze Plus your data can tell you the answers.

Flow Analyze Plus is part of the Compass suite of applications accessed through Command Center (shown below).





Summarizing the overall value of Flow Analyze Plus:



## Flow ANALYZE +

### Know your network

- Non-intrusive network utilization view
- On a per-service/per-subscriber basis

### Identify new revenue opportunities

- Targeted service upsell opportunities

### Increase subscriber satisfaction

- Diagnosis and troubleshooting of services at the IP layer

### Optimize network resources

- Understand sources of bandwidth demand
- Well informed network capacity upgrades

### Reduce the cost of delivering services

- More efficient network operation
- Scale service offering



## How does Flow Analyze Plus work?

Routers in your network can provide you with "flow" data. A "flow" is a unidirectional series of packets from IP A to IP B, using some protocol (TCP/UDP/ICMP/...). In the case of Cisco, the protocol is NetFlow; in the case of Juniper, JFlow. This data can be captured continually or sampled to tell you the traffic flow pattern at different IP locations in your network based on application and overall traffic. The data can be used for many use cases. In most instances, customers derive this data from a few core routers in their network.

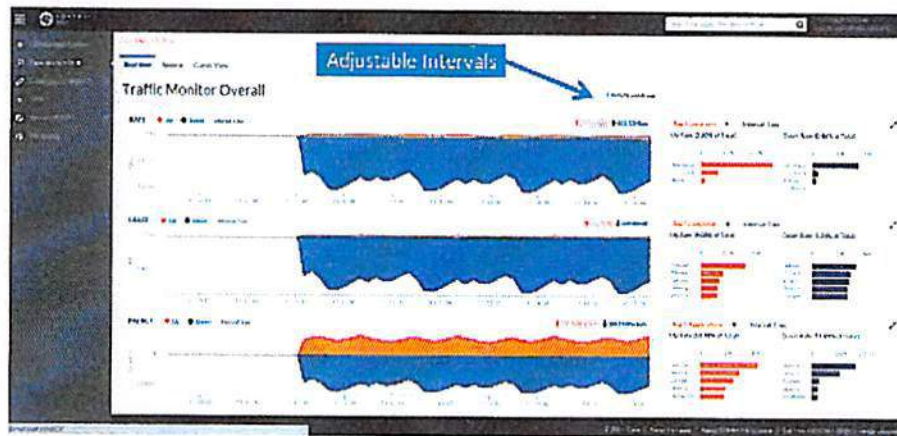
Important facts about Flow Analyze Plus:

- Flow Analyze Plus does not require placing hardware monitoring points in your network. This saves you cost and deployment complexity.
- Flow Analyze Plus is designed for your whole company, not just for engineering. Flow Analyze Plus tells you traffic volume and history by application and location. It does not tell you about packet data payload. In practice, this means your personnel know that a subscriber uses Netflix, but have no idea what movies they watch. Deep packet inspection tools – by contrast – can reveal what subscribers are watching. This distinction means that your marketing, support, field personnel, and front line engineering personnel can use



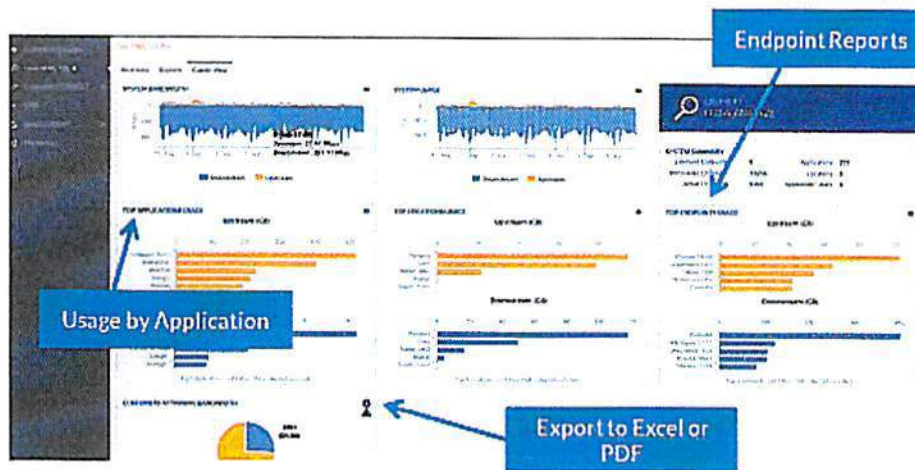
## COMPASS APPLICATION BRIEF

### Real-Time Traffic Monitor



Privately and Confidential

### Flow Analyze Plus Classic View



Privately and Confidential



**Customer Support:** Troubleshoot Wi-Fi issues remotely and sell up based on data.

**Field Technicians:** Similar benefits to Customer Support, but applied during a customer site visit.

**Engineering and Operations:** Identify and resolve congestion issues, BitTorrent, and DDOS attacks. Better resolve complex trouble tickets escalated from Customer Support.

### **Learn more about Flow Analyze Plus**

More information about Flow Analyze Plus:

<https://www.calix.com/compass/flow-analyze-plus.html>

For monthly updates on all Compass applications, log in to My Calix on the Calix website:

<https://www.calix.com/my-calix/monthly-update.html>





# Access Analyze

COMPASS APPLICATION BRIEF

## The Compass suite

The Compass suite of software applications can be used standalone, with other Compass products, or with third party software to help you cut costs, identify revenue opportunities, and generally do your job more effectively.

## Access Analyze: Putting your CMS network data to work

Access Analyze—part of the Compass application suite—allows the data in your CMS system to be backed up in the Compass SaaS (Software as a Service) cloud. Once you have it there, Access Analyze allows you to:

- Run analysis and reports to understand how to adjust your network to improve return on investment (ROI).
- Set up alarm monitoring and alerts.
- Get reports on faulty CPE.
- Correlate your CMS network data with data from other Compass sources such as Consumer Connect Plus and Flow Analyze Plus and with data from your BSS/OSS systems.



**Access  
ANALYZE**

## Access Analyze benefit highlights:

- Get low cost secure cloud backup.
- Put your data to use through reporting and analysis.
- Add history to your CMS data.

## Key benefits:

**Get low cost secure cloud backup.** Create cloud based backup and disaster restore of your data at very little cost. Eliminate the time and costs of server and patching.

### Put your data to use:

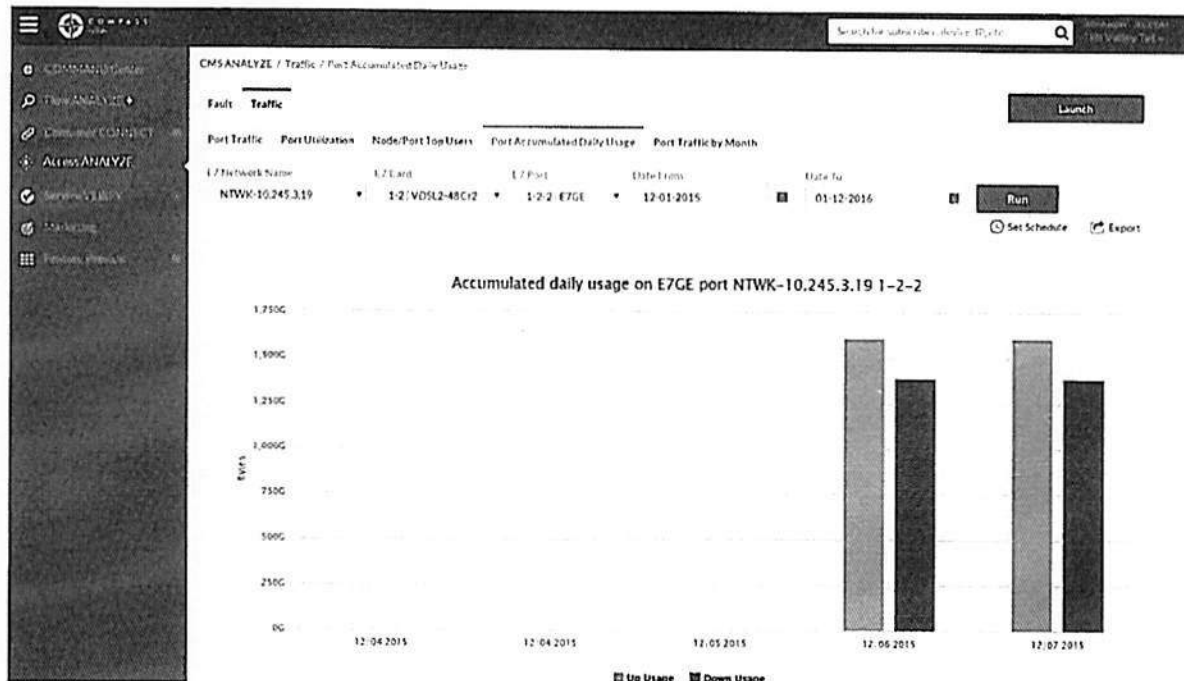
- Run analysis and reports on port utilization for PON and DSL ports. Understand which cards or nodes to upgrade and check to see if your splitter ratios are optimized. Spend time and money most effectively.
- Set alarms and alerts to track key events or gather data for troubleshooting.
- Use your CMS data along with your network flow data to understand which customers in which part of town would generate the most ARPU from a fiber deployment.

**Add history to your CMS data.** Your CMS data is backed up in intervals. Go back in time to check issues or to choose your restoral point.



## Port Accumulated Daily Usage Graph

Use the port accumulated daily usage graph to proactively monitor customers' usage.



## How it works

To get started, you need to have Calix CMS, and you need to point your CMS server (Revision 13.0 or above) to the Compass secure cloud. Calix will send you a file that you upload to your CMS server. That file directs the server data to the Compass cloud, where it is securely stored.

Our Technical Assistance Center team will help you if you have any issues or questions.



Request for Proposal -BD-17-1666-TSTH-TSTH-12012

# WG+E

**STFIELD GAS + ELECTRIC**



## whip city fiber





whip city fiber

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Mr. Willie Morales, Town Administrator  
Sandisfield Town Hall Annex  
66 Sandisfield Road, PO Box 90  
Sandisfield, MA 01255

RE: Request for Proposal No. BD-17-1666-TSTH-TSTH-12012

Dear Mr. Morales,

Please find Westfield Gas + Electric's response for proposal. Please allow this response to indicate our desire and willingness to work with the three towns in this proposal any subject town under the previous municipal ownership model to design and engineer, procure, construct, and operate a municipal internet network.

I look forward to speaking with you further on how Whip City Fiber may be a viable option to the private grant option as defined in this request for proposal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Daniel J. Howard', is written over a light blue horizontal line.

**Daniel J. Howard**  
General Manager  
Whip City Fiber  
Westfield Gas + Electric





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## 1.0 Executive Summary

Westfield Gas & Electric (WGE) /dba Whip City Fiber (WCF) is an Internet Service Provider (ISP) based in Westfield, Massachusetts. The company offers high bandwidth Internet access to its customers.

WGE is a company driven to provide customers with a complete solution to their entire current and future Internet and private network needs. The company's customer base includes all consumers and all businesses in Westfield Massachusetts.

WGE benefits from several strategic alliances by receiving very competitive pricing on services, allowing the company to offer competitive pricing on its services to customers.

WGE has a world-class management team with direct knowledge of the industry, extensive research experience, and unique administration skills.

WGE has revenues in each of the last 5 years in excess of \$75M. WGE has been building and operating commercial networks, internet service, and dark fiber offerings for over 15 years, and recently began constructing and operating a residential network in 2015. The subscriber base for combined gas and electric nears 30,000, and we are seeing significant growth in our Whip City Fiber customer base, all while competing against a large incumbent.

WGE intends to formally express its interest as a partner to any town or entity wishing to design, construct, and operate a municipal internet network.

As a municipal light plant (MLP) duly authorized under Massachusetts General Laws Ch. 164, the WGE would assist any town or entity which has also enacted their own municipal light plant, through an inter-MLP agreement, as allowed under MGL Ch.164. WGE would utilize the MBI middle mile network where feasible to deliver lit or dark fiber service, and leverage geographic efficiencies to reduce backbone and service costs. This would allow municipalities to maintain ownership of the assets within their territory.

### 1.1 Mission

The mission of Whip City Fiber is to provide customers with best internet service value possible.





The Westfield Gas & Electric has established a reputation for quality work and exceptional service and plans to leverage its experience to its Whip City Fiber venture. The WGE seeks to become a well-known and respected provider of internet service and data solutions by increasing availability to future customers and adding service offerings.

### **1.3 Keys to Success**

The keys to success for the Whip City Fiber will include:

1. Targeting the major driver of expenses by securing low cost, reliable, internet backbone services.
2. Increase demand for WGE's internet and higher bandwidth service through aggressive marketing and exposure.
3. Increase exposure through customer education, marketing, and advertising.





## 2.0 Company Summary

Whip City Fiber is a service of the Westfield Gas & Electric Light Department (WGE), which operates natural gas and electric distribution franchise territories in Westfield, MA since 1899.

The Department serves almost 30,000 accounts with electric and natural gas distribution service over 40 square miles, and has established a reputation for low-cost, reliable, and friendly service. Of its customer base, roughly 20,000 are electric customers and 10,000 are natural gas. This customer base is comprised of 18,000 residences, 1,500 commercial, and 500 industrial customers.

Westfield Gas + Electric has been providing high bandwidth internet and point to point Ethernet services to many of its key accounts for over 15 years, at a price point that is extremely competitive in the marketplace. It has been able to do so through the use of fiber-optic cable the Department installed for its use 20 years ago, but did not fully utilize. Whip City Fiber seeks to expand internet service to other customers, through a systematic and phased approach.

## 2.1 Company Ownership

Whip City Fiber is a service of the Westfield Gas & Electric Light Department, which is an independent department of the City of Westfield, under the control of six elected and one appointed municipal light board members, who report to the ratepayers of the utility. The Department's operations are autonomous to those of the City of Westfield as prescribed in Massachusetts General Laws, Chapter 164.

## 2.2 Company History

Initially, fiber optic cable was constructed to benefit the utility by ceasing its reliance on high-priced data circuits purchased by the predecessor to Verizon. As a result, the WGE constructed over 60 miles of backbone fiber in three interlocking rings around the city, connecting utility facilities, all through internal resources.

Once complete in the late 1990's, the optical system was expanded to sever the City's reliance upon high-priced, low speed data circuits provided by the telephone company. The Department then constructed drops to all municipal facilities including the school system.

Over the next few years, the WGE continued to find value in the installed fiber, through connecting all municipal and school facilities with high speed data networks. Operationally, the Department replaced its Supervisory Control and Data Acquisition (SCADA) communications that connected the





Department's remote facilities, providing secure, real-time, high speed communications to key operational assets. Additionally, connecting municipal facilities allowed the City to realized savings through a centralized data center design, rather than previously distributed computing. At this time, WGE provided installation, activation, and network support services to the City.

During this time, another market began to present itself to the WGE. Large commercial customers had a need to connect up different facilities to each other within Westfield. WGE leveraged its available fiber to provide both lighted and dark fiber connections. Lighted fiber is fiber cable that the WGE provides data transmission equipment at each end, whereas dark fiber is provided to those customers who wish to handle their own data circuits. The WGE also provided internet service to these customers. Without any marketing or advertising, the WGE had over 30 of its largest customers with the fastest internet in the city for business class customers. Comcast, which had previously avoided the business market, and having saturated the residential market, entered into the business market. WGE was able to maintain its customer base, as its level of speed and service outweighed Comcast's low price, low speed service. Throughout this time period the WG&E did not actively market this service.

### 2.3 Company Locations and Facilities

Whip City Fiber is a service of the Westfield Gas + Electric. It will utilize much of the operational support already in place for the other two business units.

WGE has a 115,000 sf Operations facility in Westfield that houses operations management, inventory, and vehicle assets. Additionally, a 10,000 sf business office is located in downtown Westfield, MA which houses customer service, billing, and finance staff.

WGE has several remote, unmanned, facilities in Westfield that will serve as Whip City Fiber key locations, such as:

- Buck Pond substation, located on the north side of Westfield on Summit Lock Road
- Elm Substation, located centrally in Westfield on Meadow Street
- Union Street City Gate Station, centrally located on Union Street
- Granville Road Property, located in the southwest of Westfield





All of these locations will help serve as options for equipment housing as the business grows. Whip City Fiber will work with the three towns to identify the most-cost effective access to the internet and internet bandwidth costs, whether it be through WGE core routers or others..



### 3.0 Services

Whip City Fiber intends to offer a broad range of interrelated telecommunication services through a systematic rollout of additional services that add to the ones launched prior.

As the foundation to all future service offerings, Whip City Fiber would work with the three towns to construct either centralized or distributed gigabit passive-optic networks (GPON), to increase availability of high bandwidth internet to residential customers, and Ethernet and dark fiber to commercial and industrial customers.

#### 3.1 Service Description

Whip City Fiber will provide its customers with high-speed access to the internet and supporting services. Some of the package offerings are as follows:

- The flagship internet service: up to 1 gigabit per second (Gbps) symmetrical (both up and down) internet access.
- Alternate lower tiered internet service: at the request of the partner, rates divisions as low or as high as 1 gigabit symmetrical internet access.
- Trend Micro Internet security suite with every account. Trend Micro Internet Security 10 software provides advanced protection and privacy so customers can do things online safely. It's designed to safeguard customers on social networks like Facebook, Google+, Twitter, and LinkedIn. It protects against viruses, blocks dangerous websites, guards against identity theft, and protects children online.
- Up to five hosted email addresses, through Whip City Fiber's on premise servers. Per their choice, consumers can remain with their current provider.
- Optional Wi-Fi AC router. Dependent upon partner's desire, customers may elect to have managed Wi-Fi service from Whip City Fiber. Whip City Fiber will install and manage a Wi-Fi router within the customer's residence.
- Optional static IP addresses. Customers by default will receive dynamic IP addresses. Customers may purchase dedicated static IP addresses.





whip city fiber

- VoIP service. Hosted through its partner, Ooma, and locally serviced through Whip City Fiber, customers will have premium service VoIP service available.
- Billing, maintenance, engineering, administrative and tech support services provided through existing resources of the WG&E.





## 4.0 Upgrade

Whip City Fiber fully expects that as consumers needs increase, so to must its network. In our financial models, we have assumed and calculated for a network head end and subscriber equipment replacement cycle of five years, and are prepared to upgrade to XG-PON and XGS-PON, and other NG-PON technologies, such as TWDM-PON, as those technologies mature and the market demands.





## 5.0 Coverage

Given that the MBI middle mile connects the three communities, Whip City Fiber would work with the three towns to identify the most cost effective access to the internet. Whip City Fiber would fully expect to utilize the MBI network to supply internet service to the host community. Given the three towns that would be partnering with Whip City Fiber have adjacent geographic boundaries, Whip City Fiber would work with the three towns to develop and design the best approach to lowering backbone service costs through interconnected networks, while ensuring that designs incorporate the option for a stand-alone service connection to MBI, should one of the three towns wish to separate at a later time.

At all times, Whip City Fiber would recommend and emphasize town ownership and control, and enforce designs that allow for flexibility of selection of network operators.





## 6.0 Operational Structure and Capacity

Westfield Gas + Electric currently has the back office resources available to support 30,000 gas and electric customers, including account service and customer service, billing, operational management, a 24x7x365 dispatch center, a 24 hour tech support line, and network support. We currently employ over 100 employees and contractors to support our three business units.. It is our intention to grow our support staff in accordance with our business plan at a rate of one field technician, one help desk technician, and one customer service representative for every 2,500 customers added. Our networking staff consists of one network architect, three network engineers, one fiber network engineer, and a database administrator. We are able to keep our costs low by sharing costs across other business units that similarly need those services to operate.

We have already established the mechanisms to assist the three towns in the marketing, acquisition, and prioritization of construction in order to maximize revenue





## 7.0 Assurance of Long-Term Service

Westfield Gas + Electric has been in business since 1899, and as stated previously, has been servicing data and internet customers for over 15 years. We stand by our service and fully intend to support any customer for now and into the future. We intend to work with any partner to assist them to design their network so that it is agnostic to operator, and allows for future competitive bidding for network operators.





## 8.0 Project Schedule

It is difficult to ascertain a definitive project schedule. Although we are certain any construction and service associated work can be completed in a mutually acceptable time frame.





## 9.0 Experience and References

In addition to its near 20 years of telecommunications experience, Westfield Gas + Electric currently has over 2500 passings and is in the midst of a \$15 million construction program for the passing of another 10,000 potential subscribers.

We currently are partnering with the Town of Otis for the design and engineering of their network, and have a number of other communities and entities that we are in active discussions with.



**CITY OF WESTFIELD**  
**GAS AND ELECTRIC LIGHT DEPARTMENT**  
***CONSOLIDATED FINANCIAL STATEMENTS***  
***AND SUPPLEMENTARY INFORMATION***  
***DECEMBER 31, 2015***



**CITY OF WESTFIELD  
GAS AND ELECTRIC LIGHT DEPARTMENT  
CONSOLIDATED FINANCIAL STATEMENTS**

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## **INDEPENDENT AUDITORS' REPORT**

To the Municipal Light Board and Manager of the  
City of Westfield Gas and Electric Light Department

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of the City of Westfield Gas and Electric Light Department (the "Department") and the Southwest Cooperative (the "Cooperative"), which comprise the proprietary fund consolidated statement of net position as of December 31, 2015, and the related proprietary fund consolidated statements of revenues, expenses and changes in net position and cash flows for the year then ended, the fiduciary fund statement of fiduciary net position as of December 31, 2015 and statement of changes in fiduciary net position for the year ended and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department and the Cooperative's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department and the Cooperative's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## **Opinion**

In our opinion, the proprietary and fiduciary fund financial statements referred to above present fairly, in all material respects, the respective financial position of the Department and the Cooperative as of December 31, 2015, and the respective changes in financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of net position and consolidating statement of revenues, expenses, and changes in net position are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounts and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that pension plan and other post-employment benefit plan schedules as listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Department and the Cooperative have omitted *Management's Discussion and Analysis and Budget Comparison Information* that accounting principles generally accepted in the United States of America require to be presented to supplement the consolidated financial statements. Such missing information, although not a part of the consolidated financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the consolidated financial statements in an appropriate operational, economic, or historical context. Our opinion on the consolidated financial statements is not affected by this missing information.

## **Emphasis of a Matter**

As discussed in Note 1, the consolidated financial statements present only the Department and the Cooperative, and do not purport to, and do not, present fairly the financial position of the City of Westfield, Massachusetts, as of December 31, 2015, and the consolidated changes in its financial position or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



As discussed in Note 3, City of Westfield Gas and Electric Light Department has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective January 1, 2015. Our opinion is not modified with respect to this matter.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 6, 2016 on our consideration of the Department and the Cooperative's internal controls over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department and the Cooperative's internal controls over financial reporting and compliance.

*Myer Beutell Kalicka, P.C.*

Holyoke, Massachusetts  
July 6, 2016



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**PROPRIETARY FUND  
CONSOLIDATED STATEMENT OF NET POSITION  
DECEMBER 31, 2015**

***ASSETS***

**Current assets**

Cash	\$ 12,243,272
Accounts receivable, less reserve of \$617,999	3,487,011
Inventory - materials and supplies	2,438,944
Prepaid expenses	<u>69,980</u>
Total current assets	<u>18,239,207</u>

**Restricted and designated assets**

Cash in escrow	649,751
Cash for rate stabilization	5,851,963
MMWEC Reserve Trust	25,453,794
Deferred charges	<u>2,336,422</u>
Total restricted and designated assets	<u>34,291,930</u>

**Noncurrent assets**

Regulatory asset, net	670,416
Other investments	299,750
Deferred charges	476,354
Deferred debt service costs	<u>26,578</u>
Total noncurrent assets	<u>1,473,098</u>

**Plant investment**

Land	1,008,891
Electric	74,666,641
Gas	<u>56,905,526</u>
	132,581,058
Less: accumulated depreciation	<u>(53,668,962)</u>
Total plant investment, net	<u>78,912,096</u>

**Deferred outflows of resources**

Deferred outflows related to pensions	<u>2,231,521</u>
---------------------------------------	------------------

**Total assets**

\$ 135,147,852



**LIABILITIES, DEFERRED INFLOWS AND RESOURCES AND NET POSITION**

**Current liabilities**

Accounts payable	\$ 4,555,544
Accrued expenses	1,000,982
Payable to municipality	220,002
Current portion of general obligation bonds	990,219
Current portion of accrued compensated absences	<u>238,561</u>
Total current liabilities	<u>7,005,308</u>

**Noncurrent liabilities**

Accrued expenses	1,210,489
General obligation bonds	9,984,521
Accrued compensated absences	2,699,731
Other post-employment benefit obligation	6,603,590
Net pension liability	<u>12,128,814</u>
Total noncurrent liabilities	<u>32,627,145</u>

Total liabilities	<u>39,632,453</u>
-------------------	-------------------

**Deferred inflows of resources**

Reserve for rate stabilization	37,553,511
Reserve for energy conservation	<u>493,403</u>
Total deferred inflows of resources	<u>38,046,914</u>

**Net position**

Net investments in capital assets	67,963,934
Restricted	
Escrow	649,751
Unrestricted	<u>(11,145,200)</u>
Total net position	<u>57,468,485</u>

Total liabilities, deferred inflows of resources and net position	<u>\$ 135,147,852</u>
---	-----------------------

The accompanying notes are an integral part of these financial statements.



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**PROPRIETARY FUND**

**CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2015**

<b>Operating revenues</b>	
Residential	\$28,129,920
Commercial	26,049,277
Industrial	15,719,457
Municipal	3,244,990
Off-street lighting	141,627
Telecommunication income	529,286
Service income and finance charges	52,156
Rate stabilization fund transfers	<u>(976,739)</u>
Total operating revenues	<u>72,889,974</u>
<b>Operating expenses</b>	
Purchased power and gas	45,851,899
Distribution expenses	3,552,396
Maintenance	3,330,557
General and administrative	9,050,021
Pension and benefits	3,456,549
Environmental response expense	88,742
Depreciation and amortization	<u>3,865,703</u>
Total operating expenses	<u>69,195,867</u>
<b>Operating income</b>	<u>3,694,107</u>
<b>Non-operating revenues (expenses)</b>	
Miscellaneous income	666,677
Investment income	225,827
Interest expense	<u>(465,475)</u>
Total non-operating revenue, net	<u>427,029</u>
<b>Income before transfers and contributions</b>	4,121,136
<b>Transfers out - in lieu of tax payments to City</b>	(442,902)
<b>Contributions in aid of construction</b>	<u>1,104,194</u>
<b>Change in net position</b>	4,782,428
<b>Net position, beginning of year (as restated)</b>	<u>52,686,057</u>
<b>Net position, end of year</b>	<u>\$57,468,485</u>

The accompanying notes are an integral part of these financial statements.



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**PROPRIETARY FUND  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

<b>Cash flows from operating activities</b>	
Cash received for services	\$ 73,825,012
Cash paid to power suppliers	(46,821,578)
Cash paid to employees for services	(11,114,341)
Cash paid for other operations	<u>(7,429,661)</u>
<b>Net cash provided by operating activities</b>	<u>8,459,432</u>
<b>Cash flows from capital and related financing activities</b>	
Cash received from contributions in aid of construction	1,104,194
Cash paid for capital expenditures	(5,765,466)
Cash paid for principal on general obligation bonds incurred for capital purposes	(952,466)
Cash received for premium on general obligation bonds incurred for capital purposes	75,000
Cash paid for interest on general obligation bonds incurred for capital purposes	<u>(465,475)</u>
<b>Net cash used in capital financing activities</b>	<u>(6,004,213)</u>
<b>Cash flows from non-capital financing activities</b>	
Cash paid for in lieu of tax payments	(430,400)
Cash received from non-operating revenues	<u>668,561</u>
<b>Net cash provided by non-capital financing activities</b>	<u>238,161</u>
<b>Cash flows from investing activities</b>	
Cash paid for purchases of investments	(248,648)
Cash received from investment earnings	<u>233,149</u>
<b>Net cash used in investing activities</b>	<u>(15,499)</u>
<b>Net increase in cash</b>	2,677,881
<b>Cash, beginning of year</b>	<u>17,796,790</u>
<b>Cash, end of year</b>	<u>\$ 20,474,671</u>
<b>Cash included in:</b>	
Unrestricted cash	\$ 12,243,272
Restricted and designated cash	<u>8,231,399</u>
<b>Cash, end of the year</b>	<u><b>\$ 20,474,671</b></u>

(Continued)



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**PROPRIETARY FUND  
CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

<b>Cash flows from operating activities</b>	
Operating income	\$ 3,694,107
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	3,865,703
Deferred outflows related to pension	(2,231,521)
Allowance for uncollectible accounts	(133,374)
Net changes in operating assets and liabilities:	
Accounts receivable	1,068,412
Inventory - materials and supplies	(251,935)
Prepaid expenses	(10,616)
Deferred charges and debt service costs	(347,479)
Accounts payable	(1,946,421)
Accrued expenses	1,659,084
Other post-employment benefit obligation	(31,098)
Net pension liability	2,231,521
Accrued compensated absences	(40,968)
Reserve for energy conservation	(42,725)
Reserve for rate stabilization	<u>976,742</u>
Net cash provided by operating activities	<u>\$ 8,459,432</u>

The accompanying notes are an integral part of these financial statements.



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**FIDUCIARY FUND  
STATEMENT OF FIDUCIARY NET POSITION  
OTHER POST-EMPLOYMENT BENEFIT OBLIGATION  
DECEMBER 31, 2015**

**Assets**

Cash	\$ 4,580
Investments - mutual funds	<u>1,058,227</u>
Total assets	<u>1,062,807</u>

**Net position**

Held in trust for other post-employment benefit obligation	<u>\$ 1,062,807</u>
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The accompanying notes are an integral part of these financial statements.



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**FIDUCIARY FUND  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
OTHER POST-EMPLOYMENT BENEFIT OBLIGATION  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Contributions	\$ 569,602
Investment income (expense):	
Realized gain	18,334
Unrealized loss	(38,797)
Other income	14,358
Management fees	<u>(3,087)</u>
Investment expense, net	<u>(9,192)</u>
Total additions	560,410
Net position, beginning of year	<u>502,397</u>
Net position, end of year	<u>\$ 1,062,807</u>

The accompanying notes are an integral part of these financial statements.



# **CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015**

### **1. REPORTING ENTITY:**

The City of Westfield Gas and Electric Light Department (the "Department") provides electric and gas services to its customers. The Department is classified under the proprietary fund category and enterprise fund type of the City of Westfield, Massachusetts (the "City"). These consolidated financial statements report only that portion of the financial reporting entity of the City that is attributable to the Department's (and Cooperative - see below) transactions. The Department grants credit to its customers, substantially all of whom are local residents, and commercial and industrial businesses. Approximately 70% of the Department's operating revenues were derived from its electric division during 2015.

Included in these financial statements (consolidated), are the Department and its blended component unit the Southwest Cooperative (the "Cooperative"). The Cooperative was formed in October 2006 for the sole purpose of constructing gas transmission facilities and pipelines to connect the supplier's source, located in Southwick, Massachusetts, to the gas distribution system currently operated by the Department. In accordance with the by-laws of the Cooperative, a majority of its members, officers and directors will consist of members of the Department's management. The entire capacity provided by this project is utilized by the Department. All significant intercompany accounts and transactions have been eliminated as part of the consolidation.

The Department established an Other Post-Employment Benefits Trust in 2014 as further described below. This Trust is classified as a fiduciary fund.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

#### **Recent accounting pronouncements**

In February 2015, GASB issued SGAS No. 72, *"Fair Value Measurement and Application"* (GASB No. 72). GASB No. 72 addresses accounting and financial reporting issued related to fair value measurements. This statement requires investments to be measured at fair value, which is described as an exit price. This statement requires valuation techniques that are appropriate in the circumstances and for which sufficient data are available to be used to measure fair value. The valuation techniques should be consistent with one or more of the following approaches: the market approach, the cost approach, or the income approach. This statement establishes a hierarchy of inputs to the valuation techniques used to measure fair value. The hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs, are inputs, other than quoted prices, included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, such as management assumptions. A fair value takes into account the highest and best use for a nonfinancial asset. This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. GASB No. 27 is effective for the Department in 2016. The Department is currently assessing the financial statement impact of adopting this statement, but does not believe that its impact will be material.



# **CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

#### **Recent accounting pronouncements (continued)**

In June 2015, GASB issued SGAS No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"* (GASB No. 75). The primary objective of GASB No. 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This statement replaces the requirements of SGAS No. 45 *"Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions"*, as amended, and SGAS No. 57 *"OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans"*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and deferred inflows of resources, and expenses. For defined benefit OPEB, GASB No. 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. In addition, this statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria. This statement is effective for the Department in 2018. The Department is currently assessing the financial statement impact of adopting this statement.

In June 2015, GASB issued SGAS No. 76, *"The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments"* (GASB No. 76). GASB No. 76 established the hierarchy of GAAP for state and local governments. This statement supersedes SGAS No. 55, *"The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments"*. The GAAP hierarchy sets forth what constitutes GAAP for all state and local governmental entities. It establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. Category A is comprised of GASB statements. Category B includes GASB Technical Bulletins, GASB Implementation Guides, and literature of the AICPA cleared by the GASB. GASB No. 76 is effective for the Department in 2016. The Department is currently assessing the financial statement impact of adopting this statement, but does not believe that its impact will be material.

#### **Measurement focus and basis of accounting**

The Department's accounting records are maintained in accordance with Generally Accepted Accounting Principles ("GAAP") for proprietary funds as promulgated by GASB. The Department's accounting records generally follow the Uniform System of Accounts for Public Utilities and Licensees prescribed by the U.S. Federal Energy Regulatory Commission ("FERC"), except as it relates to the accounting for contributions of utility property in aid of construction. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred (subject to adjustments resulting from rate stabilization changes), regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.



# **CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

#### **Public utility regulation**

Arrangements among the Department, outside agencies and other utilities covering interconnections, interchange of electric power, and sales of utility property are subject to regulation by FERC. The Department is subject to further regulation by the Massachusetts Department of Public Utilities ("DPU"). The Department, where appropriate, follows accounting treatment prescribed by these regulatory agencies.

Under Massachusetts Law, the rates of the Department are set by the Municipal Light Board and may be changed not more than once every three months. Rate schedules are filed with the DPU. While the DPU exercises general supervisory authority over the Department, the rates are not subject to DPU approval. Rates must be set such that net earnings from operations do not exceed 8% of the cost of the utility plant.

#### **Massachusetts Municipal Wholesale Electric Company ("MMWEC")**

MMWEC is a non-profit, public corporation and political subdivision of the Commonwealth of Massachusetts. They offer services ranging from power supply planning and resource development to risk management and regulatory support. The Department utilizes MMWEC for purchased power (ended in 2015) and investment of assets. The Cooperative utilizes MMWEC for accounting related management services.

#### **Fiduciary fund - other post-employment benefits trust**

The other post-employment benefit trust fund ("OPEB Trust") was established in 2014 by the Municipal Light Board pursuant to Chapter 32B, Section 20 of the General Laws of the Commonwealth of Massachusetts. The OPEB Trust constitutes the principal instrument of a plan established by the Municipal Light Board to fund the Department's annual actuarially determined OPEB contribution for retirees.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others and cannot be used to support the Departments' programs.

#### **Revenues and expenses**

Utility revenues are based on authorized rates applied to each customer's use of energy. Rate changes are approved by the Department's Municipal Light Board and are filed with the DPU. These operating revenues are recognized on the basis of cycle billings rendered monthly. A five percent (5%) discount is offered to residential customers who pay within 15 days of being billed. Discounts are also offered to commercial and industrial customers up to five percent based on payment method and services purchased. Discounts for the year ended December 31, 2015 were \$973,378. These discounts are recorded net against revenues.

The Department and the Cooperative distinguish operating revenue and expenses from non-operating items. Operating revenues generally result from providing services and producing and delivering goods in connection with ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting the above definitions are reported as non-operating revenues and expenses.

#### **Cash**

Cash includes cash on hand and on deposit with the City, which is in the custody of and managed by the City Treasurer.



# **CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

#### **Accounts receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to the allowance for doubtful accounts based on its assessment of the current status of individual accounts. Management is required to comply with billing and termination procedures mandated by the DPU. These procedures require certain extended terms for payment prior to termination of services for heating customers. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. No interest is charged on residential accounts. The Department obtains security interests for accounts where deemed appropriate.

#### **Inventory – materials and supplies**

Inventory is valued at the lower of cost (weighted average method) or market. Materials and supplies consist primarily of pipe, valves, utility poles, wire, meters, transformers and cable.

#### **Restricted and designated assets**

Cash, cash equivalents and investments, which are restricted under terms of legislation, certain agreements for payments to third parties or Municipal Light Board actions limiting the use of such funds, are included as restricted or designated assets. When the Department restricts funds for a specific purpose, and both restricted and unrestricted resources are available for use, it is the Department's policy to use restricted resources where required, then unrestricted resources as they are needed.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the statement of revenue, expenses, and net position as increases or decreases in investment income. Dividend and interest income is recorded when declared.

Investment securities are exposed to various risks, such as interest rate, market rate, and credit risks. Due to the level of risk associated with certain investment securities and the uncertainty related to changes in the value of the investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net position. Massachusetts General Laws also place limitations on the nature of deposits and investments available to the Department.

#### **Cash in escrow**

As a requirement of the related ground lease (Note 16), the Cooperative has an escrow agreement with the Town of Southwick, Massachusetts. The interest bearing escrow account is considered security for the Cooperative's lease payments and compliance with all of the terms, conditions, provisions, and obligations of the lease agreement. Interest earned on this account must remain in the account and be used to offset future lease payments.



# **CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

#### **Other investments**

This consists of the Department's equity in New England Hydro-Transmission Electric Company ("Hydro-Quebec"). The Department has joined with other utilities on committing to equity sponsorship of a project known as Hydro-Quebec Phase II. The Department owns .2554% of the outstanding common stock. The Department uses the equity method of accounting for the investment because the investment is under common control with other municipal utilities. Under the equity method, investments are recorded at cost and increased or decreased by the Department's pro-rata share of earnings or losses and distributions. Investment income is recorded as earned. The investment is carried at cost, which approximates fair value.

In addition, the Department joined with other utilities to invest in Public Utility Mutual Insurance Company ("PUMIC"). PUMIC provides general insurance to members of the Public Utilities Risk Management Association. The Department invested \$266,000 in 1999 and is a founding member. The investment is carried at cost, which approximates fair value.

#### **Deferred charges**

Under the terms of the Department's member agreement with Massachusetts Municipal Wholesale Electric Company ("MMWEC"), the Department is required to prepay various operating expenses, working capital requirements, and/or research expenditures for various projects that are operational, under construction, or in the planning stages. The Department charges these items to expense when MMWEC indicates that the expense has been incurred.

#### **Plant investment**

The utility plant is stated at cost which includes material and labor. Maintenance and repairs are charged to operating expense as incurred, and significant renewals and betterments are capitalized. As assets are retired or otherwise disposed of, the Department and the Cooperative calculate or estimate the related cost and accumulated depreciation which are removed from the accounts. Any profit or loss on disposition is credited or charged to income in the year retired. The Department and the Cooperative evaluated the fair value of its assets and no adjustment for impairment was deemed necessary by management. The Department and Cooperative capitalize additions to plant with an original cost of \$1,000 or more.

#### **Depreciation**

Depreciation is computed using the straight-line method at a composite rate as prescribed by DPU. Depreciation was calculated using a composite rate of 3% for 2015. Depreciation expense for the year ended December 31, 2015 was \$3,828,458.

#### **Amortization**

The regulatory asset is being amortized on a straight-line basis over 276 months.

#### **Construction in progress**

Construction in progress consists principally of the costs related to direct materials, direct labor, direct purchased services, and indirect costs, including general and administrative costs, related to any utility plant assets under construction. Construction in progress is stated at cost. Any internal costs that were capitalized were limited to those costs that can be directly identified with the design, engineering, or construction of a specific project.



# **CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

#### **Compensated absences**

The Department recognizes vacation and sick leave costs (including related employee benefits) as they are earned under the following plans. Management personnel are given from 23 personal days up to 48 personal days. Earned days not taken are accumulated indefinitely. Employees approaching retirement are entitled, under certain conditions, to be compensated at their daily rate then in effect, for up to 175 days of accumulated personal time. At retirement, all accumulated personal days in excess of 175 days will be compensated one day for each four days of accumulated personal days.

Employees under the labor agreement are granted 18 days of sick leave, from one to six weeks of vacation and up to three personal days each year and one personal day shall be earned for each calendar quarter of perfect attendance. Earned days not taken for sick leave are accumulated indefinitely. Earned days not taken for vacation may be accumulated up to 10 days. Employees approaching retirement are entitled, under certain conditions, to use up to 140 days of accumulated sick time prior to the end of their service. If the time is not taken it will be paid in a lump sum at \$50 per day up to a maximum of 50 additional days. All other time is paid based upon the full number of days earned.

Accrued vacation and sick leave as of December 31, 2015 was \$2,672,670. Accrued vacation and sick leave for retired employees as of December 31, 2015 was \$265,622 and may be paid over five years from date of retirement.

#### **Net position**

The Department and the Cooperative classify net position into three components as follows:

**Net investment in capital assets** – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding debt balances. Deferred inflows and outflows of resources that are attributable to the acquisition, construction or improvement of those assets are also included.

**Restricted** – This component of net position consists of assets with constraints placed on their use, either externally or internally. Constraints include those imposed by grants or laws and regulations of other governments, or by law through constitutional provisions or enabling legislation or by the Board. These restricted assets are reduced by liabilities and deferred inflows of resources related to those assets.

**Unrestricted** – This component of net position consists of net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of “Net investment in capital assets” or “Restricted”.

#### **Contributions in aid of construction**

The Department records contributions in aid of construction from customer contributions, primarily relating to expansions to the Department's distribution facilities, on the consolidated statements of revenues, expenses, and changes in net position. Contributions of capital are valued at estimated market cost. For rate-making purposes, the Department does not recognize such revenues when received; rather contributions in aid of construction is included in plant as such costs are amortized over the estimated useful lives of the related distribution facilities.



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

#### Presentation of sales taxes

The Commonwealth of Massachusetts imposes a sales tax of 6.25% as of December 31, 2015 on all of the Department's sales except to exempt and residential use customers. The Department collects that sales tax from customers and remits the entire amount to the State. The Department's accounting policy is to exclude the tax collected and remitted to the State from revenues and operating expenses.

#### Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### 3. ACCOUNTING CHANGES:

In June 2012, GASB issued GASB No. 68, *"Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27"* ("GASB No. 68"). The primary objective of GASB No. 68 is to improve accounting and financial reporting by state and local governments for pensions. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and deferred inflows of resources, and expenses. For defined benefit pensions, this statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed.

This statement is effective for the Department January 1, 2015. The implementation impacted the consolidated statement of net position when the net pension liability and the corresponding deferred outflows of resources were recorded. The Department has updated Note 12 - Pensions Plans to include the requirements of GASB No. 68.

A prior period adjustment had been made to unrestricted net position to reflect the adoption of GASB 68 by recording the beginning of year net pension liability.

The effect on the beginning net position is summarized as follows:

	Net Investment in Capital Assets	Restricted - Escrow	Unrestricted	Total Net Position
Net position as previously stated, December 31, 2014	\$ 65,153,278	\$ 665,978	\$ (3,235,906)	\$ 62,583,350
Net pension liability	<u>-</u>	<u>-</u>	<u>(9,897,293)</u>	<u>(9,897,293)</u>
Net position as restated, December 31, 2014	\$ <u>65,153,278</u>	\$ <u>665,978</u>	\$ <u>(13,133,199)</u>	\$ <u>52,686,057</u>



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015

### 3. ACCOUNTING CHANGES: (CONTINUED)

In November 2013, GASB issued SGAS No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68" (GASB No. 71). GASB No. 71 addresses an issue regarding application of the transition provisions of GASB No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. GASB No. 71 amends paragraph 137 of GASB No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. This statement is effective for the Department in 2015 and the Department has applied it simultaneously with the implementation of GASB No. 68.

### 4. RESTRICTED AND DESIGNATED ASSETS:

Restricted and designated assets include accounts deposited with various third parties. These funds are segregated by management for specific outlays and contingencies and are recorded at fair value. Fair value is based on quoted market prices at December 31<sup>st</sup>. Balances at December 31, 2015, consist of the following:

	Cash and cash equivalents	Investments	Total
Segregated cash:			
Escrow	\$ 649,751	\$ -	\$ 649,751
Rate stabilization	5,851,963	-	5,851,963
	<u>6,501,714</u>	<u>-</u>	<u>6,501,714</u>
MMWEC Reserve Trust:			
Electric	18,997	22,525,672	22,544,669
Gas	1,198	2,907,927	2,909,125
	<u>20,195</u>	<u>25,433,599</u>	<u>25,453,794</u>
Deferred charges:			
Purchase power	209,430	484,744	694,174
Prepaid Energy New England	1,500,060	-	1,500,060
Prepaid PASNY fund	-	142,188	142,188
	<u>1,709,490</u>	<u>626,932</u>	<u>2,336,422</u>
Total	<u>\$ 8,231,399</u>	<u>\$ 26,060,531</u>	<u>\$ 34,291,930</u>

Investments included in restricted and designated assets at December 31, 2015 consist of:

	Cost	Fair value	Unrealized gain/(loss)
Cash and cash equivalents	\$ 4,436,832	\$ 4,436,832	\$ -
U.S. treasury securities	10,321,764	10,320,211	(1,553)
U.S. agency securities	9,270,710	9,266,480	(4,230)
Municipal bonds	2,034,462	2,037,008	2,546
Total	<u>\$ 26,063,768</u>	<u>\$ 26,060,531</u>	<u>\$ (3,237)</u>



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015

### 4. RESTRICTED AND DESIGNATED ASSETS: (CONTINUED)

The Department's total return on its invested assets consisted of the following components reported on the statement of revenues, expenses and changes in net position at December 31, 2015:

Interest income	\$	233,149
Unrealized loss		(7,322)
Total investment income	\$	<u>225,827</u>

At December 31, 2015, the Department's bond investments were as follows:

	Fair value	Maturity			
		Less than 1 year	1 - 5 years	6 - 10 years	Over 10 years
U.S. treasury securities	\$ 10,320,211	\$ 9,951,279	\$ 368,932	\$ -	\$ -
U.S. agency securities	9,266,480	500,001	5,897,404	640,196	2,228,879
Municipal bonds	<u>2,037,008</u>	<u>1,633,486</u>	<u>403,522</u>	<u>-</u>	<u>-</u>
	<u>\$ 21,623,699</u>	<u>\$ 12,084,766</u>	<u>\$ 6,669,858</u>	<u>\$ 640,196</u>	<u>\$ 2,228,879</u>

At December 31, 2015, the Department's bond investments were rated as follows:

	Standard & Poor's	Moody's Investment
U.S. treasury securities	AA+	AAA
U.S. agency securities	AA+	AAA
Municipal bonds	AA+ to AA-	AA1 to AA3

The following risk policies are in accordance with those used by the City of Westfield and administered by the City Treasurer's Office:

#### Interest rate risk

The Department does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

#### Credit risk

The Department limits investments in bonds with a minimum quality rating of Baa or equivalent as rated by one or more recognized bond rating services, however, 10% of the market value of fixed income investments may be invested in bonds with a minimum quality rating of Ba or equivalent as rated by one or more recognized bond rating services.



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**4. RESTRICTED AND DESIGNATED ASSETS: (CONTINUED)**

**Concentration of credit risk**

The Department places no limit on the amount it may invest in one issuer. The following are the concentrations of risk greater than five percent:

U.S. agency securities:	<b>December 31,</b>
	<b>2015</b>
Federal National Mortgage	20%
Federal Home Loan Mortgage	17%

**Custodial credit risk – cash**

Custodial credit risk is the risk that in the event of a bank failure, the Department's deposits may not be returned. The Department does not have a deposit policy for custodial credit risk. The Department maintains cash balances at various financial institutions located in Massachusetts. These balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At certain times during the year, the cash balances may exceed the insurance limit. Based on cash balances at December 31, 2015 as reflected in the consolidated financial statements, the uninsured balance could be as high as approximately \$17,578,000. The Department has not experienced any loss on such accounts and management monitors the credit worthiness of these financial institutions through the City of Westfield Treasurer's Office.

**Custodial credit risk - investments**

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty the Department will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Department's \$26,060,531 in investments, none are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department, but not in the Department's name. The Department has no policy on custodial credit risk.

**5. OTHER INVESTMENTS:**

Other investments consist of the following at December 31, 2015:

Hydro-Quebec Phase II	\$ 33,750
Public Utility Mutual Insurance Company	266,000
	<u>\$ 299,750</u>



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**6. FIDUCIARY FUND:**

The assets and net position of this trust are reported in the Department's Statement of Fiduciary Net Position.

Investments (at fair value) of the OPEB Trust consist of the following at December 31, 2015:

Cash	\$	4,580
Fixed income mutual funds		475,691
Equity mutual funds:		
Futures strategy fund		21,261
Mid cap growth fund		33,037
Large cap fund		319,696
Small cap select fund		21,367
Real estate equity fund		34,345
Emerging markets		32,024
Diversified international fund		53,608
Mid cap value fund		34,184
Select 40 fund		33,014
Total equity mutual funds		<u>582,536</u>
Total	\$	<u>1,062,807</u>

**7. REGULATORY ASSET:**

The accounting policies of the Department conform to accounting principles generally accepted in the United States of America applicable to rate-regulated enterprises and historically reflect the effects of the rate-making process. In 2010, the Union Street LNG peaking facility was abandoned. The Commissioners of the Department (with approval by the Massachusetts Department of Public Utilities) voted to include the unrecovered cost of its investment, with a full return on investment, in future rates as amortization of a regulatory asset. Management believes it is probable that the Department will recover their investment in the regulatory asset.

Regulatory asset - cost	\$	856,641
Less: accumulated amortization		<u>(186,225)</u>
	\$	<u>670,416</u>

Amortization expense on the regulatory asset was \$37,245 for the year ended December 31, 2015 and is estimated at the same amount for each of the next five years.



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015

### 8. PLANT INVESTMENT:

A summary of plant investment at December 31, 2015 is as follows:

	Balance December 31, 2014	Increases	Decreases	Balance December 31, 2015
<i>Plant investment not being depreciated:</i>				
Land	\$ 1,008,891	\$ -	\$ -	\$ 1,008,891
<i>Total plant investment not being depreciated</i>	<u>1,008,891</u>	<u>-</u>	<u>-</u>	<u>1,008,891</u>
<i>Plant investment being depreciated:</i>				
Plant investment	106,959,168	4,219,458	(66,555)	111,112,071
Office and computer equipment	5,862,166	459,829	(981,000)	5,340,995
Transportation equipment	4,195,499	35,709	-	4,231,208
Equipment	11,027,423	1,050,470	(1,190,000)	10,887,893
<i>Total plant investment being depreciated</i>	<u>128,044,256</u>	<u>5,765,466</u>	<u>(2,237,555)</u>	<u>131,572,167</u>
<i>Less accumulated depreciation for:</i>				
Plant investment	(39,737,799)	(2,913,542)	64,671	(42,586,670)
Office and computer equipment	(3,583,735)	(256,922)	981,000	(2,859,657)
Transportation equipment	(2,800,011)	(254,987)	-	(3,054,998)
Equipment	(5,954,630)	(403,007)	1,190,000	(5,167,637)
<i>Total accumulated depreciation</i>	<u>(52,076,175)</u>	<u>(3,828,458)</u>	<u>2,235,671</u>	<u>(53,668,962)</u>
<i>Total plant investment being depreciated, net</i>	<u>75,968,081</u>	<u>1,937,006</u>	<u>(1,882)</u>	<u>77,903,205</u>
<i>Total plant investment, net</i>	\$ <u>76,976,972</u>	\$ <u>1,937,006</u>	\$ <u>(1,882)</u>	\$ <u>78,912,096</u>

### 9. DEFERRED OUTFLOWS OF RESOURCES:

Deferred outflows of resources related to pension at December 31, 2015, consists of the following:

Deferred outflows – earnings	\$ 1,290,045
Deferred outflows – experience	76,183
Deferred outflows – assumption changes	865,293
Total	\$ <u>2,231,521</u>



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015

### 10. LONG-TERM DEBT:

#### General obligation bonds

The following bonds were issued by the Department, through the City, for the financing of plant investment. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

<u>Date of Issue</u>	<u>Maturity Dates</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Outstanding Balance 2015</u>
11/15/96	11/15/16	4.95%	\$ 1,000,000	\$ 50,000
02/01/06	08/01/24	4.00%	2,100,000	1,100,000
02/01/08	02/01/18	3.08%	520,155	147,676
04/01/08	04/01/28	4.34%	6,000,000	3,795,000
04/04/14	03/01/32	4.30%	6,233,950	5,882,064
				<u>10,974,740</u>
				(990,219)
				<u>\$ 9,984,521</u>

Less current portion of bonds

General obligation bonds, long-term portion

Annual principal and interest payments due for each of the next five years and thereafter for the years ended December 31 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 990,219	\$ 440,312	\$ 1,430,531
2017	824,638	414,034	1,238,672
2018	808,475	383,847	1,192,322
2019	760,219	351,594	1,111,813
2020	760,219	318,156	1,078,375
2021 - 2025	3,652,764	1,068,085	4,720,849
2026 - 2030	2,504,431	387,288	2,891,719
2031 - 2032	673,775	37,200	710,975
Total	<u>\$ 10,974,740</u>	<u>\$ 3,400,516</u>	<u>\$ 14,375,256</u>

### 11. NONCURRENT LIABILITIES:

A summary of the changes in noncurrent liabilities as of December 31, 2015 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts due within one year</u>
Accrued compensated absences	\$ 2,979,260	\$ 589,897	\$ (630,865)	\$ 2,938,292	\$ 238,561
Other post-employment benefit obligation	6,634,688	1,166,154	(1,197,252)	6,603,590	-
Net pension liability (see Note 3)	9,897,293	2,231,521	-	12,128,814	-
General obligation bonds	11,852,206	75,000	(952,466)	10,974,740	990,219
Total	<u>\$ 31,363,447</u>	<u>\$ 4,062,572</u>	<u>\$ (2,780,583)</u>	<u>\$ 32,645,436</u>	<u>\$ 1,228,780</u>



# **CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015**

### **12. PENSION PLANS:**

#### **Plan description**

Qualifying employees of the Department are members of the City of Westfield Contributory Retirement System (the System). The System is a cost-sharing multiple-employer public employee retirement system administered by the Westfield Retirement Board (the Board). Massachusetts General Laws (MGL), Chapter 32, assigns authority to establish the System and amend benefit provisions of the plan; which is regulated by the Public Employees Retirement Administration Commission (PERAC). The System is a defined benefit pension plan that covers substantially all employees of its member employers except for current and retired teachers. The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System at 59 Court Street, Westfield, Massachusetts.

#### **Benefits provided**

The System provides retirement, disability, and death benefits to plan members and beneficiaries. Members become vested after 10 years of creditable service and are eligible for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Retirement benefits are determined as a percentage of the member's final three-year (five-year for members hired on or after April 2, 2012) final average compensation times the member's years of creditable service prior to retirement. The percentage is based on the age of the member at retirement and his or her Group classification. The authority for amending these provisions rests with the Massachusetts Legislature.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost of living adjustments granted between 1981 and 1997 and any increases in other benefits imposed by the Commonwealth's State law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

#### **Contributions**

MGL Chapter 32 governs the contributions of plan members and the Department. Plan members are required to contribute to the System at rates ranging from 5% to 9% based upon their membership date of gross regular compensation with an additional 2% contribution after exceeding \$30,000 in annual covered compensation. The Department is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The Department's proportionate share of the required contribution to the System for the year ended December 31, 2015 was \$1,374,643, representing 23.50% of the covered payroll, an actuarially determined amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year and an additional amount to finance any unfunded accrued liability.

#### **Pension liability**

As of December 31, 2015, a reported liability of \$12,128,814 is the Department's proportionate share of the net pension liability measured as of December 31, 2015. The net pension liability was determined using the total pension liability and the actuarial assumptions as of the January 1, 2015 and updated to the measurement date of December 31, 2015. This net pension liability is based on the Department's proportional percentage of 15.33% at December 31, 2015.



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**12. PENSION PLANS: (CONTINUED)**

**Pension expense**

For the year ended December 31, 2015, the Department recognized a pension cost of \$1,588,184 and reported deferred outflows related to pensions of \$2,231,521. Since the System performs an actuarial valuation bi-annually, there are no reported differences between the expected and actual experience or a change of assumptions as of December 31, 2015.

The Department's deferred outflows of resources related to pensions will be recognized in the pension expense as follows:

For years ended December 31,		
2016	\$	535,630
2017		535,630
2018		535,630
2019		520,147
2020		104,550

**Actuarial assumptions**

The total pension liability was determined by an actuarial valuation as of January 1, 2015, using the following actuarial assumptions, applied to all periods included in the measurement that was updated December 31, 2015:

Valuation date	January 1, 2015
Actuarial cost method	Individual Entry Age Normal
Amortization method	Total payments increase 5.0% per year.
Remaining amortization period	18 years from July 1, 2016
Asset valuation method	Market value adjusted by accounts payable and receivables adjusted to phase in over 5 years investment gains and losses above or below the expected rate of investment return. The actuarial value of assets must be no less than 90% of the adjusted market value nor more than 100% of the adjusted market value.
Investment rate of return	7.75% per year.
Projected salary increase	Service based table with ultimate rates of 4.25%, 4.50% and 4.75% for Groups 1, 2 and 4, respectively.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

## 12. PENSION PLANS: (CONTINUED)

**Actuarial assumptions (continued)**

**Cost of living adjustments** 3.0% of first \$13,000.

**Mortality rates**

Pre-retirement: the RP-2000 Employee Table projected 20 years with a Scale AA (gender distinct).  
Post-retirement: the RP-2000 Healthy Annuitant Table projected 15 years with a Scale AA (gender distinct).  
For disabled retirees, this table is set forward 2 years.

**Long-term expected rate of return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of December 31, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Large Capital Equity	26.0%	7.75%
Internationally Developed Equity	18.0%	8.25%
Real Estate	12.0%	6.50%
Private Equity	12.0%	9.75%
Core Fixed Income	9.0%	4.25%
Emerging Markets Equity	6.0%	9.50%
Domestic Middle Capital Equity	6.0%	8.00%
Domestic Small Capital Equity	6.0%	8.00%
Tips Fixed Income	2.0%	4.50%
High Yield Fixed Income	2.0%	6.00%
Other Alternatives	1.0%	7.00%
Total	100.0%	



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015

### 12. PENSION PLANS: (CONTINUED)

#### Rate of return

For the year ended December 31, 2015, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 7.75%.

#### Discount rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarial determined rates based on the Board's funding policy, which establishes the contractually required rates by Statute and in accordance with Section 22D and Section 22F of MGL Chapter 32. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### Sensitivity of the net pension liability to changes in the discount rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75%. As well as what the Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Department's net pension liability	\$ 16,775,538	\$ 12,128,814	\$ 8,182,531

#### Other post-employment benefit obligation ("OPEB")

The Department has previously adopted the provisions of GASB 45 "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions". GASB 45 requires the Department to attribute the cost of post-employment benefits to the time during which the employee is working for the employer.

*Plan Description:* The Department offers medical insurance benefits to eligible retirees, their dependents, or their survivors via participation in plans offered by the City and the Westfield Retirement system with benefits provided by Blue Cross Blue Shield of Massachusetts and Health New England. Premiums are calculated based on prior year claim experiences and amounts needed to fund the plan operations.

The number of participants as of January 1, 2014 and January 1, 2012, the effective dates of the OPEB valuation are as follows:

	2014	2012
Active members	72	78
Retirees	94	67
Total	166	145



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 12. PENSION PLANS: (CONTINUED)

#### Other post-employment benefit obligation ("OPEB") (continued)

**Funding Policy:** The contribution requirements of plan members and the Department are established and may be amended through City policy and member contracts. Participants contribute 35% of the premiums for their selected benefit.

**Annual OPEB Cost and Net OPEB Obligation ("NOO"):** The Department's annual OPEB cost is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Department's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the Department's net OPEB obligation to the plan:

Year Ended December 31,	Annual Required Contribution (a)	Interest on Existing NOO (b)	ARC Adjustment (c)	Annual OPEB Cost (a)+(b)+(c) (d)	Annual Contribution Amount (e)	Net Increase in NOO (d) - (e) (f)	NOO as of Year End (g)
2015	\$ 1,117,092	\$ 464,428	\$ (415,366)	\$ 1,166,154	\$ 1,197,252	\$ (31,098)	\$ 6,603,590
2014	\$ 1,076,753	\$ 468,328	\$ (407,621)	\$ 1,137,460	\$ 1,193,167	\$ (55,707)	\$ 6,634,688
2013	\$ 1,657,382	\$ 222,539	\$ (242,401)	\$ 1,637,520	\$ 510,590	\$ 1,126,930	\$ 6,690,395

The Department's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 1,166,154	102.67%	\$ 6,603,590
2014	1,137,460	104.90%	6,634,688
2013	1,637,520	31.18%	6,690,395

**Funded Status and Funding Progress:** Actuarial valuations of an ongoing plan involve estimates of the value reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015

### 12. PENSION PLANS: (CONTINUED)

#### Other post-employment benefit obligation ("OPEB") (continued)

The schedule of funding progress below presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Valuation Date	Actuarial Accrued Liability	Value of Assets*	Required Supplementary Information				
			Unfunded Actuarial Accrued Liability (UAAL)	Funded Status	Annual Covered Payroll	UAAL as a % of Payroll	Interest Rate
1/1/2014	\$12,596,639	-	\$12,596,639	0%	\$6,846,000	184%	7.00%
1/1/2012	\$19,800,938	-	\$19,800,938	0%	\$6,961,000	284%	4.00%

\*After January 1, 2014, the Department has contributed \$1,069,602 to the OPEB Trust.

*Actuarial Methods and Assumptions:* Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point and do not explicitly reflect the potential effects of legal or contractual funding limitation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

In the January 1, 2014 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 7% investment rate of return and an annual medical cost trend rate of 8%, reduced by decrements to an ultimate rate of 5% after 6 years. The unfunded actuarial accrued liability ("UAAL") is being amortized over a closed 24 year amortization with payments increasing at 3.25% per year. Differences between the expected and actual UAAL in future years will be amortized over 24 years.

#### Plan information

These plans issue publicly available financial reports that include financial statements and required supplementary information. The reports may be obtained by contacting:

Westfield Contributory Retirement System  
59 Court Street, PO Box 106  
Westfield, Massachusetts 01086

### 13. RESERVE FOR RATE STABILIZATION:

The Municipal Light Board, in their capacity as the governing body for the Department, have taken various regulatory actions that result in differences between the recognition of revenues and expenses for rate-making purposes and their treatment under generally accepted accounting principles. Rate stabilization is intended to defer the need for future rate increases when costs exceed existing rates. Amounts may be either transferred into this fund (which reduces revenues), or amounts are transferred out of this fund (which increases revenues). The Commissioners authorize rate stabilization fund transfers on an event driven basis.

During 2015, the Department used \$2,259,845 to offset the cost of power. The Department increased the reserve liability by \$3,236,584 during 2015. The balance available to offset future costs is \$37,553,511 at December 31, 2015.



# **CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015**

### **14. RELATED PARTY TRANSACTIONS:**

The Department provides electric sales and service to the City. Total electric sales were \$2,273,617 for the year ended December 31, 2015. Amounts due from the City for electric sales and service totaled \$187,546 at December 31, 2015.

In lieu of tax payments required by the City for their fiscal year ended June 30, 2015 was \$440,000. These amounts are paid in equal monthly payments. The Department also accrued the remaining contributions for the in lieu of tax payments to the City of \$220,002 for the year ended December 31, 2015. The Cooperative paid \$2,902 for taxes as of December 31, 2015.

The Cooperative has an Agency Contract with Massachusetts Municipal Wholesale Electric Company ("MMWEC") whereby MMWEC is to serve as the Cooperative's agent in all matters with respect to financing the transmission facilities and pipelines and the performance of the Cooperative's administrative obligations under what is known as the Transportation Contract. On behalf of the Cooperative, MMWEC records and accounts for bills received and paid. During the year ended December 31, 2015, the Cooperative incurred charges related to accounting and administrative expense of \$3,703. As of December 31, 2015, the Cooperative had a balance due to MMWEC of \$627.

The Cooperative utilized legal services provided by a member of its Board of Directors. The Cooperative paid \$4,226 in 2015 for those services.

### **15. COMMITMENTS AND CONTINGENCIES:**

#### **Commitments**

The Department purchases power through agreements with various public and investor owned utilities. At December 31, 2015, the Department was committed under various short and long-term agreements for the purchase of power from generating units currently operating, under construction, and planned for construction. The objective of these commitments is to obtain sufficient power at the lowest energy cost available to meet the current and long-term needs of the Department's customers.

The Department is a participant in certain projects of the Massachusetts Municipal Wholesale Electric Company (MMWEC), created as a means to develop a bulk power supply for its members and other utilities. MMWEC is authorized to construct, own or purchase ownership interests in, and to issue revenue bonds to finance electric facilities (Projects). MMWEC has acquired ownership interests in electric facilities operated by other entities and also owns and operates its own electric facilities. MMWEC sells all of the capability (Project Capability) of each of its Projects to its Members and other utilities (Project Participants) under Power Sales Agreements (PSAs). Among other things, the PSAs require each Project Participant to pay its pro rata share of MMWEC's costs related to the Project, which costs include debt service on the revenue bonds issued by MMWEC to finance the Project, plus 10% of MMWEC's debt service to be paid into a Reserve and Contingency Fund.

The Department has entered into PSAs and Power Purchase Agreements (PPAs) with MMWEC. Under both the PSAs and PPAs, the Department is required to make certain payments to MMWEC payable solely from Department revenues. Under the PSAs, the Department is unconditionally obligated to make all payments due to MMWEC, whether or not the Project(s) is completed or operating, and notwithstanding the suspension or interruption of the output of the Project(s).



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015

### 15. COMMITMENTS AND CONTINGENCIES: (CONTINUED)

#### Commitments (continued)

As of December 31, 2015, total capital expenditures by participants and MMWEC toward capital projects amounted to \$1,626,959,000 of which approximately \$112,673,000 represents the amount attributable to the Department's Project capability. MMWEC's debt outstanding for the Projects from Power Supply Project Revenue Bonds totals \$112,510,000 of which \$8,080,000 is attributable to the Department's share of Project capability, although such amount is not allocated to the Department's statement of net position. As of December 31, 2015, MMWEC's total future debt service requirement on outstanding bonds issued for the Projects is \$121,353,000, of which \$8,628,000 is anticipated to be billed to the Department in the future.

The aggregate amount of the Department's required payments to MMWEC under the PSAs and PPAs, exclusive of the Reserve and Contingency Fund billings, estimated for future years is shown below:

		<u>Annual costs</u>
For years ended December 31, 2016	\$	5,700,000
2017		1,876,000
2018		1,052,000
	\$	<u>8,628,000</u>

In addition, under the PSAs, the Department is required to pay to MMWEC its share of the Operation and Maintenance (O&M) costs of the Projects in which it participates. The Department's total O&M costs including debt service under the PSAs was \$16,339,000 for the year ended December 31, 2015.

Under the Hydro-Quebec support agreement, the Department provides support payments to Hydro-Quebec to cover its pro rata share of costs relating to the Phase II facilities. Support payments were \$136,559 for the year ended December 31, 2015. The Project agreement includes requirements that the participant make equity contributions, provide credit support and furnish certain guarantees. In addition, the Project contains a step-up-mechanism which requires participants to assume obligations of other participants who are in default, subject to certain limitations. The Department's potential liability cannot be reasonably estimated at this time.

The Department has an electric supply agreement with Nextera Energy formerly FPL Energy. The agreement provides for a total of 140,256 MWH at a fixed price of \$48.65/MWH purchased over the term of the contract from January 2013 through December 2016.

The Department has a gas supply agreement with Direct Energy Business Marketing, LLC. The agreement provides for a fixed gas price ranging from \$4.232/MMBtu to \$19.60/MMBtu for 500 to 1,000 MMBtu purchased per day from November 2014 to October 2017.

The Department has a solar energy supply agreement with Twiss Street Solar LLC. The agreement provides for an estimated total of 27,452,411 kWh at a fixed price of ranging from \$0.075/kWh to \$0.0995/kWh purchased over the term of the contract from June 1, 2015 through May 2035.



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 15. COMMITMENTS AND CONTINGENCIES: (CONTINUED)

#### Workers' compensation

The Department participates in the City's self-insurance program covering workers compensation risks. Coverage for risks in excess of predetermined limits is placed with a commercial carrier. The Department is assessed and recognizes an amount equal to claims paid by the City for the Department's employees, administrative costs, and insurance premiums. The Department is responsible for administering their portion of the workers compensation program. The City only assesses the Department for insurance premiums because the Department pays all claims for their employees and has contracted with a third party to administer the plan. There was no accrued liability for self-insurance costs for 2015. The amount of expense incurred for workers compensation for the year ended December 31, 2015 was \$170,922.

Unpaid claims, beginning of year	\$	54,838
Incurred claims (including IBNR's)		163,040
Claim payments		(109,232)
Unpaid claims, end of year	\$	<u>108,646</u>

#### General liability

The Department is self-insured for general liability insurance for the first \$500,000 per occurrence with a maximum of \$2,000,000 in the aggregate. There were no general liability claims paid for the year ended December 31, 2015. The Department has had no amount of settlements exceeding insurance coverage for each of the past three years.

#### Sackett Street facility

The Department's Sackett Street facility has been owned and operated by the Department since 1899 and, until 1953, was the site of a coal gasification plant. On November 21, 1991, the Massachusetts Department of Environmental Protection (MDEP) notified the Department of a potential imminent hazard associated with the former coal gasification plant site. The MDEP mandated that further testing be performed to determine if hazardous materials were present. As a result of testing, MDEP concluded that hazardous materials are present and that an imminent hazard does exist. The Department has commenced assessment action and implementation of a contingency plan as required by Chapter 21E of the Massachusetts General Laws. During 2015, the Department incurred costs of \$86,852 relating to this project.

#### Environmental matters

The Department is subject to regulation by federal, state and local authorities with respect to air and water quality, handling and disposal of toxic substances and hazardous and solid wastes, and handling and use of chemical products. The Department could incur significant additional environmental costs associated with the operation of its own system, through ownership interests in joint ventures or through long-term contractual arrangements with other electric generating and transmitting entities. The Department could also encounter significant costs to remedy the environmental effects of prior waste handling activities. The extent of future environmental cleanup costs including environmental remediation costs is not estimable due to factors such as the unknown magnitude of possible contamination, the appropriate remediation methods, the possible effects of future legislation or regulation, and the possible effects of technological changes related to future cleanup and the difficulty of determining future liability, if any, for cleanup of sites at which the Department has or may designated a potentially responsible party by the Environmental Protection Agency or other agencies. However, considering known facts, existing laws, regulatory practices, and possible insurance and rate treatment, management does not believe such matters will have a material adverse effect on the Department's financial position.



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**15. COMMITMENTS AND CONTINGENCIES: (CONTINUED)**

**Litigation**

The Department is also involved in various legal proceedings and litigation arising in the ordinary course of business. In the opinion of management, the outcome of such proceedings and litigation will not materially affect the Department's financial position.

**Construction programs**

The Department has budgeted construction expenditures of approximately \$5,736,250 for 2016. As of December 31, 2015, approximately \$65,700 has been committed. The Department anticipates funding these expenditures through operations.

**Deregulation**

The Department maintains the exclusive rights to supply electricity in the City of Westfield. If the Department were to open its geographic borders and allow competition from other providers, the potential impact on the Department's revenue cannot be reasonably estimated.

**16. OPERATING LEASES:**

The Cooperative has a 50 year ground lease agreement with the Town of Southwick. The lease expires in 2057 with ten renewal options for five years each. The lease grants the Cooperative certain rights to use land for the purpose of constructing, installing, and operating a natural gas pipeline facility and conduits for telecommunication lines and other purposes from the Tennessee Gas Transmission Line to the Town line with the City of Westfield and further on to the point of distribution in the City of Westfield.

Lease payments are due on an annual basis per a payment schedule, which covers the initial 26 years. For the remainder of the lease, the annual lease payments are adjusted based on the Consumer Price Index.

Future minimum commitments due are as follows at December 31:

2016	\$	17,729
2017		18,616
2018		19,547
2019		20,524
2020		21,550
2021-2057		1,781,077
	\$	<u>1,879,043</u>

Lease expense was \$16,885 for the year ended December 31, 2015.



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**16. OPERATING LEASES: (CONTINUED)**

The Department leases various office and transportation equipment under non-cancelable operating leases with monthly payments ranging from \$219 to \$7,603 due through December 2020. Rent expense totaled approximately \$171,000 for the year ended December 31, 2015. The following is a schedule of future minimum lease payments required under operating lease at December 31:

2016	\$	133,751
2017		45,066
2018		26,627
2019		16,522
2020		14,626
Total	\$	<u>236,592</u>

**17. COLLECTIVE BARGAINING AGREEMENTS:**

The entire work force of the Department is covered by two collective bargaining agreements. One of these agreements, the Management Guild, covers approximately 26% of the work force and expired on February 28, 2014, but remains in effect from year to year thereafter until a successor agreement is signed. The other contract with I.B.E.W. covers the remaining 74% of the work force and is in place through March 31, 2019.

**18. SUBSEQUENT EVENTS:**

Management has evaluated subsequent events through July 6, 2016, the date on which the consolidated financial statements were available to be issued.



**REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**REQUIRED SUPPLEMENTARY INFORMATION  
PENSION PLAN SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

The Schedule of Proportionate Share of the Net Pension Liability represents multiyear trend information relating to the Department's proportion of the net pension liability and related ratios related to participation in the City of Westfield Contributory Retirement System at the measurement date of December 31, 2015.

**Schedule of the Department's proportionate share of the net pension liability:**

Department's share of the net pension liability	15.33%
Department's proportionate share net pension liability	<u>\$ 12,128,814</u>
Department's share of covered employee payroll**	\$ 5,850,103
Net pension liability percentage of covered-employee payroll	207.3%
Plan fiduciary net position as a percentage of the total pension liability	71.4%

Note: these schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years of which the information is available.

\*\*Indicates covered employee payroll as reported in the retirement system January 1, 2015 funding valuation report.



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**REQUIRED SUPPLEMENTARY INFORMATION  
PENSION PLAN SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

The Schedule of the Employer Contributions presents multiyear trend information on the Department's required and actual payments to the pension plan and related ratios related to participation in the City of Westfield Contributory Retirement System at the measurement date of December 31, 2014.

**Schedule of the Department's contributions:**

Actuarially determined contribution *	\$ 1,374,643
Less: Contributions in relation to the actuarially determined contribution	<u>1,374,643</u>
Contribution deficiency (excess)	\$ <u>-</u>
Department's share of covered employee payroll**	\$ 5,850,103
Contributions percentage of covered-employee payroll	23.5%

Note: these schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years of which the information is available.

\* Based on the results of the January 1, 2015 actuarial valuation (including assumptions and methods) as reported for the City's fiscal year ended June 30, 2015.

\*\*Indicates covered employee payroll as reported in the retirement system January 1, 2015 funding valuation report.



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST-EMPLOYMENT BENEFIT PLAN SCHEDULE  
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Schedule of funding progress**

<b>Other Post-Employment Benefits</b>							
Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)	Interest Rate
1/1/2014	\$ -	\$ 12,596,639	\$ 12,596,639	0%	\$ 6,846,000	184.0%	7.00%
1/1/2012	\$ -	\$ 19,800,938	\$ 19,800,938	0%	\$ 6,961,000	284.5%	4.00%

**Schedule of contribution funding**

<b>Other Post-Employment Benefits</b>			
<b>Actual</b>			
Year Ended	Annual OPEB Cost	Contributions Made	Percentage Contributed
12/31/2015	\$ 1,166,154	\$ 1,197,252	102.7%
12/31/2014	\$ 1,137,460	\$ 1,193,167	104.9%
12/31/2013	\$ 1,637,520	\$ 510,590	31.2%

The information presented in the above Required Supplementary Schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

(Continued)



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST-EMPLOYMENT BENEFIT PLAN SCHEDULE  
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Actuarial methods:**

Valuation date	January 1, 2014
Actuarial cost method	Projected unit credit cost method
Amortization method	Closed amortization over 24 years

**Actuarial assumptions:**

Investment rate of return	7.0% per year
Medical/drug cost trend rate	8.0% trending down to an ultimate rate of 5.0% per year after 6 years

**Plan membership:**

Current active members	72
Current retirees, beneficiaries and dependents	<u>94</u>
Total	<u>166</u>



## **SUPPLEMENTARY INFORMATION**



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**CONSOLIDATING STATEMENT OF NET POSITION  
DECEMBER 31, 2015**

**ASSETS**

	<u>WG&amp;E</u>	<u>Cooperative</u>	<u>Eliminations</u>	<u>Total</u>
<b>Current assets</b>				
Cash	\$ 11,740,574	\$ 502,698	\$ -	\$ 12,243,272
Accounts receivable, less reserve of \$617,999	3,525,569	33,500	(72,058)	3,487,011
Inventory - materials and supplies	2,438,944	-	-	2,438,944
Prepaid expenses	14,080	55,900	-	69,980
Total current assets	<u>17,719,167</u>	<u>592,098</u>	<u>(72,058)</u>	<u>18,239,207</u>
<b>Restricted and designated assets</b>				
Cash in escrow	-	649,751	-	649,751
Cash for rate stabilization	5,851,963	-	-	5,851,963
MMWEC Reserve Trust	25,453,794	-	-	25,453,794
Deferred charges	2,336,422	-	-	2,336,422
Total restricted and designated assets	<u>33,642,179</u>	<u>649,751</u>	<u>-</u>	<u>34,291,930</u>
<b>Noncurrent assets</b>				
Regulatory asset, net	670,416	-	-	670,416
Other investments	299,750	-	-	299,750
Deferred charges	476,354	-	-	476,354
Deferred debt service costs	26,578	-	-	26,578
Note receivable - Southwest Cooperative	5,712,644	-	(5,712,644)	-
Total noncurrent assets	<u>7,185,742</u>	<u>-</u>	<u>(5,712,644)</u>	<u>1,473,098</u>
<b>Plant investment</b>				
Land	559,305	449,586	-	1,008,891
Electric	74,666,641	-	-	74,666,641
Gas	51,253,213	5,652,313	-	56,905,526
	126,479,159	6,101,899	-	132,581,058
Less: accumulated depreciation	(52,613,188)	(1,055,774)	-	(53,668,962)
Total plant investment, net	<u>73,865,971</u>	<u>5,046,125</u>	<u>-</u>	<u>78,912,096</u>
<b>Deferred outflows of resources</b>				
Deferred outflows related to pensions	<u>2,231,521</u>	<u>-</u>	<u>-</u>	<u>2,231,521</u>
<b>Total assets</b>	<u>\$134,644,580</u>	<u>\$ 6,287,974</u>	<u>\$ (5,784,702)</u>	<u>\$135,147,852</u>



**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

	<u>WG&amp;E</u>	<u>Cooperative</u>	<u>Eliminations</u>	<u>Total</u>
<b>Current liabilities</b>				
Accounts payable	\$ 4,585,655	\$ 14,637	\$ (44,748)	\$ 4,555,544
Accrued expenses	1,000,982	27,310	(27,310)	1,000,982
Payable to municipality	220,002	-	-	220,002
Current portion of general obligation bonds	990,219	-	-	990,219
Current portion of accrued compensated absences	<u>238,561</u>	<u>-</u>	<u>-</u>	<u>238,561</u>
Total current liabilities	<u>7,035,419</u>	<u>41,947</u>	<u>(72,058)</u>	<u>7,005,308</u>
<b>Noncurrent liabilities</b>				
Accrued expenses	1,210,489	-	-	1,210,489
General obligation bonds	9,984,521	-	-	9,984,521
Accrued compensated absences	2,699,731	-	-	2,699,731
Other post-employment benefit obligation	6,603,590	-	-	6,603,590
Net pension liability	12,128,814	-	-	12,128,814
Note payable - Westfield Gas and Electric Light Department	<u>-</u>	<u>5,712,644</u>	<u>(5,712,644)</u>	<u>-</u>
Total noncurrent liabilities	<u>32,627,145</u>	<u>5,712,644</u>	<u>(5,712,644)</u>	<u>32,627,145</u>
<b>Total liabilities</b>	<u>39,662,564</u>	<u>5,754,591</u>	<u>(5,784,702)</u>	<u>39,632,453</u>
<b>Deferred inflows of resources</b>				
Reserve for rate stabilization	37,553,511	-	-	37,553,511
Reserve for energy conservation	<u>493,403</u>	<u>-</u>	<u>-</u>	<u>493,403</u>
Total deferred inflows of resources	<u>38,046,914</u>	<u>-</u>	<u>-</u>	<u>38,046,914</u>
<b>Net position</b>				
Net investment in capital assets	62,917,809	(666,519)	5,712,644	67,963,934
Restricted				
Escrow	-	649,751	-	649,751
Unrestricted	<u>(5,982,707)</u>	<u>550,151</u>	<u>(5,712,644)</u>	<u>(11,145,200)</u>
Total net position	<u>56,935,102</u>	<u>533,383</u>	<u>-</u>	<u>57,468,485</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 134,644,580</u>	<u>\$ 6,287,974</u>	<u>\$ (5,784,702)</u>	<u>\$ 135,147,852</u>

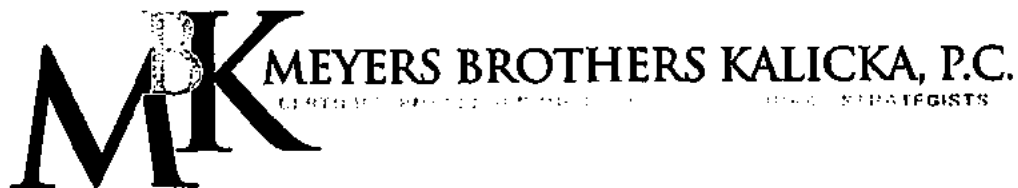


# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## CONSOLIDATING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2015

	WG&E		Cooperative	Eliminations	Total
	Gas	Electric			
<b>Operating revenues</b>					
Residential	\$ 10,216,736	\$ 17,913,184	\$ -	\$ -	\$ 28,129,920
Commercial	10,076,546	15,972,731	402,000	(402,000)	26,049,277
Industrial	1,888,192	13,831,265	-	-	15,719,457
Municipal	971,372	2,273,618	-	-	3,244,990
Off-street lighting	-	141,627	-	-	141,627
Telecommunication income	102,967	426,319	-	-	529,286
Service income and finance charges	31,294	20,862	-	-	52,156
Rate stabilization fund transfers	(1,970,252)	993,513	-	-	(976,739)
Total operating revenues	<u>21,316,855</u>	<u>51,573,119</u>	<u>402,000</u>	<u>(402,000)</u>	<u>72,889,974</u>
<b>Operating expenses</b>					
Purchase power and gas	13,885,826	32,368,073	-	(402,000)	45,851,899
Distribution expenses	1,110,717	2,441,679	-	-	3,552,396
Maintenance	898,698	2,431,859	-	-	3,330,557
General and administrative	1,552,767	7,392,474	116,030	(11,250)	9,050,021
Pension and benefits	906,577	2,549,972	-	-	3,456,549
Environmental response expense	88,742	-	-	-	88,742
Depreciation and amortization	<u>1,546,156</u>	<u>2,162,847</u>	<u>156,700</u>	<u>-</u>	<u>3,865,703</u>
Total operating expenses	<u>19,989,483</u>	<u>49,346,904</u>	<u>272,730</u>	<u>(413,250)</u>	<u>69,195,867</u>
<b>Operating income</b>	<u>1,327,372</u>	<u>2,226,215</u>	<u>129,270</u>	<u>11,250</u>	<u>3,694,107</u>
<b>Non-operating revenues (expenses)</b>					
Miscellaneous income	120,845	557,082	-	(11,250)	666,677
Investment income	40,027	236,126	700	(51,026)	225,827
Interest expense	<u>(154,060)</u>	<u>(311,415)</u>	<u>(51,026)</u>	<u>51,026</u>	<u>(465,475)</u>
Total non-operating revenue (expense), net	<u>6,812</u>	<u>481,793</u>	<u>(50,326)</u>	<u>(11,250)</u>	<u>427,029</u>
<b>Income before transfers and contributions</b>	<u>\$ 1,334,184</u>	<u>\$ 2,708,008</u>	<u>\$ 78,944</u>	<u>\$ -</u>	<u>4,121,136</u>
<b>Transfers out - in lieu of tax payments to City</b>					<u>(442,902)</u>
<b>Contributions in aid of construction</b>					<u>1,104,194</u>
<b>Change in net position</b>					<u>4,782,428</u>
<b>Net position, beginning of year (as restated)</b>					<u>52,686,057</u>
<b>Net position, end of year</b>					<u>\$ 57,468,485</u>





**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Municipal Light Board and Manager of the  
City of Westfield Gas and Electric Light Department

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of the City of Westfield Gas and Electric Light Department (the "Department") and the Southwest Cooperative (the "Cooperative"), which comprise the proprietary fund consolidated statement of net position as of December 31, 2015, and the related proprietary fund consolidated statements of revenues, expenses and changes in net position, and cash flows for the year then ended, the fiduciary fund statement of fiduciary net position as of December 31, 2015 and statement of changes in fiduciary net position for the year ended and the related notes to the consolidated financial statements, and have issued our report thereon dated July 6, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Department and the Cooperative's internal controls over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department and the Cooperative's internal controls. Accordingly, we do not express an opinion on the effectiveness of the Department and the Cooperative's internal controls.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Department and the Cooperative's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that may have not been identified.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Department and the Cooperative's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Department in a separate letter dated July 6, 2016.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Department and the Cooperative's internal controls or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department and the Cooperative's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mayer Brother Halicka P.C.*

Holyoke, Massachusetts  
July 6, 2016



**CITY OF WESTFIELD**  
**GAS AND ELECTRIC LIGHT DEPARTMENT**  
***CONSOLIDATED FINANCIAL STATEMENTS***  
***AND SUPPLEMENTARY INFORMATION***  
***DECEMBER 31, 2014 AND 2013***



**CITY OF WESTFIELD  
GAS AND ELECTRIC LIGHT DEPARTMENT  
CONSOLIDATED FINANCIAL STATEMENTS**

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## **INDEPENDENT AUDITORS' REPORT**

To the Municipal Light Board and Manager of the  
City of Westfield Gas and Electric Light Department

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of the City of Westfield Gas and Electric Light Department (the "Department") and the Southwest Cooperative (the "Cooperative"), which comprise the proprietary fund consolidated statements of net position as of December 31, 2014 and 2013, and the related proprietary fund consolidated statements of revenues, expenses and changes in net position and cash flows for the years then ended, the fiduciary fund statement of fiduciary net position as of December 31, 2014 and statement of changes in fiduciary net position for the year ended and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department and the Cooperative's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department and the Cooperative's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## Opinion

In our opinion, the proprietary and fiduciary fund financial statements referred to above present fairly, in all material respects, the respective financial position of the Department and the Cooperative as of December 31, 2014 and 2013, and the respective changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of net position and consolidating statements of revenues, expenses, and changes in net position are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounts and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

## Other Matters

The Department and the Cooperative have omitted *Management's Discussion and Analysis and Budget Comparison Information* that accounting principles generally accepted in the United States of America require to be presented to supplement the consolidated financial statements. Such missing information, although not a part of the consolidated financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the consolidated financial statements in an appropriate operational, economic, or historical context. Our opinion on the consolidated financial statements is not affected by this missing information.

## Emphasis of a Matter

As discussed in Note 1, the consolidated financial statements present only the Department and the Cooperative, and do not purport to, and do not, present fairly the financial position of the City of Westfield, Massachusetts, as of December 31, 2014 and 2013, and the consolidated changes in its financial position or its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated May 6, 2015 on our consideration of the Department and the Cooperative's internal controls over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department and the Cooperative's internal controls over financial reporting and compliance.

*Maureen Beathel Halicka, P.C.*

Holyoke, Massachusetts  
May 6, 2015



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## PROPRIETARY FUND CONSOLIDATED STATEMENTS OF NET POSITION DECEMBER 31, 2014 AND 2013

### *ASSETS*

	<u>2014</u>	<u>2013</u>
<b>Current assets</b>		
Cash	\$ 11,589,682	\$ 7,995,280
Accounts receivable, less reserve of \$751,373 in 2014 and \$668,000 in 2013	4,422,049	4,827,379
Inventory - materials and supplies	2,187,009	2,020,809
Prepaid expenses	<u>59,364</u>	<u>119,441</u>
Total current assets	<u>18,258,104</u>	<u>14,962,909</u>
<b>Restricted and designated assets</b>		
Cash in escrow	665,978	681,385
Cash for rate stabilization	4,229,872	4,487,485
Cash for BAN/bonds	-	85,506
MMWEC Reserve Trust	24,290,609	23,368,735
Deferred charges	<u>2,839,854</u>	<u>2,826,897</u>
Total restricted and designated assets	<u>32,026,313</u>	<u>31,450,008</u>
<b>Noncurrent assets</b>		
Regulatory asset, net	707,661	744,906
Other investments	299,750	299,750
Deferred charges	126,941	52,540
Deferred debt service costs	<u>28,512</u>	<u>30,446</u>
Total noncurrent assets	<u>1,162,864</u>	<u>1,127,642</u>
<b>Plant investment</b>		
Land	1,008,891	1,008,891
Electric	72,094,901	70,763,602
Gas	<u>55,949,355</u>	<u>54,367,804</u>
	129,053,147	126,140,297
Less: accumulated depreciation	<u>(52,076,175)</u>	<u>(49,673,744)</u>
Total plant investment, net	<u>76,976,972</u>	<u>76,466,553</u>
<b>Total assets</b>	<u>\$ 128,424,253</u>	<u>\$ 124,007,112</u>



**LIABILITIES, DEFERRED INFLOWS AND RESOURCES AND NET POSITION**

	<u>2014</u>	<u>2013</u>
<b>Current liabilities</b>		
Accounts payable	\$ 6,654,927	\$ 6,424,474
Accrued expenses	399,425	430,987
Payable to municipality	207,500	202,959
Current portion of general obligation bonds	877,467	626,163
Current portion of accrued compensated absences	<u>308,348</u>	<u>315,742</u>
Total current liabilities	<u>8,447,667</u>	<u>8,000,325</u>
<b>Noncurrent liabilities</b>		
General obligation bonds	10,974,739	11,368,257
Accrued compensated absences	2,670,912	2,615,112
Other post-employment benefit obligation	<u>6,634,688</u>	<u>6,690,395</u>
Total noncurrent liabilities	<u>20,280,339</u>	<u>20,673,764</u>
<b>Total liabilities</b>	<u>28,728,006</u>	<u>28,674,089</u>
<b>Deferred inflows of resources</b>		
Reserve for rate stabilization	36,576,769	35,706,971
Reserve for energy conservation	<u>536,128</u>	<u>640,934</u>
Total deferred inflows of resources	<u>37,112,897</u>	<u>36,347,905</u>
<b>Net position</b>		
Net investments in capital assets	65,153,278	64,502,579
Restricted		
Escrow	665,978	681,385
BAN/bonds	-	85,506
Unrestricted	<u>(3,235,906)</u>	<u>(6,284,352)</u>
Total net position	<u>62,583,350</u>	<u>58,985,118</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 128,424,253</u>	<u>\$ 124,007,112</u>

The accompanying notes are an integral part of these financial statements.



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## PROPRIETARY FUND

### CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<b>Operating revenues</b>		
Residential	\$ 28,657,621	\$ 25,728,273
Commercial	24,379,343	19,515,173
Industrial	18,134,046	18,681,627
Municipal	2,726,528	2,332,527
Off-street lighting	144,391	146,841
Service income and finance charges	65,322	54,393
Rate stabilization fund transfers	<u>(869,798)</u>	<u>(458,432)</u>
Total operating revenues	<u>73,237,453</u>	<u>66,000,402</u>
<b>Operating expenses</b>		
Purchased power and gas	49,540,733	44,339,377
Distribution expenses	3,485,022	3,203,429
Maintenance	3,611,340	3,019,996
General and administrative	7,257,203	7,071,854
Pension and benefits	3,114,765	2,415,279
Environmental response expense	74,939	206,618
Depreciation and amortization	<u>3,778,318</u>	<u>3,628,417</u>
Total operating expenses	<u>70,862,320</u>	<u>63,884,970</u>
<b>Operating income</b>	<u>2,375,133</u>	<u>2,115,432</u>
<b>Non-operating revenues (expenses)</b>		
Miscellaneous income	278,455	473,727
Telecommunication income	497,856	1,152,747
Investment income	257,596	48,338
Interest expense	<u>(469,364)</u>	<u>(381,838)</u>
Total non-operating revenue, net	<u>564,543</u>	<u>1,292,974</u>
<b>Income before transfers and contributions</b>	2,939,676	3,408,406
<b>Transfers out - in lieu of tax payments to City</b>	(417,922)	(408,571)
<b>Transfer of other post-employment benefit obligations from the City</b>	-	(6,690,395)
<b>Contributions in aid of construction</b>	<u>1,076,478</u>	<u>47,292</u>
<b>Change in net position</b>	3,598,232	(3,643,268)
<b>Net position, beginning of year</b>	<u>58,985,118</u>	<u>62,628,386</u>
<b>Net position, end of year</b>	<u>\$ 62,583,350</u>	<u>\$ 58,985,118</u>

The accompanying notes are an integral part of these financial statements.



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## PROPRIETARY FUND CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<b>Cash flows from operating activities</b>		
Cash received for services	\$ 73,642,783	\$ 65,461,252
Cash paid to power suppliers	(48,440,482)	(43,119,787)
Cash paid to employees for services	(9,867,441)	(9,135,711)
Cash paid for other operations	(7,998,087)	(6,613,756)
<b>Net cash provided by operating activities</b>	<u>7,336,773</u>	<u>6,591,998</u>
<b>Cash flows from capital and related financing activities</b>		
Cash received from borrowings on general obligation bonds incurred for capital purposes	-	1,050,000
Cash received from contributions in aid of construction	1,076,478	47,292
Cash paid for capital expenditures	(4,251,492)	(5,981,456)
Cash paid for principal on general obligation bonds incurred for capital purposes	(626,164)	(806,293)
Cash received for premium on general obligation bonds incurred for capital purposes	483,950	-
Cash paid for interest on general obligation bonds and BAN payable incurred for capital purposes	(469,364)	(381,838)
<b>Net cash used by capital financing activities</b>	<u>(3,786,592)</u>	<u>(6,072,295)</u>
<b>Cash flows from non-capital financing activities</b>		
Cash paid for in lieu of tax payments	(413,381)	(426,838)
Cash received from non-operating revenues	776,311	1,626,474
<b>Net cash provided by non-capital financing activities</b>	<u>362,930</u>	<u>1,199,636</u>
<b>Cash flows from investing activities</b>		
Cash received from investments	-	14,701
Cash paid for purchases of investments	(843,370)	(110,454)
Cash received from investment earnings	185,553	129,590
<b>Net cash (used) provided by investing activities</b>	<u>(657,817)</u>	<u>33,837</u>
<b>Net increase in cash</b>	3,255,294	1,753,176
<b>Cash, beginning of year</b>	<u>14,541,496</u>	<u>12,788,320</u>
<b>Cash, end of year</b>	<u>\$ 17,796,790</u>	<u>\$ 14,541,496</u>
<b>Cash included in:</b>		
Unrestricted cash	\$ 11,589,682	\$ 7,995,280
Restricted and designated cash	6,207,108	6,546,216
<b>Cash, end of the year</b>	<u>\$ 17,796,790</u>	<u>\$ 14,541,496</u>

(Continued)



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## PROPRIETARY FUND CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued) FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<b>Cash flows from operating activities</b>		
Operating income	\$ 2,375,133	\$ 2,115,432
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	3,778,318	3,628,417
Allowance for uncollectible accounts	83,373	(30,127)
Net changes in operating assets and liabilities:		
Accounts receivable	321,957	(509,023)
Inventory	(166,200)	(24,931)
Prepaid expenses	60,077	(53,292)
Deferred charges and debt service costs	(72,467)	112,366
Accounts payable	230,453	761,158
Accrued expenses	(31,562)	179,299
Other post-employment benefits	(55,707)	-
Accrued compensated absences	48,406	47,847
Reserve for energy conservation	(104,806)	(93,580)
Reserve for rate stabilization	<u>869,798</u>	<u>458,432</u>
<b>Net cash provided by operating activities</b>	<u>\$ 7,336,773</u>	<u>\$ 6,591,998</u>

The accompanying notes are an integral part of these financial statements.



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**FIDUCIARY FUND  
STATEMENT OF FIDUCIARY NET POSITION  
OTHER POST-EMPLOYMENT BENEFIT OBLIGATION  
DECEMBER 31, 2014**

<b>Assets</b>	
Cash	\$ 7,357
Investments - mutual funds	<u>495,040</u>
Total assets	<u>502,397</u>
<b>Net position</b>	
Held in trust for other post-employment benefit obligation	<u>\$ 502,397</u>

The accompanying notes are an integral part of these financial statements.



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**FIDUCIARY FUND  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
OTHER POST-EMPLOYMENT BENEFIT OBLIGATION  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Contributions	\$ 500,000
Investment income (expense):	
Realized gain	12,101
Unrealized loss	(12,061)
Other income	2,712
Management fees	<u>(355)</u>
Investment income, net	<u>2,397</u>
Total additions	502,397
Net position, beginning of year	<u>-</u>
Net position, end of year	<u>\$ 502,397</u>

The accompanying notes are an integral part of these financial statements.



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

### 1. REPORTING ENTITY:

The City of Westfield Gas and Electric Light Department (the "Department") provides electric and gas services to its customers. The Department is classified under the proprietary fund category and enterprise fund type of the City of Westfield, Massachusetts (the "City"). These consolidated financial statements report only that portion of the financial reporting entity of the City that is attributable to the Department's transactions. The Department grants credit to its customers, substantially all of whom are local residents, and commercial and industrial businesses. Approximately 69% and 72% of the Department's operating revenues were derived from its electric division during 2014 and 2013, respectively.

Included in these financial statements (consolidated), are the Department and its blended component unit the Southwest Cooperative (the "Cooperative"). The Cooperative was formed in October 2006 for the sole purpose of constructing gas transmission facilities and pipelines to connect the supplier's source, located in Southwick, Massachusetts, to the gas distribution system currently operated by the Department. In accordance with the by-laws of the Cooperative, a majority of its members, officers and directors will consist of members of the Department's management. The entire capacity provided by this project is utilized by the Department. All significant intercompany accounts and transactions have been eliminated as part of the consolidation.

The Department established an Other Post-Employment Benefits Trust in 2014 as further described below.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### Recent accounting changes

In March 2012, GASB issued SGAS No. 65, "*Items Previously Reported as Assets and Liabilities*" ("GASB No. 65"). GASB No. 65 establishes accounting and financial reporting standards that reclassify certain items previously reported as assets and liabilities as deferred outflows or deferred inflows of resources. This statement also limits the use of the term deferred in financial statement presentations. This statement was effective for 2013.

In June 2012, GASB issued SGAS No. 68, "*Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*" ("GASB No. 68"). The primary objective of GASB No. 68 is to improve accounting and financial reporting by state and local governments for pensions. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and deferred inflows of resources, and expenses. For defined benefit pensions, this statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions are also addressed. This statement is effective for 2015. The Department is currently assessing the financial statement impact of adopting this statement which is likely to be significant.

In November 2013, GASB issued SGAS No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*" ("GASB No. 71"). GASB No. 71 addresses an issue regarding application of the transition provisions of GASB No. 68. The issue relates to amounts associated with contributions, if any, made by an employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of its beginning net pension liability. GASB No. 71 amends paragraph 137 of GASB No. 68 to require that, at transition, a beginning deferred outflow of resources for its pension contributions is recognized, if any, made subsequent to the measurement date of the beginning net pension liability. This statement is effective for the Department in 2015, to be applied simultaneously with the provisions of GASB No. 68. The Department is currently assessing the financial statement impact of adopting this statement.



## **CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013**

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

##### **Recent accounting changes (continued)**

In February 2015, the Governmental Accounting Standards Board ("GASB") issued SGAS No. 72, "*Fair Value Measurement and Application*" ("GASB No. 72"). GASB No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The statement provides guidance for determining a fair value measurement for financial reporting purposes. GASB No. 72 also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent). This statement is effective for the Department in 2016.

##### **Measurement focus and basis of accounting**

The Department's accounting records are maintained in accordance with Generally Accepted Accounting Principles ("GAAP") for proprietary funds as promulgated by GASB. The Department's accounting records generally follow the Uniform System of Accounts for Public Utilities and Licensees prescribed by the U.S. Federal Energy Regulatory Commission ("FERC"), except as it relates to the accounting for contributions of utility property in aid of construction. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred (subject to adjustments resulting from rate stabilization changes), regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

##### **Public utility regulation**

Arrangements among the Department, outside agencies and other utilities covering interconnections, interchange of electric power, and sales of utility property are subject to regulation by FERC. The Department is subject to further regulation by the Massachusetts Department of Public Utilities ("DPU"). The Department, where appropriate, follows accounting treatment prescribed by these regulatory agencies.

Under Massachusetts Law, the rates of the Department are set by the Municipal Light Board and may be changed not more than once every three months. Rate schedules are filed with the DPU. While the DPU exercises general supervisory authority over the Department, the rates are not subject to DPU approval. Rates must be set such that net earnings from operations do not exceed 8% of the cost of the utility plant.

##### **Massachusetts Municipal Wholesale Electric Company ("MMWEC")**

MMWEC is a non-profit, public corporation and political subdivision of the Commonwealth of Massachusetts. They offer services ranging from power supply planning and resource development to risk management and regulatory support. The Department utilizes MMWEC for purchased power and investment of assets. The Cooperative utilizes MMWEC for accounting related management services.

##### **Fiduciary fund - other post-employment benefits trust**

The other post-employment benefit trust fund ("OPEB Trust") was established in 2014 by the Municipal Light Board pursuant to Chapter 32B, Section 20 of the General Laws of the Commonwealth of Massachusetts. The OPEB Trust constitutes the principal instrument of a plan established by the Municipal Light Board to fund the Department's annual actuarially determined OPEB contribution for retirees.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the Departments' programs.



## **CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013**

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

##### **Revenues and expenses**

Utility revenues are based on authorized rates applied to each customer's use of energy. Rate changes are approved by the Department's Municipal Light Board and are filed with the DPU. These operating revenues are recognized on the basis of cycle billings rendered monthly. A five percent (5%) discount is offered to residential customers who pay within 15 days of being billed. Discounts are also offered to commercial and industrial customers up to five percent based on payment method and services purchased. Discounts for the years ended December 31, 2014 and 2013 were \$923,691 and \$820,874, respectively. These discounts are recorded against revenues.

The Department and the Cooperative distinguish operating revenue and expenses from non-operating items. Operating revenues generally result from providing services and producing and delivering goods in connection with ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting the above definitions are reported as non-operating revenues and expenses.

##### **Cash**

Cash includes cash on hand and on deposit with the City, which is in the custody of and managed by the City Treasurer.

##### **Accounts receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to the allowance for doubtful accounts based on its assessment of the current status of individual accounts. Management is required to comply with billing and termination procedures mandated by the DPU. These procedures require certain extended terms for payment prior to termination of services for heating customers. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. No interest is charged on residential accounts. The Department obtains security interests for accounts where deemed appropriate.

##### **Inventory – materials and supplies**

Inventory is valued at the lower of cost (weighted average method) or market. Materials and supplies consist primarily of pipe, valves, utility poles, wire, meters, transformers and cable.

##### **Restricted and designated assets**

Cash, cash equivalents and investments, which are restricted under terms of legislation, certain agreements for payments to third parties or Municipal Light Board actions limiting the use of such funds, are included as restricted assets. When the Department restricts funds for a specific purpose, and both restricted and unrestricted resources are available for use, it is the Department's policy to use restricted resources where required, then unrestricted resources as they are needed.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the statement of revenue, expenses, and net position as increases or decreases in investment income. Dividend and interest income is recorded when declared.



# **CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

#### **Restricted and designated assets (continued)**

Investment securities are exposed to various risks, such as interest rate, market rate, and credit risks. Due to the level of risk associated with certain investment securities and the uncertainty related to changes in the value of the investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net position. Massachusetts General Laws also place limitations on the nature of deposits and investments available to the Department.

#### **Cash in escrow**

As a requirement of the related ground lease (Note 13), the Cooperative has an escrow agreement with the Town of Southwick, Massachusetts. The interest bearing escrow account is considered security for the Cooperative's lease payments and compliance with all of the terms, conditions, provisions, and obligations of the lease agreement. Interest earned on this account must remain in the account and be used to offset future lease payments.

#### **Other investments**

This consists of the Department's equity in New England Hydro-Transmission Electric Company ("Hydro-Quebec"). The Department joined with other utilities on committing to equity sponsorship of a project known as Hydro-Quebec Phase II that consists of two companies operating certain electric transmission facilities in New Hampshire and Massachusetts. The Department owns .2554% of the Companies' outstanding common stock. The Department uses the equity method of accounting for the investment because the investment is under common control with other municipal utilities. Under the equity method, investments are recorded at cost and increased or decreased by the Department's pro-rata share of earnings or losses and distributions. Investment income is recorded as earned. Fair market value approximates the cost of investments.

In addition, the Department joined with other utilities to invest in Public Utility Mutual Insurance Company ("PUMIC"). PUMIC provides general insurance to members of the Public Utilities Risk Management Association. The Department invested \$266,000 in 1999 and is a founding member. The investment is carried at cost, which approximates fair value.

#### **Deferred charges**

Under the terms of the Department's member agreement with Massachusetts Municipal Wholesale Electric Company ("MMWEC"), the Department is required to prepay various operating expenses, working capital requirements, and/or research expenditures for various projects that are operational, under construction, or in the planning stages. The Department charges these items to expense when MMWEC indicates that the expense has been incurred.

#### **Plant investment**

The utility plant is stated at cost which includes material and labor. Maintenance and repairs are charged to operating expense as incurred, and significant renewals and betterments are capitalized. As assets are retired or otherwise disposed of, the Department and the Cooperative calculate or estimate the related cost and accumulated depreciation which are removed from the accounts. Any profit or loss on disposition is credited or charged to income in the year retired. The Department and the Cooperative evaluated the fair value of its assets and no adjustment for impairment was deemed necessary by management. The Department and Cooperative capitalize additions to plant with an original cost of \$1,000 or more.



## CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

##### Depreciation

Depreciation is computed using the straight-line method at a composite rate as prescribed by DPU. Depreciation was calculated using a composite rate of 3% for 2014 and 2013. Depreciation expense for the years ended December 31, 2014 and 2013 was \$3,741,073 and \$3,591,172, respectively.

##### Amortization

The regulatory asset is being amortized on a straight-line basis over 276 months.

##### Construction in progress

Construction in progress consists principally of the costs related to direct materials, direct labor, direct purchased services, and indirect costs, including general and administrative costs, related to any utility plant assets under construction. Construction in progress is stated at cost. Any internal costs that were capitalized were limited to those costs that can be directly identified with the design, engineering, or construction of a specific project.

##### Compensated absences

The Department recognizes vacation and sick leave costs (including related employee benefits) as they are earned under the following plans. Management personnel are given from 23 personal days up to 48 personal days. Earned days not taken are accumulated indefinitely. Employees approaching retirement are entitled, under certain conditions, to be compensated at their daily rate then in effect, for up to 175 days of accumulated personal time. At retirement, all accumulated personal days in excess of 175 days will be compensated one day for each four days of accumulated personal days. Accrued sick pay as of December 31, 2014 and 2013 was \$2,655,870 and \$2,596,154, respectively.

Employees under the labor agreement are granted 18 days of sick leave, from one to six weeks of vacation and up to three personal days each year and one personal day shall be earned for each calendar quarter of perfect attendance. Earned days not taken for sick leave are accumulated indefinitely. Earned days not taken for vacation may be accumulated up to 10 days. Employees approaching retirement are entitled, under certain conditions, to time off with pay of sick time for up to 140 days. If the time is not taken it will be paid in a lump sum at \$50 per day up to a maximum of 50 additional days. All other time is paid based upon the full number of days earned. Accrued vacation as of December 31, 2014 and 2013 was \$81,619 and \$87,590, respectively.

Accrued vacation and sick leave for retired employees as of December 31, 2014 and 2013 was \$241,771 and \$247,110, respectively. These amounts are paid over two years from date of retirement.

##### Net position

The Department and the Cooperative classify net position into three components as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding debt balances. Deferred inflows and outflows of resources that are attributable to the acquisition, construction or improvement of those assets are also included.

Restricted – This component of net position consists of assets with constraints placed on their use, either externally or internally. Constraints include those imposed by grants or laws and regulations of other governments, or by law through constitutional provisions or enabling legislation or by the Board. These restricted assets are reduced by liabilities and deferred inflows of resources related to those assets.



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

#### Net position (continued)

Unrestricted – This component of net position consists of net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of “Net investment in capital assets” or “Restricted”.

#### Contributions in aid of construction

The Department records contributions in aid of construction from customer contributions, primarily relating to expansions to the Department's distribution facilities, on the consolidated statements of revenues, expenses, and changes in net position. Contributions of capital are valued at estimated market cost. For rate-making purposes, the Municipal Light Board does not recognize such revenues when received; rather contributions in aid of construction is included in revenues as such costs are amortized over the estimated useful lives of the related distribution facilities.

#### Presentation of sales taxes

The Commonwealth of Massachusetts imposes a sales tax of 6.25% as of December 31, 2014 and 2013 on all of the Department's sales except to exempt and residential use customers. The Department collects that sales tax from customers and remits the entire amount to the State. The Department's accounting policy is to exclude the tax collected and remitted to the State from revenues and operating expenses.

#### Reclassifications

Certain accounts in the prior year financial statements have been reclassified to conform with the current year presentation. The reclassification moves amounts from operating revenue, distribution expense, and miscellaneous income to telecommunication income and from miscellaneous income to investment income. These reclassifications had no effect on reported net income.

### 3. RESTRICTED AND DESIGNATED ASSETS:

Restricted and designated assets include accounts deposited with Massachusetts Municipal Wholesale Electric Company (“MMWEC”). These funds are segregated by management for specific outlays and contingencies and are recorded at fair value. Fair value is based on quoted market prices at December 31<sup>st</sup>.

Balances at December 31, 2014, consists of the following:

	Cash and cash equivalents	Investments	Total
Segregated cash:			
Escrow	\$ 665,978	\$ -	\$ 665,978
Rate stabilization	4,229,872	-	4,229,872
	4,895,850	-	4,895,850
MMWEC Reserve Trust:			
Electric	13,843	21,868,728	21,882,571
Gas	7,714	2,400,324	2,408,038
	21,557	24,269,052	24,290,609
Deferred charges (held by MMWEC):			
Purchase power	1,289,701	1,407,965	2,697,666
Prepaid PASNY fund	-	142,188	142,188
	1,289,701	1,550,153	2,839,854
Total	\$ 6,207,108	\$ 25,819,205	\$ 32,026,313



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

### 3. RESTRICTED AND DESIGNATED ASSETS: (CONTINUED)

Investments included in restricted and designated assets at December 31, 2014 consist of:

	Cost	Fair value	Unrealized gain/(loss)
Cash and cash equivalents	\$ 3,427,001	\$ 3,427,001	\$ -
U.S. treasury securities	8,626,225	8,613,761	(12,464)
U.S. agency securities	11,468,515	11,481,334	12,819
Municipal bonds	2,293,379	2,297,109	3,730
Total	\$ 25,815,120	\$ 25,819,205	\$ 4,085

Balances at December 31, 2013, consists of the following:

	Cash and cash equivalents	Investments	Total
Segregated cash			
Escrow	\$ 681,385	\$ -	\$ 681,385
Rate stabilization	4,487,485	-	4,487,485
BAN/bonds	85,506	-	85,506
	<u>5,254,376</u>	<u>-</u>	<u>5,254,376</u>
MMWEC Reserve Trust:			
Electric	67,876	21,112,325	21,180,201
Gas	19,112	2,169,422	2,188,534
	<u>86,988</u>	<u>23,281,747</u>	<u>23,368,735</u>
Deferred charges (held by MMWEC):			
Purchase power	1,204,852	1,479,857	2,684,709
Prepaid PASNY fund	-	142,188	142,188
	<u>1,204,852</u>	<u>1,622,045</u>	<u>2,826,897</u>
Total	\$ 6,546,216	\$ 24,903,792	\$ 31,450,008

Investments included in restricted and designated assets at December 31, 2013 consist of:

	Cost	Fair value	Unrealized loss
Cash and cash equivalents	\$ 3,344,818	\$ 3,344,818	\$ -
U.S. treasury securities	6,168,502	6,153,089	(15,413)
U.S. agency securities	13,450,972	13,410,607	(40,365)
Municipal bonds	2,007,458	1,995,278	(12,180)
Total	\$ 24,971,750	\$ 24,903,792	\$ (67,958)

The Department's total return on its invested assets consisted of the following components reported on the statement of revenues, expenses and changes in net position:

	2014	2013
Interest income	\$ 185,553	\$ 146,078
Unrealized gain (loss)	72,043	(97,740)
Total investment income (loss)	\$ 257,596	\$ 48,338



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

### 3. RESTRICTED AND DESIGNATED ASSETS: (CONTINUED)

At December 31, 2014 and 2013, the Department's bond investments were as follows:

	Fair value	Maturity			
		Less than 1 year	1 - 5 years	6 - 10 years	Over 10 years
<b>December 31, 2014</b>					
U.S. treasury securities	\$ 8,613,761	\$ 6,730,344	\$ 1,883,417	\$ -	\$ -
U.S. agency securities	11,481,334	146,934	8,588,074	2,290,471	455,855
Municipal bonds	2,297,109	885,184	1,266,312	145,613	-
	<u>\$ 22,392,204</u>	<u>\$ 7,762,462</u>	<u>\$ 11,737,803</u>	<u>\$ 2,436,084</u>	<u>\$ 455,855</u>

	Fair value	Maturity			
		Less than 1 year	1 - 5 years	6 - 10 years	Over 10 years
<b>December 31, 2013</b>					
U.S. treasury securities	\$ 6,153,089	\$ 5,036,552	\$ 1,116,537	\$ -	\$ -
U.S. agency securities	13,410,607	226,820	12,343,024	840,763	-
Municipal bonds	1,995,278	612,915	1,382,363	-	-
	<u>\$ 21,558,974</u>	<u>\$ 5,876,287</u>	<u>\$ 14,841,924</u>	<u>\$ 840,763</u>	<u>\$ -</u>

At December 31, 2014 and 2013, the Department's bond investments were rated as follows:

	2014		2013	
	Standard & Poor's	Moody's Investment	Standard & Poor's	Moody's Investment
U.S. treasury securities	AA+	AAA	AA+	AAA
U.S. agency securities	AA+	AAA	AA+	AAA
Municipal bonds	AA+ to AA-	AA2 to AA3	AAA to AA-	AA2 to AA3

The following risk policies are in accordance with those used by the City of Westfield and administered by the City Treasurer's Office:

#### Interest rate risk

The Department does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

#### Credit risk

The Department limits investments in bonds with a minimum quality rating of Baa or equivalent as rated by one or more recognized bond rating services, however, 10% of the market value of fixed income investments may be invested in bonds with a minimum quality rating of Ba or equivalent as rated by one or more recognized bond rating services.



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

### 3. RESTRICTED AND DESIGNATED ASSETS: (CONTINUED)

#### Concentration of credit risk

The Department places no limit on the amount it may invest in one issuer. The following are the concentrations of risk greater than five percent in either year:

	December 31,	
	2014	2013
U.S agency securities:		
Federal National Mortgage	12%	39%
Federal Agricultural Mortgage	10%	8%
Federal Farm Credit Bank	36%	26%
Federal Home Loan Bank	18%	15%
Federal Home Loan Mortgage	24%	12%

#### Custodial credit risk – cash

Custodial credit risk is the risk that in the event of a bank failure, the Department's deposits may not be returned. The Department does not have a deposit policy for custodial credit risk. The Department maintains cash balances at various financial institutions located in Massachusetts. These balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At certain times during the year, the cash balances may exceed the insurance limit. Based on cash balances at December 31, 2014 as reflected in the consolidated financial statements, the uninsured balance could be as high as approximately \$16,367,000. The Department has not experienced any loss on such accounts and management monitors the credit worthiness of these financial institutions through the City of Westfield Treasurer's Office.

#### Custodial credit risk - investments

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty the Department will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Department's \$25,819,205 in investments, none are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department, but not in the Department's name. The Department has no policy on custodial credit risk.

### 4. OTHER INVESTMENTS:

Other investments consist of the following at December 31:

	2014	2013
Hydro-Quebec Phase II	\$ 33,750	\$ 33,750
Public Utility Mutual Insurance Company	266,000	266,000
	<u>\$ 299,750</u>	<u>\$ 299,750</u>



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

### 5. FIDUCIARY FUND:

The assets and net position of this trust are reported in the Department's Statement of Fiduciary Net Position.

Investments (at fair value) of the OPEB Trust consist of the following at December 31:

	<u>2014</u>
Cash	\$ 7,357
Fixed income mutual funds	223,060
Equity mutual funds:	
Futures strategy fund	10,460
Mid cap growth fund	15,447
Large cap fund	151,965
Small cap select fund	10,127
Real estate equity fund	15,617
Emerging markets	14,082
Diversified international fund	24,500
Mid cap value fund	15,357
Select 40 fund	<u>14,425</u>
Total equity mutual funds	<u>271,980</u>
Total	<u>\$ 502,397</u>

### 6. REGULATORY ASSET:

The accounting policies of the Department conform to accounting principles generally accepted in the United States of America applicable to rate-regulated enterprises and historically reflect the effects of the rate-making process. In 2010, the Union Street LNG peaking facility was abandoned. The Commissioners of the Department (with approval by the Massachusetts Department of Public Utilities) voted to include the unrecovered cost of its investment, with a full return on investment, in future rates as amortization of a regulatory asset. Management believes it is probable that the Department will recover their investment in the regulatory asset.

	<u>2014</u>	<u>2013</u>
Regulatory asset - cost	\$ 856,641	\$ 856,641
Less: accumulated amortization	<u>148,980</u>	<u>111,735</u>
	<u>\$ 707,661</u>	<u>\$ 744,906</u>

Amortization expense on the regulatory asset was \$37,245 for the year ended December 31, 2014 and 2013 and is estimated at the same amount for each of the next five years.



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

### 7. PLANT INVESTMENT:

A summary of plant investment at December 31, 2014 is as follows:

	Balance December 31, 2013	Increases	Decreases	Balance December 31, 2014
<i>Plant investment not being depreciated:</i>				
Land	\$ 1,008,891	\$ -	\$ -	\$ 1,008,891
<i>Total plant investment not being depreciated</i>	<u>1,008,891</u>	<u>-</u>	<u>-</u>	<u>1,008,891</u>
<i>Plant investment being depreciated:</i>				
Plant investment	104,868,715	2,285,185	(194,732)	106,959,168
Office and computer equipment	6,212,802	799,364	(1,150,000)	5,862,166
Transportation equipment	3,756,946	438,553	-	4,195,499
Equipment	10,292,943	734,480	-	11,027,423
<i>Total plant investment being depreciated</i>	<u>125,131,406</u>	<u>4,257,582</u>	<u>(1,344,732)</u>	<u>128,044,256</u>
<i>Less accumulated depreciation for:</i>				
Plant investment	(37,178,300)	(2,748,141)	188,642	(39,737,799)
Office and computer equipment	(4,384,771)	(348,964)	1,150,000	(3,583,735)
Transportation equipment	(2,550,340)	(249,671)	-	(2,800,011)
Equipment	(5,560,333)	(394,297)	-	(5,954,630)
<i>Total accumulated depreciation</i>	<u>(49,673,744)</u>	<u>(3,741,073)</u>	<u>1,338,642</u>	<u>(52,076,175)</u>
<i>Total plant investment being depreciated, net</i>	<u>75,457,662</u>	<u>516,509</u>	<u>(6,090)</u>	<u>75,968,081</u>
Total plant investment, net	\$ <u>76,466,553</u>	\$ <u>516,509</u>	\$ <u>(6,090)</u>	\$ <u>76,976,972</u>



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

### 7. PLANT INVESTMENT: (CONTINUED)

A summary of plant investment at December 31, 2013 is as follows:

	Balance December 31, 2012	Increases	Decreases	Balance December 31, 2013
<i>Plant investment not being depreciated:</i>				
Land	\$ 1,008,891	\$ -	\$ -	\$ 1,008,891
<i>Total plant investment not being depreciated</i>	<u>1,008,891</u>	<u>-</u>	<u>-</u>	<u>1,008,891</u>
<i>Plant investment being depreciated:</i>				
Plant investment	100,485,077	4,728,180	(344,542)	104,868,715
Office and computer equipment	5,985,212	227,590	-	6,212,802
Transportation equipment	3,647,527	80,419	-	3,756,946
Equipment	9,987,914	955,029	(650,000)	10,292,943
<i>Total plant investment being depreciated</i>	<u>120,134,730</u>	<u>5,991,218</u>	<u>(994,542)</u>	<u>125,131,406</u>
<i>Less accumulated depreciation for:</i>				
Plant investment	(34,876,475)	(2,636,605)	334,780	(37,178,300)
Office and computer equipment	(4,047,712)	(337,059)	-	(4,384,771)
Transportation equipment	(2,311,048)	(239,292)	-	(2,550,340)
Equipment	(5,832,117)	(378,216)	650,000	(5,560,333)
<i>Total accumulated depreciation</i>	<u>(47,067,352)</u>	<u>(3,591,172)</u>	<u>197,915</u>	<u>(49,673,744)</u>
<i>Total plant investment being depreciated, net</i>	<u>73,067,378</u>	<u>2,400,046</u>	<u>(9,762)</u>	<u>75,457,662</u>
Total plant investment, net	\$ <u>74,076,269</u>	\$ <u>2,400,046</u>	\$ <u>(9,762)</u>	\$ <u>76,466,553</u>

### 8. LONG-TERM DEBT:

#### Bond anticipation note ("BAN") payable

In April 2013, the Department received a BAN payable of \$1,050,000. It required monthly interest only payments at the annual rate of 1.5% at December 31, 2013. In April 2014, total BAN's of \$5,750,000 were converted to a general obligation bond and, as a result, were included under the terms and conditions of the general obligation bonds payable at December 31, 2014. No BAN's were obtained in 2014.



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

### 8. LONG-TERM DEBT: (CONTINUED)

#### General obligation bonds

The following bonds were issued by the Department through the City for the financing of plant investment. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

Date of Issue	Maturity Dates	Interest Rate	Amount of Original Issue	Outstanding Balance	
				2014	2013
11/15/96	11/15/16	4.95%	\$ 1,000,000	\$ 100,000	\$ 150,000
07/15/04	07/15/14	3.51%	1,000,000	-	100,000
02/01/06	02/01/25	4.21%	2,100,000	1,210,000	1,320,000
02/01/08	02/01/18	3.08%	520,155	198,256	249,420
04/01/08	04/01/28	4.34%	6,000,000	4,110,000	4,425,000
04/04/14	03/01/32	4.30%	6,233,950	6,233,950	5,750,000
				11,852,206	11,994,420
				(877,467)	(626,163)
				\$ 10,974,739	\$ 11,368,257
Less current portion of bonds					
General obligation bonds, long-term portion					

Annual principal and interest payments due for each of the next five years and thereafter for the years ended December 31 are as follows:

	Principal	Interest	Total
2015	\$ 877,467	\$ 490,397	\$ 1,367,864
2016	871,886	458,421	1,330,307
2017	821,305	424,571	1,245,876
2018	810,142	391,760	1,201,902
2019	761,886	357,731	1,119,617
2020 - 2024	3,779,431	1,256,506	5,035,937
2025 - 2029	2,919,431	442,836	3,362,267
2030 - 2032	1,010,658	55,800	1,066,458
Total	\$ 11,852,206	\$ 3,878,022	\$ 15,730,228

### 9. NONCURRENT LIABILITIES:

A summary of the changes in noncurrent liabilities as of December 31, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within one year
December 31, 2014					
Accrued compensated absences	\$ 2,930,854	\$ 599,096	\$ (550,690)	\$ 2,979,260	\$ 308,348
Other post-employment benefit obligation	6,690,395	1,137,460	(1,193,167)	6,634,688	-
General obligation bonds	11,994,420	483,950	(626,164)	11,852,206	877,467
Total	\$ 21,615,669	\$ 2,220,506	\$ (2,370,021)	\$ 21,466,154	\$ 1,185,815



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

### 9. NONCURRENT LIABILITIES: (CONTINUED)

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within one year
<b>December 31, 2013</b>					
Accrued compensated absences	\$ 2,883,007	\$ 558,279	\$ (510,432)	\$ 2,930,854	\$ 315,742
Other post-employment benefit obligation	-	6,690,395	-	6,690,395	-
BAN *	4,700,000	-	(4,700,000)	-	-
General obligation bonds	7,050,713	5,750,000	(806,293)	11,994,420	626,163
Total	\$ 14,633,720	\$ 12,998,674	\$ (6,016,725)	\$ 21,615,669	\$ 941,905

\* Balance converted to general obligation bonds.

### 10. RETIREMENT PLANS:

#### City of Westfield contributory retirement system

Employees of the Department participate in the City of Westfield Contributory Retirement System as established under Chapter 32 of the General Laws of the Commonwealth of Massachusetts. Participants contribute 5% to 11% of compensation annually depending on their date of employment. This is a cost-sharing multiple employer public employee retirement system ("PERS"), which is a component of the City.

The plan provides pension benefits, deferred allowances and death and disability benefits. A member may retire after reaching age 55 with 10 years of credited service, or with no age requirement after 20 years of service. Members become vested after ten full years of credited service.

Benefit payments are based on the following factors: age, length of creditable service, level of compensation, and group classification. Age at retirement and group classification determine a benefit rate. This rate, multiplied by the length of creditable service, is multiplied by the average of the three highest (consecutive) years' compensation. Percentages are specified in Chapter 32 of the Massachusetts General Laws. Participants may elect to receive their retirement in one of three forms of payment, which are a life annuity; modified cash refund annuity or a joint and survivor annuity. The amount determined by the benefit formula cannot exceed 80% of the participant's average salary as described above.

The Department's contribution to the retirement plan is determined by an allocation of the City's contribution, which is based upon projected benefits to be paid during the applicable year. The Department then reimburses the City for the Department's share of the assessment.

The amount of pension expense charged to operations for the years ended December 31, 2014, 2013, and 2012 was \$1,291,897, \$1,217,998 and \$1,152,625, respectively.

The plan issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by contacting:

Westfield Contributory Retirement System  
59 Court Street, PO Box 106  
Westfield, Massachusetts 01086



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

### 10. RETIREMENT PLANS: (CONTINUED)

#### Other post-employment benefit obligation ("OPEB")

During 2013, the Department adopted the provisions of GASB 45 "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions" following a mayoral decision to shift this liability to the appropriate City department based on where the participants are or were employed upon the City's fiscal year end June 30, 2013. The major change under GASB 45 is to attribute the cost of post-employment benefits to the time during which the employee is working for the employer.

*Plan Description:* The Department offers medical insurance benefits to eligible retirees, their dependents, or their survivors via participation in plans offered by the City and the Westfield Retirement system with benefits provided by Blue Cross Blue Shield of Massachusetts and Health New England. Premiums are calculated based on prior year claim experiences and amounts needed to fund the plan operations.

The number of participants as of January 1, 2014 and January 1, 2012, the effective dates of the OPEB valuation are as follows:

	2014	2012
Active members	72	78
Retirees	94	67
Total	166	145

*Funding Policy:* The contribution requirements of plan members and the Department are established and may be amended through City policy and member contracts. Participants contribute 35% of the premiums for their selected benefit. Beginning in 2014, the Department's intent is to fully fund the Annual Required Contribution, subject to the availability of financial resources.

*Annual OPEB Cost and Net OPEB Obligation ("NOO"):* The Department's annual OPEB cost is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Department's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the Department's net OPEB obligation to the plan:

Year Ended December 31,	Annual Required Contribution (a)	Interest on Existing NOO (b)	ARC Adjustment (c)	Annual OPEB Cost (a)+(b)+(c) (d)	Annual Contribution Amount (e)	Net Increase in NOO (d) - (e) (f)	NOO as of Year End (g)
2014	\$ 1,076,753	\$ 468,328	\$ (407,621)	\$ 1,137,460	\$ 1,193,167	\$ (55,707)	\$ 6,634,688
2013	\$ 1,657,382	\$ 222,539	\$ (242,401)	\$ 1,637,520	\$ 510,590	\$ 1,126,930	\$ 6,690,395



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

### 10. RETIREMENT PLANS: (CONTINUED)

The Department's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and 2013 were as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 1,137,460	104.90%	\$ 6,634,688
2013	1,637,520	31.18%	6,690,395

*Funded Status and Funding Progress:* Actuarial valuations of an ongoing plan involve estimates of the value reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress below presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Valuation Date	Actuarial Accrued Liability	Value of Assets*	Required Supplementary Information				
			Unfunded Actuarial Accrued Liability (UAAL)	Funded Status	Annual Covered Payroll	UAAL as a % of Payroll	Interest Rate
1/1/2014	\$12,596,639	-	\$12,596,639	0%	\$6,846,000	184%	7.00%
1/1/2012	\$19,800,938	-	\$19,800,938	0%	\$6,961,000	284%	4.00%

\*After January 1, 2014, the Department contributed \$500,000 to the OPEB Trust.

*Actuarial Methods and Assumptions:* Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point and do not explicitly reflect the potential effects of legal or contractual funding limitation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

In the January 1, 2014 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 7% investment rate of return and an annual medical cost trend rate of 8%, reduced by decrements to an ultimate rate of 5% after 6 years. The unfunded actuarial accrued liability ("UAAL") is being amortized over a closed 24 year amortization with payments increasing at 3.25% per year. Differences between the expected and actual UAAL in future years will be amortized over 24 years.

#### Plan information

These plans issue publicly available financial reports that include financial statements and required supplementary information. The reports may be obtained by contacting:

Westfield Contributory Retirement System  
59 Court Street, PO Box 106  
Westfield, Massachusetts 01086



# **CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013**

### **11. RESERVE FOR RATE STABILIZATION:**

The Municipal Light Board, in their capacity as the governing body for the Department, have taken various regulatory actions that result in differences between the recognition of revenues and expenses for rate-making purposes and their treatment under generally accepted accounting principles. Rate stabilization is intended to defer the need for future rate increases when costs exceed existing rates. Amounts may be either transferred into this fund (which reduces revenues), or amounts are transferred out of this fund (which increases revenues). The Commissioners authorize rate stabilization fund transfers on an event driven basis.

During 2014 and 2013, the Department used \$1,040,000 and \$1,820,164, respectively to offset the cost of power. The Department increased the reserve liability by \$1,909,798 and \$2,278,596 during 2014 and 2013, respectively. The balance available to offset future costs is \$36,576,769 at December 31, 2014.

### **12. RELATED PARTY TRANSACTIONS:**

The Department provides electric sales and service to the City. Total electric sales were \$2,277,312 and \$2,084,198 for the years ended December 31, 2014 and 2013, respectively. Amounts due from the City for electric sales and service totaled \$149,352 and \$173,280 at December 31, 2014 and 2013, respectively.

In lieu of tax payments required by the City for their fiscal years ended June 30, 2014 and 2013 were \$415,000 and \$405,919, respectively. These amounts are paid in equal monthly payments. The Department also accrued the remaining contributions for the in lieu of tax payments to the City of \$207,500 and \$202,959 for the years ended December 31, 2014 and 2013, respectively. The Cooperative paid \$2,922 and \$2,652 for taxes as of December 31, 2014 and 2013, respectively.

The Cooperative has an Agency Contract with Massachusetts Municipal Wholesale Electric Company ("MMWEC") whereby MMWEC is to serve as the Cooperative's agent in all matters with respect to financing the transmission facilities and pipelines and the performance of the Cooperative's administrative obligations under what is known as the Transportation Contract. On behalf of the Cooperative, MMWEC records and accounts for bills received and paid. During the years ended December 31, 2014 and 2013, the Cooperative incurred charges related to accounting and administrative expense of \$4,356 and \$15,076, respectively. As of December 31, 2014 and 2013, the Cooperative had balances due to MMWEC of \$1,326 and \$1,297, respectively.

The Cooperative utilized legal services provided by a member of its Board of Directors. The Cooperative paid \$5,488 and \$8,741 in 2014 and 2013, respectively for those services.

### **13. COMMITMENTS AND CONTINGENCIES:**

#### **Commitments**

The Department purchases power through agreements with various public and investor owned utilities. At December 31, 2014, the Department was committed under various short and long-term agreements for the purchase of power from generating units currently operating, under construction, and planned for construction. The objective of these commitments is to obtain sufficient power at the lowest energy cost available to meet the current and long-term needs of the Department's customers.



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

### 13. COMMITMENTS AND CONTINGENCIES: (CONTINUED)

#### Commitments (continued)

The Department is a participant in certain projects of the Massachusetts Municipal Wholesale Electric Company (MMWEC), created as a means to develop a bulk power supply for its members and other utilities. MMWEC is authorized to construct, own or purchase ownership interests in, and to issue revenue bonds to finance electric facilities (Projects). MMWEC has acquired ownership interests in electric facilities operated by other entities and also owns and operates its own electric facilities. MMWEC sells all of the capability (Project Capability) of each of its Projects to its Members and other utilities (Project Participants) under Power Sales Agreements (PSAs). Among other things, the PSAs require each Project Participant to pay its pro rata share of MMWEC's costs related to the Project, which costs include debt service on the revenue bonds issued by MMWEC to finance the Project, plus 10% of MMWEC's debt service to be paid into a Reserve and Contingency Fund.

The Department has entered into PSAs and Power Purchase Agreements (PPAs) with MMWEC. Under both the PSAs and PPAs, the Department is required to make certain payments to MMWEC payable solely from Department revenues. Under the PSAs, the Department is unconditionally obligated to make all payments due to MMWEC, whether or not the Project(s) is completed or operating, and notwithstanding the suspension or interruption of the output of the Project(s).

As of December 31, 2014, total capital expenditures for MMWEC related projects amounted to \$1,616,889,000 of which approximately \$112,158,000 represents the amount attributable to the Department. MMWEC's debt outstanding for the projects included Power Supply Project Revenue Bonds totaling \$167,110,000 of which \$12,868,000 is attributable to the Department, although such amount is not allocated to the Department's statement of net position. As of December 31, 2014, MMWEC's total future debt service requirement on outstanding bonds issued for the Projects is \$152,675,000, of which \$11,325,000 is anticipated to be billed to the Department in the future.

The estimated aggregate amount of the Department's required payments to MMWEC under the PSAs and PPAs, exclusive of the Reserve and Contingency Fund billings, to MMWEC at December 31, 2014 and estimated for future years is shown below:

	<u>Annual costs</u>
For years ended December 31, 2015	\$ 5,547,000
2016	3,788,000
2017	1,463,000
2018	526,000
	<u>\$ 11,324,000</u>

In addition, under the PSAs, the Department is required to pay MMWEC its share of the Operation and Maintenance (O&M) costs of the Projects in which it participates. The Department's total O&M costs including debt service under the PSAs was \$15,945,000 for the year ended December 31, 2014.



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

### 13. COMMITMENTS AND CONTINGENCIES: (CONTINUED)

#### Commitments (continued)

Under the Hydro-Quebec support agreement, the Department provides support payments to Hydro-Quebec to cover its pro rata share of costs relating to the Phase II facilities. Support payments totaled \$135,325 and \$135,350 for the years ended December 31, 2014 and December 31, 2013, respectively. The Project agreement includes requirements that the participant make equity contributions, provide credit support and furnish certain guarantees. In addition, the Project contains a step-up-mechanism which requires participants to assume obligations of other participants who are in default, subject to certain limitations. The Department's potential liability cannot be reasonably estimated at this time.

The Department had a gas supply agreement with Hess Corporation which expired October 31, 2014. It consisted of a fixed gas price ranging from \$3.965/MMBtu to \$4.514/MMBtu for 300 to 1,500 MMBtu purchased per day from November 2011 to October 2012 and \$3.00/MMBtu to \$4.21/MMBtu for 300 to 4,000 MMBtu purchased per day from November 2012 to June 2014.

The Department has an electric supply agreement with Nextera Energy formerly FPL Energy. The agreement provides for a total of 140,256 MWH at a fixed price of \$48.65/MWH purchased over the term of the contract from January 2013 through December 2016.

The Department has a gas supply agreement with Direct Energy Business Marketing, LLC which expires October 31, 2017. It consists of a fixed gas price ranging from \$4.232/MMBtu to \$19.60/MMBtu for 500 to 1,000 MMBtu purchased per day from November 2014 to October 2017.

Effective June, 2015, the Department will begin a solar energy supply agreement with Twist Street Solar LLC. The agreement provides for an estimated total of 27,452,411 kWh at a fixed price of ranging from \$0.075/kWh to \$0.0995/kWh purchased over the term of the contract from June 1, 2015 through May 2035.

#### Workers' compensation

The Department participates in the City's self-insurance program covering workers compensation risks. Coverage for risks in excess of predetermined limits is placed with a commercial carrier. The Department is assessed and recognizes an amount equal to claims paid by the City for the Department's employees, administrative costs, and insurance premiums. The Department is responsible for administering their portion of the workers compensation program. The City only assesses the Department for insurance premiums because the Department pays all claims for their employees and has contracted with a third party to administer the plan. There was no accrued liability for self insurance costs for 2014 (\$32,351 was accrued in 2013). The amount of expense incurred for workers compensation for the years ended December 31, 2014 and 2013 was \$91,543 and \$252,440, respectively.

	<u>2014</u>	<u>2013</u>
Unpaid claims, beginning of year	\$ 56,372	\$ 20,220
Incurred claims (including IBNR's)	72,694	272,944
Claim payments	<u>(74,228)</u>	<u>(236,792)</u>
Unpaid claims, end of year	\$ <u>54,838</u>	\$ <u>56,372</u>



## CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

#### 13. COMMITMENTS AND CONTINGENCIES: (CONTINUED)

##### General liability

The Department is self insured for general liability insurance for the first \$500,000 per occurrence with a maximum of \$2,000,000 in the aggregate. There were no general liability claims paid for the year ended December 31, 2014. The Department has had no amount of settlements exceeding insurance coverage for each of the past three years.

##### Sackett Street facility

The Department's Sackett Street facility has been owned and operated by the Department since 1899 and, until 1953, was the site of a coal gasification plant. On November 21, 1991, the Massachusetts Department of Environmental Protection (MDEP) notified the Department of a potential imminent hazard associated with the former coal gasification plant site. The MDEP mandated that further testing be performed to determine if hazardous materials were present. As a result of testing, MDEP concluded that hazardous materials are present and that an imminent hazard does exist. The Department has commenced assessment action and implementation of a contingency plan as required by Chapter 21E of the Massachusetts General Laws. During 2014 and 2013, the Department incurred costs of \$74,939 and \$206,000, respectively, relating to this project.

##### Environmental matters

The Department is subject to regulation by federal, state and local authorities with respect to air and water quality, handling and disposal of toxic substances and hazardous and solid wastes, and handling and use of chemical products. The Department could incur significant additional environmental costs associated with the operation of its own system, through ownership interests in joint ventures or through long-term contractual arrangements with other electric generating and transmitting entities. The Department could also encounter significant costs to remedy the environmental effects of prior waste handling activities. The extent of future environmental cleanup costs including environmental remediation costs is not estimable due to factors such as the unknown magnitude of possible contamination, the appropriate remediation methods, the possible effects of future legislation or regulation, and the possible effects of technological changes related to future cleanup and the difficulty of determining future liability, if any, for cleanup of sites at which the Department has or may designated a potentially responsible party by the Environmental Protection Agency or other agencies. However, considering known facts, existing laws, regulatory practices, and possible insurance and rate treatment, management does not believe such matters will have a material adverse effect on the Department's financial position.

##### Litigation

The Department is also involved in various legal proceedings and litigation arising in the ordinary course of business. In the opinion of management, the outcome of such proceedings and litigation will not materially affect the Department's financial position.

##### Construction programs

The Department has budgeted construction expenditures of approximately \$5,980,250 for 2015. As of December 2014, approximately \$87,800 has been committed. The Department anticipates funding these expenditures through operations.

##### Deregulation

The Department maintains the exclusive rights to supply electricity in the City of Westfield. If the Department were to open its geographic borders and allow competition from other providers, the potential impact on the Department's revenue cannot be reasonably estimated.



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

### 14. OPERATING LEASES:

The Cooperative has a 50 year ground lease agreement with the Town of Southwick. The lease expires in 2057 with ten renewal options for five years each. The lease grants the Cooperative certain rights to use land for the purpose of constructing, installing, and operating a natural gas pipeline facility and conduits for telecommunication lines and other purposes from the Tennessee Gas Transmission Line to the Town line with the City of Westfield and further on to the point of distribution in the City of Westfield.

Lease payments are due on an annual basis per a payment schedule, which covers the initial 26 years. For the remainder of the lease, the annual lease payments are adjusted based on the Consumer Price Index.

Future minimum commitments due are as follows at December 31:

2015	\$	16,885
2016		17,729
2017		18,616
2018		19,547
2019		20,524
2020-2057		<u>1,802,627</u>
	\$	<u>1,895,928</u>

Lease expense was \$16,081 and \$15,315 for the years ended December 31, 2014 and 2013, respectively.

The Department leases various office and transportation equipment under non-cancelable operating leases with monthly payments ranging from \$236 to \$7,603 due through May 2017. Rent expense totaled approximately \$164,000 and \$72,000 for the years ended December 31, 2014 and 2013, respectively.

The following is a schedule of future minimum lease payments required under operating lease at December 31:

2015	\$	163,093
2016		121,166
2017		<u>7,288</u>
Total	\$	<u>291,547</u>

### 15. COLLECTIVE BARGAINING AGREEMENTS:

The entire work force of the Department is covered by two collective bargaining agreements. One of these agreements, the Management Guild, covers approximately 29% of the work force and expired on February 28, 2014, but remains in effect from year to year thereafter until a successor agreement is signed. The other contract with L.B.E.W. covers the remaining 71% of the work force and expires on March 31, 2016.

### 16. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through May 6, 2015, the date on which the consolidated financial statements were available to be issued.



## **SUPPLEMENTARY INFORMATION**



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**CONSOLIDATING STATEMENT OF NET POSITION  
DECEMBER 31, 2014**

**ASSETS**

	<u>WG&amp;E</u>	<u>Cooperative</u>	<u>Eliminations</u>	<u>Total</u>
<b>Current assets</b>				
Cash	11,077,125	\$ 512,557	\$ -	\$ 11,589,682
Accounts receivable, less reserve of \$751,373	4,485,214	16,750	(79,915)	4,422,049
Inventory - materials and supplies	2,187,009	-	-	2,187,009
Prepaid expenses	-	59,364	-	59,364
Total current assets	<u>17,749,348</u>	<u>588,671</u>	<u>(79,915)</u>	<u>18,258,104</u>
<b>Restricted and designated assets</b>				
Cash in escrow	-	665,978	-	665,978
Cash for rate stabilization	4,229,872	-	-	4,229,872
MMWEC Reserve Trust	24,290,609	-	-	24,290,609
Deferred charges	2,839,854	-	-	2,839,854
Total restricted and designated assets	<u>31,360,335</u>	<u>665,978</u>	<u>-</u>	<u>32,026,313</u>
<b>Noncurrent assets</b>				
Regulatory asset, net	707,661	-	-	707,661
Other investments	299,750	-	-	299,750
Deferred charges	126,941	-	-	126,941
Deferred debt service costs	28,512	-	-	28,512
Note receivable - Southwest Cooperative	5,932,361	-	(5,932,361)	-
Total noncurrent assets	<u>7,095,225</u>	<u>-</u>	<u>(5,932,361)</u>	<u>1,162,864</u>
<b>Plant investment</b>				
Land	559,305	449,586	-	1,008,891
Electric	72,094,901	-	-	72,094,901
Gas	50,297,042	5,652,313	-	55,949,355
	122,951,248	6,101,899	-	129,053,147
Less: accumulated depreciation	(51,177,101)	(899,074)	-	(52,076,175)
Total plant investment, net	<u>71,774,147</u>	<u>5,202,825</u>	<u>-</u>	<u>76,976,972</u>
<b>Total assets</b>	<u>\$127,979,055</u>	<u>\$ 6,457,474</u>	<u>\$ (6,012,276)</u>	<u>\$128,424,253</u>



**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

	<u>WG&amp;E</u>	<u>Cooperative</u>	<u>Eliminations</u>	<u>Total</u>
<b>Current liabilities</b>				
Accounts payable	\$ 6,667,070	\$ 23,259	\$ (35,402)	\$ 6,654,927
Accrued expenses	399,425	44,513	(44,513)	399,425
Payable to municipality	207,500	-	-	207,500
Current portion of general obligation bonds	877,467	-	-	877,467
Current portion of accrued compensated absences	<u>308,348</u>	<u>-</u>	<u>-</u>	<u>308,348</u>
Total current liabilities	<u>8,459,810</u>	<u>67,772</u>	<u>(79,915)</u>	<u>8,447,667</u>
<b>Noncurrent liabilities</b>				
General obligation bonds	10,974,739	-	-	10,974,739
Accrued compensated absences	2,670,912	-	-	2,670,912
Other post-employment benefit obligation	6,634,688	-	-	6,634,688
Note payable - Westfield Gas and Electric Light Department	<u>-</u>	<u>5,932,361</u>	<u>(5,932,361)</u>	<u>-</u>
Total noncurrent liabilities	<u>20,280,339</u>	<u>5,932,361</u>	<u>(5,932,361)</u>	<u>20,280,339</u>
<b>Total liabilities</b>	<u>28,740,149</u>	<u>6,000,133</u>	<u>(6,012,276)</u>	<u>28,728,006</u>
<b>Deferred inflows of resources</b>				
Reserve for rate stabilization	36,576,769	-	-	36,576,769
Reserve for energy conservation	<u>536,128</u>	<u>-</u>	<u>-</u>	<u>536,128</u>
Total deferred inflows of resources	<u>37,112,897</u>	<u>-</u>	<u>-</u>	<u>37,112,897</u>
<b>Net position</b>				
Net investment in capital assets	59,950,453	(729,536)	5,932,361	65,153,278
Restricted				
Escrow	-	665,978	-	665,978
Unrestricted	<u>2,175,556</u>	<u>520,899</u>	<u>(5,932,361)</u>	<u>(3,235,906)</u>
Total net position	<u>62,126,009</u>	<u>457,341</u>	<u>-</u>	<u>62,583,350</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 127,979,055</u>	<u>\$ 6,457,474</u>	<u>\$ (6,012,276)</u>	<u>\$ 128,424,253</u>



**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**CONSOLIDATING STATEMENT OF NET POSITION  
DECEMBER 31, 2013**

	<b>ASSETS</b>			
	<b>WG&amp;E</b>	<b>Cooperative</b>	<b>Eliminations</b>	<b>Total</b>
<b>Current assets</b>				
Cash	\$ 7,607,240	\$ 388,040	\$ -	\$ 7,995,280
Accounts receivable, less reserve of \$668,000	4,865,544	67,000	(105,165)	4,827,379
Inventory - materials and supplies	2,020,809	-	-	2,020,809
Prepaid expenses	<u>61,085</u>	<u>58,356</u>	<u>-</u>	<u>119,441</u>
Total current assets	<u>14,554,678</u>	<u>513,396</u>	<u>(105,165)</u>	<u>14,962,909</u>
<b>Restricted and designated assets</b>				
Cash in escrow	-	681,385	-	681,385
Cash for rate stabilization	4,487,485	-	-	4,487,485
Cash for BAN/bonds	85,506	-	-	85,506
MMWEC Reserve Trust	23,368,735	-	-	23,368,735
Deferred charges	<u>2,826,897</u>	<u>-</u>	<u>-</u>	<u>2,826,897</u>
Total restricted and designated assets	<u>30,768,623</u>	<u>681,385</u>	<u>-</u>	<u>31,450,008</u>
<b>Noncurrent assets</b>				
Regulatory asset, net	744,906	-	-	744,906
Other investments	299,750	-	-	299,750
Deferred charges	52,540	-	-	52,540
Deferred debt service costs	30,446	-	-	30,446
Note receivable - Southwest Cooperative	<u>5,932,361</u>	<u>-</u>	<u>(5,932,361)</u>	<u>-</u>
Total noncurrent assets	<u>7,060,003</u>	<u>-</u>	<u>(5,932,361)</u>	<u>1,127,642</u>
<b>Plant investment</b>				
Land	559,305	449,586	-	1,008,891
Electric	70,763,602	-	-	70,763,602
Gas	<u>48,715,491</u>	<u>5,652,313</u>	<u>-</u>	<u>54,367,804</u>
	120,038,398	6,101,899	-	126,140,297
Less: accumulated depreciation	<u>(48,931,370)</u>	<u>(742,374)</u>	<u>-</u>	<u>(49,673,744)</u>
Total plant investment, net	<u>71,107,028</u>	<u>5,359,525</u>	<u>-</u>	<u>76,466,553</u>
<b>Total assets</b>	<u>\$ 123,490,332</u>	<u>\$ 6,554,306</u>	<u>\$ (6,037,526)</u>	<u>\$ 124,007,112</u>



**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

	<u>WG&amp;E</u>	<u>Cooperative</u>	<u>Eliminations</u>	<u>Total</u>
<b>Current liabilities</b>				
Accounts payable	\$ 6,489,596	\$ 22,503	\$ (87,625)	\$ 6,424,474
Accrued expenses	430,987	17,540	(17,540)	430,987
Payable to municipality	202,959	-	-	202,959
Current portion of general obligation bonds	626,163	-	-	626,163
Current portion of accrued compensated absences	315,742	-	-	315,742
Total current liabilities	<u>8,065,447</u>	<u>40,043</u>	<u>(105,165)</u>	<u>8,000,325</u>
<b>Noncurrent liabilities</b>				
General obligation bonds	11,368,257	-	-	11,368,257
Accrued compensated absences	2,615,112	-	-	2,615,112
Other post-employment benefit obligation	6,690,395	-	-	6,690,395
Note payable - Westfield Gas and Electric Light Department	-	5,932,361	(5,932,361)	-
Total noncurrent liabilities	<u>20,673,764</u>	<u>5,932,361</u>	<u>(5,932,361)</u>	<u>20,673,764</u>
<b>Total liabilities</b>	<u>28,739,211</u>	<u>5,972,404</u>	<u>(6,037,526)</u>	<u>28,674,089</u>
<b>Deferred inflows of resources</b>				
Reserve for rate stabilization	35,706,971	-	-	35,706,971
Reserve for energy conservation	640,934	-	-	640,934
Total deferred inflows of resources	<u>36,347,905</u>	<u>-</u>	<u>-</u>	<u>36,347,905</u>
<b>Net position</b>				
Net investment in capital assets	59,143,054	(572,836)	5,932,361	64,502,579
Restricted				
Escrow	-	681,385	-	681,385
BAN/bonds	85,506	-	-	85,506
Unrestricted	(825,344)	473,353	(5,932,361)	(6,284,352)
Total net position	<u>58,403,216</u>	<u>581,902</u>	<u>-</u>	<u>58,985,118</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 123,490,332</u>	<u>\$ 6,554,306</u>	<u>\$ (6,037,526)</u>	<u>\$ 124,007,112</u>



# CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT

## CONSOLIDATING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2014

	WG&E		Cooperative	Eliminations	Total
	Gas	Electric			
<b>Operating revenues</b>					
Residential	\$ 10,555,578	\$ 18,102,043	\$ -	\$ -	\$ 28,657,621
Commercial	8,931,971	15,447,372	201,000	(201,000)	24,379,343
Industrial	3,780,560	14,353,486	-	-	18,134,046
Municipal	449,216	2,277,312	-	-	2,726,528
Off-street lighting	-	144,391	-	-	144,391
Service income and finance charges	39,193	26,129	-	-	65,322
Rate stabilization fund transfers	(119,505)	(750,293)	-	-	(869,798)
Total operating revenues	<u>23,637,013</u>	<u>49,600,440</u>	<u>201,000</u>	<u>(201,000)</u>	<u>73,237,453</u>
<b>Operating expenses</b>					
Purchase power and gas	16,791,813	32,949,920	-	(201,000)	49,540,733
Distribution expenses	1,036,652	2,448,370	-	-	3,485,022
Maintenance	1,065,991	2,545,349	-	-	3,611,340
General and administrative	1,474,636	5,679,071	122,148	(18,652)	7,257,203
Pension and benefits	865,085	2,249,680	-	-	3,114,765
Environmental response expense	74,939	-	-	-	74,939
Depreciation and amortization	1,498,710	2,122,908	156,700	-	3,778,318
Total operating expenses	<u>22,807,826</u>	<u>47,995,298</u>	<u>278,848</u>	<u>(219,652)</u>	<u>70,862,320</u>
<b>Operating income</b>	<u>829,187</u>	<u>1,605,142</u>	<u>(77,848)</u>	<u>18,652</u>	<u>2,375,133</u>
<b>Non-operating revenues (expenses)</b>					
Miscellaneous income	99,137	197,970	-	(18,652)	278,455
Telecommunication income	35,320	462,536	-	-	497,856
Investment income	33,082	268,305	722	(44,513)	257,596
Interest expense	(123,217)	(346,147)	(44,513)	44,513	(469,364)
Total non-operating revenue (expense), net	<u>44,322</u>	<u>582,664</u>	<u>(43,791)</u>	<u>(18,652)</u>	<u>564,543</u>
<b>Income before transfers and contributions</b>	<u>\$ 873,509</u>	<u>\$ 2,187,806</u>	<u>\$ (121,639)</u>	<u>\$ -</u>	<u>2,939,676</u>
<b>Transfers out - in lieu of tax payments to City</b>					(417,922)
<b>Contributions in aid of construction</b>					<u>1,076,478</u>
<b>Change in net position</b>					3,598,232
<b>Net position, beginning of year</b>					<u>58,985,118</u>
<b>Net position, end of year</b>					<u>\$ 62,583,350</u>

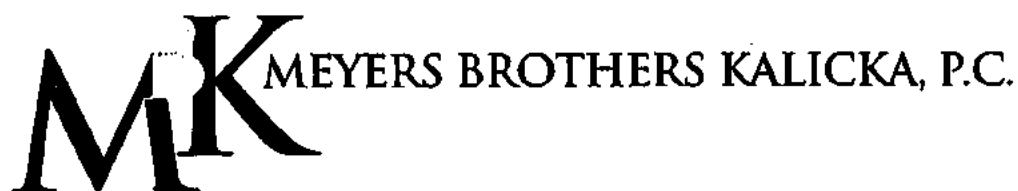


**CITY OF WESTFIELD GAS AND ELECTRIC LIGHT DEPARTMENT**

**CONSOLIDATING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<b>WG&amp;E</b>				
	<b>Gas</b>	<b>Electric</b>	<b>Cooperative</b>	<b>Eliminations</b>	<b>Total</b>
<b>Operating revenues</b>					
Residential	\$ 8,210,817	\$17,517,456	\$ -	\$ -	\$25,728,273
Commercial	5,419,754	14,095,419	417,381	(417,381)	19,515,173
Industrial	4,253,053	14,428,574	-	-	18,681,627
Municipal	248,328	2,084,199	-	-	2,332,527
Off-street lighting	-	146,841	-	-	146,841
Service income and finance charges	32,636	21,757	-	-	54,393
Rate stabilization fund transfers	<u>629,128</u>	<u>(1,087,560)</u>	<u>-</u>	<u>-</u>	<u>(458,432)</u>
Total operating revenues	<u>18,793,716</u>	<u>47,206,686</u>	<u>417,381</u>	<u>(417,381)</u>	<u>66,000,402</u>
<b>Operating expenses</b>					
Purchase power and gas	12,213,521	32,543,237	-	(417,381)	44,339,377
Distribution expenses	1,225,614	1,977,815	-	-	3,203,429
Maintenance	871,721	2,148,275	-	-	3,019,996
General and administrative	1,536,957	5,420,256	135,266	(20,625)	7,071,854
Pension and benefits	657,958	1,757,321	-	-	2,415,279
Environmental response expense	206,618	-	-	-	206,618
Depreciation and amortization	<u>1,436,629</u>	<u>2,035,088</u>	<u>156,700</u>	<u>-</u>	<u>3,628,417</u>
Total operating expenses	<u>18,149,018</u>	<u>45,881,992</u>	<u>291,966</u>	<u>(438,006)</u>	<u>63,884,970</u>
<b>Operating income</b>	<u>644,698</u>	<u>1,324,694</u>	<u>125,415</u>	<u>20,625</u>	<u>2,115,432</u>
<b>Non-operating revenues (expenses)</b>					
Miscellaneous income	136,607	357,745	-	(20,625)	473,727
Telecommunication income	188,034	964,713	-	-	1,152,747
Investment income	25,461	58,030	763	(35,916)	48,338
Interest expense	<u>(127,888)</u>	<u>(253,950)</u>	<u>(35,916)</u>	<u>35,916</u>	<u>(381,838)</u>
Total non-operating revenue (expense), net	<u>222,214</u>	<u>1,126,538</u>	<u>(35,153)</u>	<u>(20,625)</u>	<u>1,292,974</u>
<b>Income before transfers and contributions</b>	<u>\$ 866,912</u>	<u>\$ 2,451,232</u>	<u>\$ 90,262</u>	<u>\$ -</u>	<u>3,408,406</u>
<b>Transfers out - in lieu of tax payments to City</b>					(408,571)
<b>Transfers of other post-employment     benefit obligations from the City</b>					(6,690,395)
<b>Contributions in aid of construction</b>					<u>47,292</u>
<b>Change in net position</b>					(3,643,268)
<b>Net position, beginning of year</b>					<u>62,628,386</u>
<b>Net position, end of year</b>					<u>\$58,985,118</u>





**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Municipal Light Board and Manager of the  
City of Westfield Gas and Electric Light Department

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of the City of Westfield Gas and Electric Light Department (the "Department") and the Southwest Cooperative (the "Cooperative"), which comprise the proprietary fund consolidated statement of net position as of December 31, 2014, and the related proprietary fund consolidated statements of revenues, expenses and changes in net position, and cash flows for the year then ended, the fiduciary fund statement of fiduciary net position as of December 31, 2014 and statement of changes in fiduciary net position for the year ended and the related notes to the consolidated financial statements, and have issued our report thereon dated May 6, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Department and the Cooperative's internal controls over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department and the Cooperative's internal controls. Accordingly, we do not express an opinion on the effectiveness of the Department and the Cooperative's internal controls.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Department and the Cooperative's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that may have not been identified.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Department and the Cooperative's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Department in a separate letter dated May 6, 2015.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Department and the Cooperative's internal controls or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department and the Cooperative's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

*Myers Brothers Holistic P.C.*

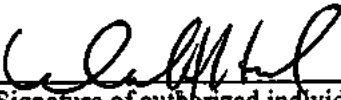
Holyoke, Massachusetts  
May 6, 2015



**Exhibit A**  
**Certification and Signature Page**

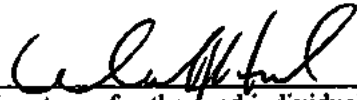
Must be completed and submitted with proposal.

The Undersigned proposing Vendor submits this Proposal to deliver a Broadband Network Service to the Towns of Monterey, Sandisfield, and Tolland.

  
\_\_\_\_\_  
Signature of authorized individual submitting proposal  
Date:  
Name of business:


**Certificate of Non-Collusion**

The undersigned certifies under penalties of perjury that this proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.

  
\_\_\_\_\_  
Signature of authorized individual submitting proposal  
Date:  
Name of business:

**Tax Compliance Certification**

Pursuant to M.G.L. c. 62C, §49A, I certify under the penalties of perjury that, to the best of my knowledge and belief, I am in compliance with all laws of the Commonwealth of Massachusetts relating to taxes, reporting of employees and contractors, and withholding and remitting child support.

  
\_\_\_\_\_  
Signature of authorized individual submitting proposal  
Date  
Name of business




Willie Morales  
Town Administrator, CPO  
Town of Sandisfield,  
66 Sandisfield Rd.,  
Sandisfield MA, 01255


March 1<sup>st</sup>, 2017


We the members of the four town High Speed Internet Services Procurement RFP evaluation committee, in accordance with M.G.L Ch. 30B § 6 (E), have completed an evaluation of proposals on the basis of criteria other than price. Based on a standardized scoring metric described within our RFP, we have identified Frontier as the proposer whose offer is the most advantageous and responsive from those received with a composite adjective rating of 75.6. Given our process and findings, we recommend that all price proposals now be reviewed by the chief procurement officer, and that the information provided herein be weighed in conjunction with the price proposal in the awarding of a contract for this project.

Respectfully Submitted,


RFP Evaluation Committee

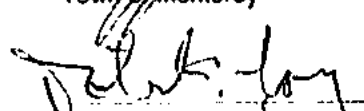
  
Town of Monterey

  
Town of New Marlborough

  
Town of Sandisfield

  
Town of Tolland

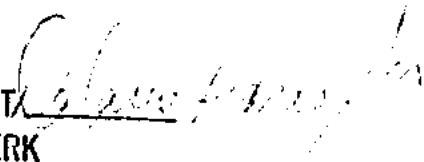
  
Town of Monterey

  
Town of New Marlborough

  
Town of Sandisfield

  
Town of Tolland

A TRUE COPY ATTEST  
TOWN CLERK





RECEIVED  
FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
WASHINGTON, D. C.

TO THE DIRECTOR, FBI  
FROM THE SAC, NEW YORK  
SUBJECT: [Illegible]  
[Illegible text follows]

[Illegible signature]

[Illegible signature]

[Illegible signature]

[Illegible signature]





Vendor Name: Frontier  
 Reviewer: \_\_\_\_\_

	Highly Advantageous (10 pts.)	Advantageous (7 pts.)	Not Advantageous (3 pts.)	Not Acceptable (0 pts.)	Weighting Factor	Score (pts. X WF)
5.2.1.1 Service Tiers					1.5	
5.2.1.2 Service Bandwidth					1.5	
5.2.1.3 Customer Satisfaction					1.0	
5.2.1.4 Service Availability					1.5	
5.2.2.1 Commencement of Service					1.0	
5.2.2.2 Connection Coverage Area					1.0	
5.2.2.3 Subscriber Equipment					1.0	
5.2.2.4 Service For Future Premises					1.0	
5.2.3.1 Service Options and Rates					1.5	
5.2.3.2 Value Enhancements					1.0	

TOTAL SCORE

**Composite Adjective Ratings:**

Highly Advantageous	103-120 pts.
Advantageous	61-102 pts.
Not Advantageous	19-60 pts.
Unacceptable	0-18 pts.

Vendor Composite Adjective Rating: \_\_\_\_\_

Monterey	73.5
New Marlborough	73.5
Sandisfield	76.5
Tolland	79
	<hr/>
	75.625



Vendor Name: Frontier

Reviewer: Michael Smith

*Classification over*

	Highly Advantageous (10 pts.)	Advantageous (7 pts.)	Not Advantageous (3 pts.)	Not Acceptable (0 pts.)	Weighting Factor	Score (pts. X WF)
5.2.1.1 Service Tiers		✓	✓		1.5	15 - 10.5 = 7.5
5.2.1.2 Service Bandwidth		✓	✓		1.5	10.5
5.2.1.3 Customer Satisfaction			✓	✓	1.0	0
5.2.1.4 Service Availability		✓			1.5	10.5
5.2.2.1 Commencement of Service			✓		1.0	3
5.2.2.2 Connection Coverage Area	✓	✓			1.0	7
5.2.2.3 Subscriber Equipment	✓	✓			1.0	7
5.2.2.4 Service For future Premises	✓				1.0	10
5.2.3.1 Service Options and Rates	✓		✓		1.5	15
5.2.3.2 Value Enhancements			✓		1.0	3

TOTAL SCORE

73.5

**Composite Adjective Ratings:**

Highly Advantageous 101-120 pts.  
 Advantageous 61-102 pts.  
 Not Advantageous 19-60 pts.  
 Unacceptable 0-18 pts.

Vendor Composite Adjective Rating:

73



Vendor Name: Ferriter Communications  
 Reviewer: New Rochelle

	Highly Advantageous (10 pts.)	Advantageous (7 pts.)	Not Advantageous (3 pts.)	Not Acceptable (0 pts.)	Weighting Factor	Score (pts. X WF)
5.2.1.1 Service Tiers		✓	✗		1.5	10.5
5.2.1.2 Service Bandwidth		✓	✗		1.5	10.5
5.2.1.3 Customer Satisfaction				✓	1.0	0
5.2.1.4 Service Availability		✓			1.5	10.5
5.2.2.1 Commencement of Service			✓		1.0	3
5.2.2.2 Connection Coverage Area		✓			1.0	7
5.2.2.3 Subscriber Equipment	✓				1.0	10
5.2.2.4 Service For Future Premises		✓			1.0	7
5.2.3.1 Service Options and Rates	✓				1.5	15
5.2.3.2 Value Enhancements		✗	✓		1.0	3

TOTAL SCORE 68.5 73.5

Composite Adjective Ratings:

Highly Advantageous 103-120 pts.  
 Advantageous 61-102 pts.  
 Not Advantageous 19-60 pts.  
 Unacceptable 0-18 pts.

Vendor Composite Adjective Rating: Advantageous

Minimum Quals

4.1/5.1.1 Okay  
 4.2/5.1.2 Okay  
 4.3/5.1.3 Okay  
 -/5.1.4 Okay

Meet minimum qual.

\* Cut + grade work in RFP, otherwise would be Advantageous. Preferred rating is Advantageous if considered a desired work.



Vendor Name: Frontier  
 Reviewer: Sandistfield

*Thank you for my  
 clarification @ Interview  
 error on RFP - cur 14  
 5 & 7*

	Highly Advantageous (10 pts.)	Advantageous (7 pts.)	Not Advantageous (3 pts.)	Not Acceptable (0 pts.)	Weighting Factor	Score (pts. X WF)
S.2.1.1 Service Tiers		7	0		1.5	10.5
S.2.1.2 Service Bandwidth		7			1.5	10.5
S.2.1.3 Customer Satisfaction <i>64</i>				0	1.0	0
S.2.1.4 Service Availability		7			1.5	10.5
S.2.2.1 Commencement of Service		7	3		1.0	8
S.2.2.2 Connection Coverage Area		7			1.0	7
S.2.2.3 Subscriber Equipment	10				1.0	10
S.2.2.4 Service For Future Premises		7			1.0	7
S.2.3.1 Service Options and Rates	10				1.5	15
S.2.3.2 Value Enhancements			3		1.0	3

*\* Rating is  
 on old info.  
 No current  
 info*  
*→ All Lit up  
 on 3 yrs.*

TOTAL SCORE 100.5  
 76.5

**Composite Adjective Ratings:**

Highly Advantageous 103-120 pts.  
 Advantageous 61-102 pts. ✓  
 Not Advantageous 19-60 pts.  
 Unacceptable 0-18 pts.

• All minimum qualifications  
 MET

Vendor Composite Adjective Rating: ADVANTAGEOUS

*Teff Byc  
 Anna Boyd*



Vendor Name: FRONTIER COMM  
 Reviewer: TOLLAND

	Highly Advantageous (10 pts.)	Advantageous (7 pts.)	Not Advantageous (3 pts.)	Not Acceptable (0 pts.)	Weighting Factor	Score (pts. X WF)
5.2.1.1 Service Tiers		✓			1.5	10.5
5.2.1.2 Service Bandwidth		✓			1.5	10.5
5.2.1.3 Customer Satisfaction				✓	1.0	0
5.2.1.4 Service Availability		✓			1.5	10.5
5.2.2.1 Commencement of Service		✓			1.0	10.0 AND 7
5.2.2.2 Connection Coverage Area	✓				1.0	10
5.2.2.3 Subscriber Equipment	✓				1.0	10
5.2.2.4 Service For Future Premises		✓			1.0	7
5.2.3.1 Service Options and Rates	✓				1.5	10.5
5.2.3.2 Value Enhancements			✓		1.0	3

TOTAL SCORE 79

Composite Adjective Ratings:

Highly Advantageous 103-120 pts  
 Advantageous 61-102 pts  
 Not Advantageous 19-60 pts  
 Unacceptable 0-18 pts

Vendor Composite Adjective Rating: Advantageous

*All minimum qualifications are met.*

*[Signature]*  
 Ken P. Donovan



2.2, paragraph 3 requires tower to acquire interest in the network by owning poles + poles licenses

**Vender Name:**

**Reviewer:**

	Highly Advantageous (10 pts.)	Advantageous (7 pts.)	Not Advantageous (3 pts.)	Not Acceptable (0 pts.)	Weighting Factor	Score (pts. X WF)
5.2.1.1 Service Tiers		7			1.5	10.5
5.2.1.2 Service Bandwidth					1.5	
5.2.1.3 Customer Satisfaction					1.0	
5.2.1.4 Service Availability					1.5	
5.2.2.1 Commencement of Service					1.0	
5.2.2.2 Connection Coverage Area					1.0	
5.2.2.3 Subscriber Equipment					1.0	
5.2.2.4 Service For Future Premises					1.0	
5.2.3.1 Service Options and Rates					1.5	
5.2.3.2 Value Enhancements					1.0	

**TOTAL SCORE**

Highly Advantageous	103-120 pts.
Advantageous	61-102 pts.
Not Advantageous	29-60 pts.
Unacceptable	0-18 pts.

**Vendor Composite Adjective Rating:**

preliminary Regts

4.0 ✓ ok

4.1 ✓ OK

4.0 ✓ OK  
4.1 ✓ OK  
X 4.2 DO NOT MEET, <sup>requires town to do make ready & pole licenses</sup> ~~provide alt plan~~ ~~PER 5.8~~  
X 4.3 DO NOT HAVE OPERATING HISTORY OF 1000 SUBSCRIBERS

3-7-2012

1/10/17  
3-7-2017



Vendor Name: Mitsune  
 Reviewer: N. W. [unclear]

	Highly Advantageous (10 pts.)	Advantageous (7 pts.)	Not Advantageous (5) (3 pts.)	Not Acceptable (0 pts.)	Weighting Factor	Score (pts. X WF)
5.2.1.1 Service Tiers		✓ *	✓ ✗		1.5	7.5
5.2.1.2 Service Bandwidth				✓	1.5	0
5.2.1.3 Customer Satisfaction				✓	1.0	0
5.2.1.4 Service Availability				✓ * ✗	1.5	0
5.2.2.1 Commencement of Service			✓ <sup>1st</sup> <sub>2nd</sub>		1.0	3
5.2.2.2 Connection Coverage Area			✓		1.0	3
5.2.2.3 Subscriber Equipment				✓	1.0	0
5.2.2.4 Service For Future Premises	✓				1.0	10
5.2.3.1 Service Options and Rates			✓		1.5	3
5.2.3.2 Value Enhancements				0	1.0	0

TOTAL SCORE 16.5

Composite Adjective Ratings:

Highly Advantageous 103-120 pts.  
 Advantageous 61-102 pts.  
 Not Advantageous 19-60 pts.  
 Unacceptable 0-18 pts.

\* Secure subgrants - 50 average  
 at Yr 2  
 \* Entry from Making providers  
 perspective identified at this, but  
 no actual evidence.

Vendor Composite Adjective Rating: Unacceptable

Minimum Qualifications

- 4.0 okay
- 4.1 okay
- 4.2 Non-responsive, so no
- 4.3 No. They explicitly say they don't have  
 1000 customers in response to 5.8.

This Vendor is offering an alternative plan (different business model)  
 that doesn't meet original intent of an RFP. The final RFP  
 removed Section 5.8 as not meeting 306, so was eliminated.



4.0 OK  
 4.1 OK  
 4.2 X  
 4.3 X  
 \* NOT ACCEPTABLE  
 NOT ACCEPTABLE  
 DISQUALIFIED

Vendor Name: MATRIX  
 Reviewer: ANTHONY

	Highly Advantageous (10 pts.)	Advantageous (7 pts.)	Not Advantageous (3 pts.)	Not Acceptable (0 pts.)	Weighting Factor	Score (pts. X WF)
5.2.1.1 Service Tiers		✓		✓	1.5	7
5.2.1.2 Service Bandwidth		✓			1.5	0
5.2.1.3 Customer Satisfaction		✓		○	1.0	0
5.2.1.4 Service Availability		✓			1.5	7
5.2.2.1 Commencement of Service	✓				1.0	10
5.2.2.2 Connection Coverage Area	✓				1.0	10
5.2.2.3 Subscriber Equipment	✓				1.0	10
5.2.2.4 Service For Future Premises		✓			1.0	7
5.2.3.1 Service Options and Rates		✓			1.5	7
5.2.3.2 Value Enhancements		✓			1.0	7

TOTAL SCORE  

**Composite Adjective Ratings:**  
 Highly Advantageous 103-120 pts.  
 Advantageous 61-102 pts.  
 Not Advantageous 19-60 pts.  
 Unacceptable 0-18 pts.

65

Vendor Composite Adjective Rating: \_\_\_\_\_



Vendor Name: MATRIX  
 Reviewer: SANDISFIELD

	Highly Advantageous (10 pts.)	Advantageous (7 pts.)	Not Advantageous (3 pts.)	Not Acceptable (0 pts.)	Weighting Factor	Score (pts. X WF)
5.2.1.1 Service Tiers		7			1.5	
5.2.1.2 Service Bandwidth				0	1.5	DISQUALIFIED
5.2.1.3 Customer Satisfaction				0	1.0	
5.2.1.4 Service Availability					1.5	
5.2.2.1 Commencement of Service					1.0	
5.2.2.2 Connection Coverage Area					1.0	
5.2.2.3 Subscriber Equipment					1.0	
5.2.2.4 Service For Future Premises					1.0	
5.2.3.1 Service Options and Rates					1.5	
5.2.3.2 Value Enhancements					1.0	

TOTAL SCORE

Composite Adjective Ratings:

Highly Advantageous	103-120 pts.
Advantageous	81-102 pts.
Not Advantageous	19-60 pts.
Unacceptable	0-16 pts.

Vendor Composite Adjective Rating:

Unresponsive

2.2 - PAR. 3.  
MINIMUM QUALIFICATIONS

4.2 - DID NOT MEET

4.3 - DID NOT MEET

NOTES

• NOT BUILDING ENTIRE  
 SYSTEM

Alice Boyd  
 Jeff Bye



**Exhibit C.4**  
**Price Proposal Form – New Marlborough**

The undersigned Vendor submits the following as its Price Proposal to the MLP for the Town of New Marlborough Broadband Network Service Procurement: This price proposal as stated in the RFP response is only valid if all 4 towns as part of the RFP execute contracts with Frontier and such contracts reflect the terms and conditions identified by the parties including those identified by Frontier in the main body of Frontier's response.

1. A lump sum price of \$920,000 due at commencement of construction and \$6,026,400 Dollars payable when the network is complete, or alternatively, at the Town's election,
2. A one-time non-recurring charge of \$920,000 due at commencement of construction and Monthly payments in the amount of \$30 to be made each month over the term of the contract, for all units in the town regardless of whether service is requested or not. The payments are to be paid to Frontier monthly for a period of 15 years. The monthly payment required is \$33,480.

The price quoted assumes all Town premises can be connected, with the exception of the special areas identified in the RFP, which as noted require further discussion and assessment. The number of premises used in the development of this proposal is 1116 and can only be adjusted upward over the life of the contract, which require an additional \$30 per month per additional location for the remaining months of the 15 year term when added.

Acknowledged and Agreed:



---

Kevin Smith  
Vice President, Business Development  
Frontier Communications  
February 23, 2017



**Exhibit C.1**  
**Price Proposal Form - Monterey**

The undersigned Vendor submits the following as its Price Proposal to the MLP for the Town of Monterey Broadband Network Service Procurement: This price proposal as stated in the RFP response is only valid if all 4 towns as part of the RFP execute contracts with Frontier and such contracts reflect the terms and conditions identified by the parties including those identified by Frontier in the main body of Frontier's response.

1. A lump sum price of \$680,000 due at commencement of construction and \$4,654,800 Dollars payable when the network is complete, or alternatively, at the Town's election,
2. A one-time non-recurring charge of \$680,000 due at commencement of construction and Monthly payments in the amount of \$30 to be made each month over the term of the contract, for all units in the town regardless of whether service is requested or not. The payments are to be paid to Frontier monthly for a period of 15 years. The monthly payment required is \$25,860.

The price quoted assumes all Town premises can be connected, with the exception of the special areas identified in the RFP, which as noted require further discussion and assessment. The number of premises used in the development of this proposal is 862 and can only be adjusted upward over the life of the contract, which require an additional \$30 per month per additional location for the remaining months of the 15 year term when added.

This proposal does not cover services identified in the Frontier RFP response identified for Monterey in response 5.3.5 (Special Town Areas to Assess)

Acknowledged and Agreed:



---

Kevin Smith  
Vice President, Business Development  
Frontier Communications  
February 23, 2017



**Exhibit C.2**  
**Price Proposal Form - Sandisfield**

The undersigned Vendor submits the following as its Price Proposal to the MLP for the Town of Sandisfield Broadband Network Service Procurement: This price proposal as stated in the RFP response is only valid if all 4 towns as part of the RFP execute contracts with Frontier and such contracts reflect the terms and conditions identified by the parties including those identified by Frontier in the main body of Frontier's response.

1. A lump sum price of \$620,000 due at commencement of construction and \$3,672,000 Dollars payable when the network is complete, or alternatively, at the Town's election,
2. A one-time non-recurring charge of \$620,000 due at commencement of construction and Monthly payments in the amount of \$30 to be made each month over the term of the contract, for all units in the town regardless of whether service is requested or not. The payments are to be paid to Frontier monthly for a period of 15 years. The monthly payment required is \$20,400.

The price quoted assumes all Town premises can be connected, with the exception of the special areas identified in the RFP, which as noted require further discussion and assessment. The number of premises used in the development of this proposal is 680 and can only be adjusted upward over the life of the contract, which require an additional \$30 per month per additional location for the remaining months of the 15 year term when added.

This proposal does not cover services identified in the Frontier RFP response identified for Sandisfield in response 5.3.5 (Special Town Areas to Assess)

Acknowledged and Agreed:



---

Kevin Smith  
Vice President, Business Development  
Frontier Communications  
February 23, 2017



**Exhibit C.3**  
**Price Proposal Form - Tolland**

The undersigned Vendor submits the following as its Price Proposal to the MLP for the Town of Tolland Broadband Network Service Procurement: This price proposal as stated in the RFP response is only valid if all 4 towns as part of the RFP execute contracts with Frontier and such contracts reflect the terms and conditions identified by the parties including those identified by Frontier in the main body of Frontier's response.

1. A lump sum price of \$430,000 due at commencement of construction and \$2,646,000 Dollars payable when the network is complete, or alternatively, at the Town's election,
2. A one-time non-recurring charge of \$430,000 due at commencement of construction and Monthly payments in the amount of \$30 to be made each month over the term of the contract, for all units in the town regardless of whether service is requested or not. The payments are to be paid to Frontier monthly for a period of 15 years. The monthly payment required is \$14,700.

The price quoted assumes all Town premises can be connected, with the exception of the special areas identified in the RFP, which as noted require further discussion and assessment. The number of premises used in the development of this proposal is 490 and can only be adjusted upward over the life of the contract, which require an additional \$30 per month per additional location for the remaining months of the 15 year term when added.

This proposal does not cover services identified in the Frontier RFP response identified for Tolland in response 5.3.5 (Special Town Areas to Assess)

Acknowledged and Agreed:



---

Kevin Smith  
Vice President, Business Development  
Frontier Communications  
February 23, 2017





From Concept To Completion

# Monterey, New Marlborough, Sandisfield, and Tolland Joint MLP RFP Vendor Price Proposal

---

## Prepared For:

Town of Sandisfield  
c/o Willie Morales  
Town Administrator

By Chris Lynch

2/23/2017



## Town of Monterey Price Proposal

Matrix Design Group is pleased to provide this proposal to the Town of Monterey. This proposal is for Matrix to Design, Build and Operate a GPON FTTH (fiber to the home) Network at our own expense. The plan is designed to minimize the tax impact to the residents of Monterey.

The Town would be responsible for all aspects of the utility pole owners "Make-ready" process including but not limited to pole data survey, utility company pole applications and surety bonds, joint walk-out with utility companies, actual utility company make-ready work, and police details during make-ready. The Town would also be responsible for a place to house and power the network electronics.

**The estimated net cost to the Town of Monterey for the above would be \$291,250**

Matrix would handle the utility pole data survey and preparing and shepherding the pole attachment applications at a rate of **\$25 per pole**. Matrix would require doing this work to reduce or eliminate any potential delays. It is estimated that the Town has 1,950 utility poles.

Matrix would also handle the utility company joint walk-out at a rate of **\$13.95 per pole**.

The estimated overall cost to the Town of Monterey for utility company make-ready work based upon 1,950 poles would be **\$780,000**.

The Town would also be responsible for providing a secure area with clean power to house the network electronics. Matrix will assist the Town with specifications for any bids needed to insure a suitable space. The estimated cost to provide a suitable space for the network electronics is **\$100,000**. The costs could be much less if an area in an existing municipal building is utilized for this purpose.

Once again Matrix Design Group would Design, Build and Operate a GPON FTTH (fiber to the home) Network at OUR OWN EXPENSE. This would include the police details needed during construction.

The cost estimate breakdown for the Town of Monterey's expenses for this project would be as follows;

- \$780,000 for utility company pole attachment and make-ready process
- \$57,000 for police details during utility pole make-ready
- \$100,000 for place to house and power network electronics
- \$20,000 for legal and insurance
- \$10,000 for miscellaneous

Total of **\$967,000** minus MBI Construction grant of **\$627,000** and pole data survey grant of **\$48,750** (\$25 per pole) would leave an estimated net cost to the Town of Monterey of just **\$291,250**.



The estimated tax payer impact for the Matrix plan for Monterey based upon a 10-year note at 2.9% interest for the average of 844 homes would be an increase of just \$39.80 per year for 10-years. It should be expected that the Town of Monterey would be able to do better than the rate of 2.9% via State House Notes or other available municipal financial vehicles.

The fees for a Standard Aerial Fiber installation of FTTH service to Subscribers during a three (3) month pre-subscription period established by Matrix and agreed to by the Town or MLP shall be \$500. The fee would be broken into two payments of \$250 each. The first would be at time of signing up and the second just prior to construction. The fee includes a standard fiber drop to home, and standard ONT installation. Subscribers signing up during the pre-subscription period shall commit to a 24-month minimum term of service.

Subscribers requesting service after the three (3) month pre-subscription period or who do not wish to commit to a 24-month minimum term of service shall pay a \$1500 fee for a Standard Fiber Installation (includes fiber Drop to home, ONT and installation).

The Town or MLP would have the option to purchase the completed network for an agreed upon amount after the third year of operation. Based on the estimated 57 miles of network and 844 homes the buy-out amount should be approximately \$2,356,890. After that third anniversary the purchase price would then decrease by \$138,640 each year thereafter. After 20-years the buy-out amount would be \$10.

As far as the subscribers - there are two (2) residential service tiers:

**Standard Internet:** Up to 50 Mbps Internet connection for \$95/month.

**Enhanced Internet:** Up to 100 Mbps Internet connection for \$135/month.

Custom connections of above 100 Mbps up to 1 Gbps are priced on a case by case basis. Dedicated connections of up to 10 Gbps are also available on a custom price basis.

**Internet and VoIP:** A VoIP line will allow for unlimited local and long distance calling (lower 48 US States). The VoIP service will come with standard features including but not limited to Caller ID, Call Waiting, 3-Way Calling, etc. Cost to add a VoIP line would be \$20/month. A second VoIP line may be ordered for an additional \$20/month.

Digital voicemail services are available for \$3 per month per voicemail box. This includes the voicemail to email feature, which allows you to listen to your voicemail from your email account when you are away from your home phone.

Subscribers at time of installation may opt for a Calix GigaCenter indoor ONT with built in 802.11 AC WiFi for an additional equipment charge of \$5/month.

Pricing does not include any applicable taxes or estimated MLP fee. The MLP fee would be used to pay for the yearly pole rentals, surety bonds and miscellaneous MLP expenses. The MLP fee would be set by the MLP.





**General Subscriber Terms and Conditions:** The following are potential general Terms and Conditions of Use for Residential Broadband Service:

- Two year agreement required if customer signs up during three-month pre-subscription period.
- An adult 18 years of age or older must be present during the installation of services.
- Price applies to base monthly rate only; excludes optional services and installation charges.
- Customer will be responsible for the installation of necessary conduit if none is available.
- Payments 30 days past due will result in termination of service. A reconnection fee of \$10.00 will be charged for any service disconnected due to non-payment.
- Pets must be restrained or otherwise kept away from the installer(s) until work is complete.
- Electronic equipment is and shall remain property of Matrix.
- Failure to allow for equipment removal upon termination of services, or damaged equipment, shall result in a \$500.00 fee.
- Internet service and fees will be billed on a monthly basis.
- Except for the ONT, battery back-up unit and service drop, the Customer is responsible, at its expense, for the installation, maintenance and repair of all equipment and wiring on the Customer's premises to the point of connection, as specified by Matrix.

**Estimated Broadband MLP Fee:**

The MLP fee is used to insure the Town of Monterey would not have any out of pocket expenses after the network is built. Based upon the following yearly MLP Costs;

- \$25,350 for Utility pole rental costs
- \$4,500 for Surety Bond
- \$1,500 for accountant
- \$5,000 for legal, insurance and miscellaneous

Total \$36,350 at a 60% take rate among 844 homes would equal a Monthly Broadband MLP Fee of about \$6 per month. If the take-rate is 70% then the monthly Broadband MLP Fee could be as low as \$5.15 per subscriber.



**Exhibit C.1**  
**Price Proposal Form - Monterey**

The undersigned Vendor submits the following as its Price Proposal to the MLP for the Town of Monterey Broadband Network Service Procurement:

1. A lump sum estimated price of \$967,000 minus MBI Construction grant of \$627,000 and pole data survey grant of \$48,750 (\$25 per pole) would leave an estimated net cost to the Town of Monterey of just \$291,250. Dollars (\$291,250), or alternatively, at the Town's election,
2. Monthly payments in the amount of \$ NA to be made each month over the term of the contract, which shall not exceed 15 years. (Vendor may quote level monthly payments or stepped payments.)

The price quoted should assume all Town premises to be connected, subject to adjustment for the actual number of premises connected

**Vendor acknowledges and agrees that any grant, to be negotiated with and paid by the MBI directly to the Town of Monterey to offset Town's financial responsibilities under the proposed Matrix Plan.**

Acknowledged and Agreed:

  
\_\_\_\_\_  
Authorized Vendor Official



## **Town of New Marlborough Price Proposal**

Matrix Design Group is pleased to provide this proposal to the Town of New Marlborough. This proposal is for Matrix to Design, Build and Operate a GPON FTTH (fiber to the home) Network at our own expense. The plan is designed to minimize the tax impact to the residents of New Marlborough.

The Town would be responsible for all aspects of the utility pole owners "Make-ready" process including but not limited to pole data survey, utility company pole applications and surety bonds, joint walk-out with utility companies, actual utility company make-ready work, and police details during make-ready. The Town would also be responsible for a place to house and power the network electronics.

**The estimated net cost to the Town of Monterey for the above would be \$334,250**

Matrix would handle the utility pole data survey and preparing and shepherding the pole attachment applications at a rate of **\$25 per pole**. Matrix would require doing this work to reduce or eliminate any potential delays. It is estimated that the Town has 2,818 utility poles.

Matrix would also handle the utility company joint walk-out at a rate of **\$13.95 per pole**.

The estimated overall cost to the Town of <sup>NM</sup>Monterey for utility company make-ready work based upon 2,818 poles would be **\$1,127,200**.

The Town would also be responsible for providing a secure area with clean power to house the network electronics. Matrix will assist the Town with specifications for any bids needed to insure a suitable space. The estimated cost to provide a suitable space for the network electronics is **\$100,000**. The costs could be much less if an area in an existing municipal building is utilized for this purpose.

Once again Matrix Design Group would Design, Build and Operate a GPON FTTH (fiber to the home) Network at OUR OWN EXPENSE. This would include the police details needed during construction.

The cost estimate breakdown for the Town of New Marlborough's expenses for this project would be as follows;

- \$1,127,200 for utility company pole attachment and make-ready process
- \$88,000 for police details during utility pole make-ready
- \$100,000 for place to house and power network electronics
- \$20,000 for legal and insurance
- \$10,000 for miscellaneous

Total of \$1,345,200 minus MBI Construction grant of \$940,500 and pole data survey grant of \$70,450 (\$25 per pole) would leave an estimated net cost to the Town of New Marlborough of just **\$334,250**.





The estimated tax payer impact for the Matrix plan for New Marlborough based upon a 10-year note at 2.9% interest for the average of 844 homes would be an increase of just **\$35.50 per year for 10-years**. It should be expected that the Town of New Marlborough would be able to do better than the rate of 2.9% via State House Notes or other available municipal financial vehicles.

The fees for a Standard Aerial Fiber installation of FTTH service to Subscribers during a three (3) month pre-subscription period established by Matrix and agreed to by the Town or MLP shall be **\$500**. The fee would be broken into two payments of **\$250** each. The first would be at time of signing up and the second just prior to construction. The fee includes a standard fiber drop to home, and standard ONT installation. Subscribers signing up during the pre-subscription period shall commit to a 24-month minimum term of service.

Subscribers requesting service after the three (3) month pre-subscription period or who do not wish to commit to a 24-month minimum term of service shall pay a **\$1500** fee for a Standard Fiber Installation (includes fiber Drop to home, ONT and installation).

The Town or MLP would have the option to purchase the completed network for an agreed upon amount after the third year of operation. Based on the estimated 88 miles of network and 1,086 homes the buy-out amount should be approximately **\$3,356,609**. After that third anniversary the purchase price would then decrease by **\$197,447** each year thereafter. After 20-years the buy-out amount would be **\$10**.

As far as the subscribers - there are two (2) residential service tiers:

**Standard Internet:** Up to 50 Mbps Internet connection for **\$95/month**.

**Enhanced Internet:** Up to 100 Mbps Internet connection for **\$135/month**.

Custom connections of above 100 Mbps up to 1 Gbps are priced on a case by case basis.  
Dedicated connections of up to 10 Gbps are also available on a custom price basis.

**Internet and VoIP:** A VoIP line will allow for unlimited local and long distance calling (lower 48 US States). The VoIP service will come with standard features including but not limited to Caller ID, Call Waiting, 3-Way Calling, etc. Cost to add a VoIP line would be **\$20/month**. A second VoIP line may be ordered for an additional **\$20/month**.

Digital voicemail services are available for **\$3** per month per voicemail box. This includes the voicemail to email feature, which allows you to listen to your voicemail from your email account when you are away from your home phone.

Subscribers at time of installation may opt for a Calix GigaCenter indoor ONT with built in 802.11 AC WiFi for an additional equipment charge of **\$5/month**.





Pricing does not include any applicable taxes or estimated MLP fee. The MLP fee would be used to pay for the yearly pole rentals, surety bonds and miscellaneous MLP expenses. The MLP fee would be set by the MLP.

**General Subscriber Terms and Conditions:** The following are potential general Terms and Conditions of Use for Residential Broadband Service:

- Two year agreement required if customer signs up during three-month pre-subscription period.
- An adult 18 years of age or older must be present during the installation of services.
- Price applies to base monthly rate only; excludes optional services and installation charges.
- Customer will be responsible for the installation of necessary conduit if none is available.
- Payments 30 days past due will result in termination of service. A reconnection fee of \$10.00 will be charged for any service disconnected due to non-payment.
- Pets must be restrained or otherwise kept away from the installer(s) until work is complete.
- Electronic equipment is and shall remain property of Matrix.
- Failure to allow for equipment removal upon termination of services, or damaged equipment, shall result in a \$500.00 fee.
- Internet service and fees will be billed on a monthly basis.
- Except for the ONT, battery back-up unit and service drop, the Customer is responsible, at its expense, for the installation, maintenance and repair of all equipment and wiring on the Customer's premises to the point of connection, as specified by Matrix.

**Estimated Broadband MLP Fee:**

The MLP fee is used to insure the Town of New Marlborough would not have any out of pocket expenses after the network is built. Based upon the following yearly MLP Costs;

- \$36,634 for Utility pole rental costs
- \$9,000 for Verizon Surety Bond
- \$1,500 for accountant
- \$5,000 for legal, insurance and miscellaneous

Total \$52,134 at a 60% take rate among 1,086 homes would equal a Monthly Broadband MLP Fee of about \$6.67 per month. If the take-rate is 70% then the monthly Broadband MLP Fee could be as low as \$5.72 per subscriber.



**Exhibit C.4**  
**Price Proposal Form – New Marlborough**

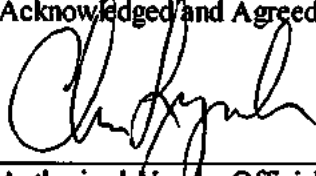
The undersigned Vendor submits the following as its Price Proposal to the MLP for the Town of New Marlborough Network Service Procurement:

1. A lump sum price of \$1,345,200 minus MBI Construction grant of \$940,500 and pole data survey grant of \$70,450 (\$25 per pole) would leave an estimated net cost to the Town of New Marlborough of just \$334,250. Dollars (\$334,250), or alternatively, at the Town's election,
2. Monthly payments in the amount of \$ NA to be made each month over the term of the contract, which shall not exceed 15 years. (Vendor may quote level monthly payments or stepped payments.)

The price quoted should assume all Town premises to be connected, subject to adjustment for the actual number of premises connected

**Vendor acknowledges and agrees that any grant, to be negotiated with and paid by the MBI directly to the Town of New Marlborough to offset Town's financial responsibilities under the proposed Matrix Plan.**

Acknowledged and Agreed:



\_\_\_\_\_  
Authorized Vendor Official



## **Town of Sandisfield Price Proposal**

Matrix Design Group is pleased to provide this proposal to the Town of Sandisfield. This proposal is for Matrix to Design, Build and Operate a GPON FTTH (fiber to the home) Network at our own expense. The plan is designed to minimize the tax impact to the residents of Monterey.

The Town would be responsible for all aspects of the utility pole owners "Make-ready" process including but not limited to pole data survey, utility company pole applications and surety bonds, joint walk-out with utility companies, actual utility company make-ready work, and police details during make-ready. The Town would also be responsible for a place to house and power the network electronics.

**The estimated net cost to the Town of Sandisfield for the above would be \$205,250**

Matrix would handle the utility pole data survey and preparing and shepherding the pole attachment applications at a rate of **\$25 per pole**. Matrix would require doing this work to reduce or eliminate any potential delays. It is estimated that the Town has 1,762 utility poles.

Matrix would also handle the utility company joint walk-out at a rate of **\$13.95 per pole**.

The estimated overall cost to the Town of Sandisfield for utility company make-ready work based upon 1,950 poles would be **\$704,800**.

The Town would also be responsible for providing a secure area with clean power to house the network electronics. Matrix will assist the Town with specifications for any bids needed to insure a suitable space. The estimated cost to provide a suitable space for the network electronics is **\$100,000**. The costs could be much less if an area in an existing municipal building is utilized for this purpose.

Once again Matrix Design Group would Design, Build and Operate a GPON FTTH (fiber to the home) Network at OUR OWN EXPENSE. This would include the police details needed during construction.

The cost estimate breakdown for the Town of Sandisfield's expenses for this project would be as follows;

- \$704,800 for utility company pole attachment and make-ready process
- \$91,000 for police details during utility pole make-ready
- \$100,000 for place to house and power network electronics
- \$20,000 for legal and insurance
- \$10,000 for miscellaneous

Total of **\$925,800** minus MBI Construction grant of **\$676,500** and pole data survey grant of **\$44,050** (\$25 per pole) would leave an estimated net cost to the Town of Sandisfield of just **\$205,250**.





The estimated tax payer impact for the Matrix plan for Sandisfield based upon a 10-year note at 2.9% interest for the average of 677 homes would be an increase of just \$35.00 per year for 10-years. It should be expected that the Town of Sandisfield would be able to do better than the rate of 2.9% via State House Notes or other available municipal financial vehicles.

The fees for a Standard Aerial Fiber installation of FTTH service to Subscribers during a three (3) month pre-subscription period established by Matrix and agreed to by the Town or MLP shall be \$500. The fee would be broken into two payments of \$250 each. The first would be at time of signing up and the second just prior to construction. The fee includes a standard fiber drop to home, and standard ONT installation. Subscribers signing up during the pre-subscription period shall commit to a 24-month minimum term of service.

Subscribers requesting service after the three (3) month pre-subscription period or who do not wish to commit to a 24-month minimum term of service shall pay a \$1500 fee for a Standard Fiber Installation (includes fiber Drop to home, ONT and installation).

The Town or MBMLP would have the option to purchase the completed network for an agreed upon amount after the third year of operation. Based on the estimated 57 miles of network and 844 homes the buy-out amount should be approximately \$2,891,200. After that third anniversary the purchase price would then decrease by \$170,070 each year thereafter. After 20-years the buy-out amount would be \$10.

As far as the subscribers - there are two (2) residential service tiers:

**Standard Internet:** Up to 50 Mbps Internet connection for \$95/month.

**Enhanced Internet:** Up to 100 Mbps Internet connection for \$135/month.

Custom connections of above 100 Mbps up to 1 Gbps are priced on a case by case basis. Dedicated connections of up to 10 Gbps are also available on a custom price basis.

**Internet and VoIP:** A VoIP line will allow for unlimited local and long distance calling (lower 48 US States). The VoIP service will come with standard features including but not limited to Caller ID, Call Waiting, 3-Way Calling, etc. Cost to add a VoIP line would be \$20/month. A second VoIP line may be ordered for an additional \$20/month.

Digital voicemail services are available for \$3 per month per voicemail box. This includes the voicemail to email feature, which allows you to listen to your voicemail from your email account when you are away from your home phone.

Subscribers at time of installation may opt for a Calix GigaCenter indoor ONT with built in 802.11 AC WiFi for an additional equipment charge of \$5/month.

Pricing does not include any applicable taxes or estimated MLP fee. The MLP fee would be used





to pay for the yearly pole rentals, surety bonds and miscellaneous MLP expenses. The MLP fee would be set by the MLP.

**General Subscriber Terms and Conditions:** The following are potential general Terms and Conditions of Use for Residential Broadband Service:

- Two year agreement required if customer signs up during three-month pre-subscription period.
- An adult 18 years of age or older must be present during the installation of services.
- Price applies to base monthly rate only; excludes optional services and installation charges.
- Customer will be responsible for the installation of necessary conduit if none is available.
- Payments 30 days past due will result in termination of service. A reconnection fee of \$10.00 will be charged for any service disconnected due to non-payment.
- Pets must be restrained or otherwise kept away from the installer(s) until work is complete.
- Electronic equipment is and shall remain property of Matrix.
- Failure to allow for equipment removal upon termination of services, or damaged equipment, shall result in a \$500.00 fee.
- Internet service and fees will be billed on a monthly basis.
- Except for the ONT, battery back-up unit and service drop, the Customer is responsible, at its expense, for the installation, maintenance and repair of all equipment and wiring on the Customer's premises to the point of connection, as specified by Matrix.

**Estimated Broadband MLP Fee:**

The MLP fee is used to insure the Town of Sandisfield would not have any out of pocket expenses after the network is built. Based upon the following yearly MLP Costs;

- \$22,906 for Utility pole rental costs
- \$4,500 for Surety Bond
- \$1,500 for accountant
- \$5,000 for legal, insurance and miscellaneous

Total \$33,906 at a 60% take rate among 677 homes would equal a Monthly Broadband MLP Fee of about \$7 per month. If the take-rate is 70% then the monthly Broadband MLP Fee could be as low as \$6 per subscriber.



**Exhibit C.2**  
**Price Proposal Form - Sandisfield**

The undersigned Vendor submits the following as its Price Proposal to the MLP for the Town of Sandisfield Broadband Network Service Procurement:

**THIS PRICE EXCLUDES THE 148 OTIS WOOD LANDS RESIDENCES:**

1. A lump sum price of \$925,800 minus MBI Construction grant of \$676,500 and pole data survey grant of \$44,050 (\$25 per pole) would leave an estimated net cost to the Town of Sandisfield of just \$205,250. Dollars (\$205,250), or alternatively, at the Town's election,

2. Monthly payments in the amount of \$ NA to be made each month over the term of the contract, which shall not exceed 15 years. (Vendor may quote level monthly payments or stepped payments.)

The price quoted should assume all Town premises to be connected, with the exclusion of Otis Wood Lands homes subject to adjustment for the actual number of premises connected

**Vendor acknowledges and agrees that any grant, to be negotiated with and paid by the MBI directly to the Town of Sandisfield to offset Town's financial responsibilities under the proposed Matrix Plan.**

Acknowledged and Agreed:



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Authorized Vendor Official



## **Town of Tolland Price Proposal**

Matrix Design Group is pleased to provide this proposal to the Town of Tolland. This proposal is for Matrix to Design, Build and Operate a GPON FTTH (fiber to the home) Network at our own expense. The plan is designed to minimize the tax impact to the residents of Tolland.

The Town would be responsible for all aspects of the utility pole owners "Make-ready" process including but not limited to pole data survey, utility company pole applications and surety bonds, joint walk-out with utility companies, actual utility company make-ready work, and police details during make-ready. The Town would also be responsible for a place to house and power the network electronics.

**The estimated net cost to the Town of Tolland for the above would be \$291,250**

Matrix would handle the utility pole data survey and preparing and shepherding the pole attachment applications at a rate of **\$25 per pole**. Matrix would require doing this work to reduce or eliminate any potential delays. It is estimated that the Town has 801 utility poles.

Matrix would also handle the utility company joint walk-out at a rate of **\$13.95 per pole**.

The estimated overall cost to the Town of Tolland for utility company make-ready work based upon 801 poles would be **\$320,400**.

The Town would also be responsible for providing a secure area with clean power to house the network electronics. Matrix will assist the Town with specifications for any bids needed to insure a suitable space. The estimated cost to provide a suitable space for the network electronics is **\$100,000**. The costs could be much less if an area in an existing municipal building is utilized for this purpose.

Once again Matrix Design Group would Design, Build and Operate a GPON FTTH (fiber to the home) Network at OUR OWN EXPENSE. This would include the police details needed during construction.

The cost estimate breakdown for the Town of Tolland's expenses for this project would be as follows;

- \$320,400 for utility company pole attachment and make-ready process
- \$41,000 for police details during utility pole make-ready
- \$100,000 for place to house and power network electronics
- \$20,000 for legal and insurance
- \$10,000 for miscellaneous

Total of **\$491,400** minus MBI Construction grant of **\$456,500** and pole data survey grant of **\$20,025** (\$25 per pole) would leave an estimated net cost to the Town of Tolland of just **\$14,875**.





Due to this estimated net cost of just \$14,875 it is assumed this amount would be simply paid out of Town Free Cash or from the Town Stabilization Account. It should be noted that there are a number of areas in Town that have underground utilities and Tolland may decide to utilize additional funds to put new poles or conduit into these areas.

The fees for a Standard Aerial Fiber installation of FTTH service to Subscribers during a three (3) month pre-subscription period established by Matrix and agreed to by the Town or MLP shall be \$500. The fee would be broken into two payments of \$250 each. The first would be at time of signing up and the second just prior to construction. The fee includes a standard fiber drop to home, and standard ONT installation. Subscribers signing up during the pre-subscription period shall commit to a 24-month minimum term of service.

Subscribers requesting service after the three (3) month pre-subscription period or who do not wish to commit to a 24-month minimum term of service shall pay a \$1500 fee for a Standard Fiber Installation (includes fiber Drop to home, ONT and installation).

The Town or MBMLP would have the option to purchase the completed network for an agreed upon amount after the third year of operation. Based on the estimated 57 miles of network and 844 homes the buy-out amount should be approximately \$1,601,614. After that third anniversary the purchase price would then decrease by \$94,614 each year thereafter. After 20-years the buy-out amount would be \$10.

As far as the subscribers - there are two (2) residential service tiers:

**Standard Internet:** Up to 50 Mbps Internet connection for \$95/month.

**Enhanced Internet:** Up to 100 Mbps Internet connection for \$135/month.

Custom connections of above 100 Mbps up to 1 Gbps are priced on a case by case basis. Dedicated connections of up to 10 Gbps are also available on a custom price basis.

**Internet and VoIP:** A VoIP line will allow for unlimited local and long distance calling (lower 48 US States). The VoIP service will come with standard features including but not limited to Caller ID, Call Waiting, 3-Way Calling, etc. Cost to add a VoIP line would be \$20/month. A second VoIP line may be ordered for an additional \$20/month.

Digital voicemail services are available for \$3 per month per voicemail box. This includes the voicemail to email feature, which allows you to listen to your voicemail from your email account when you are away from your home phone.

Subscribers at time of installation may opt for a Calix GigaCenter indoor ONT with built in 802.11 AC WiFi for an additional equipment charge of \$5/month.

Pricing does not include any applicable taxes or estimated MLP fee. The MLP fee would be used to pay for the yearly pole rentals, surety bonds and miscellaneous MLP expenses. The MLP fee would be set by the MLP.





**General Subscriber Terms and Conditions:** The following are potential general Terms and Conditions of Use for Residential Broadband Service:

- Two year agreement required if customer signs up during three-month pre-subscription period.
- An adult 18 years of age or older must be present during the installation of services.
- Price applies to base monthly rate only; excludes optional services and installation charges.
- Customer will be responsible for the installation of necessary conduit if none is available.
- Payments 30 days past due will result in termination of service. A reconnection fee of \$10.00 will be charged for any service disconnected due to non-payment.
- Pets must be restrained or otherwise kept away from the installer(s) until work is complete.
- Electronic equipment is and shall remain property of Matrix.
- Failure to allow for equipment removal upon termination of services, or damaged equipment, shall result in a \$500.00 fee.
- Internet service and fees will be billed on a monthly basis.
- Except for the ONT, battery back-up unit and service drop, the Customer is responsible, at its expense, for the installation, maintenance and repair of all equipment and wiring on the Customer's premises to the point of connection, as specified by Matrix.

**Estimated Broadband MLP Fee:**

The MLP fee is used to insure the Town of Tolland would not have any out of pocket expenses after the network is built. Based upon the following yearly MLP Costs;

- \$10,413 for Utility pole rental costs
- \$4,500 for Verizon Surety Bond
- \$1,500 for accountant
- \$5,000 for legal, insurance and miscellaneous

Total \$21,413 at a 60% take rate among 535 homes would equal a Monthly Broadband MLP Fee of about \$5.56 per month. If the take-rate is 70% then the monthly Broadband MLP Fee could be as low as \$4.78 per subscriber.



**Exhibit C.3**  
**Price Proposal Form - Tolland**

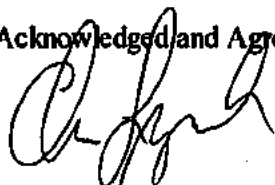
The undersigned Vendor submits the following as its Price Proposal to the MLP for the Town of Tolland Network Service Procurement:

1. A lump sum price of \$491,400 minus MBI Construction grant of \$456,500 and pole data survey grant of \$20,025 (\$25 per pole) would leave an estimated net cost to the Town of Tolland of just \$14,875. Dollars (\$14,875), or alternatively, at the Town's election,
2. Monthly payments in the amount of \$ NA to be made each month over the term of the contract, which shall not exceed 15 years. (Vendor may quote level monthly payments or stepped payments.)

The price quoted should assume all Town premises to be connected, subject to adjustment for the actual number of premises connected

**Vendor acknowledges and agrees that any grant, to be negotiated with and paid by the MBI directly to the Town of Tolland to offset Town's financial responsibilities under the proposed Matrix Plan.**

Acknowledged and Agreed:



\_\_\_\_\_  
Authorized Vendor Official





**WESTFIELD GAS + ELECTRIC**

## **PRICING PROPOSAL**

Westfield Gas + Electric - Whip City Fiber  
100 Elm Street  
Westfield, MA 01085  
[www.wgeld.org/www.whipcityfiber.com](http://www.wgeld.org/www.whipcityfiber.com)



## 1.0 Service Offerings and Prices

Whip City Fiber is pleased to offer the following preliminary cost proposal for its services. These costs are provided as a baseline, and are subject to deviation based upon further discussion and review. As stated previously, Whip City Fiber would work with the three towns to develop service tiers, if so chosen. However, Whip City Fiber would recommend one service tier at gigabit rate. It is important to note that the cost to service each subscriber does not directly correlate to the bandwidth supplied. A pricing structure totaling the costs consisting of back office services, backbone costs, debt repayment, pole licensing, and depreciation reserve would be calculated with each town. Other indeterminate costs would be field customer service and field network support, as these costs would vary, dependent upon the expected service level the three towns wish for their subscribers.

### Engineering and Design

1	Data Collection Route Validation.....	\$1176 per mile
2	Pole Attachment Heights .....	\$12 per pole
3	Final Strand Maps .....	\$86.50 per mile
4	FTTH Fiber & Splice Design .....	\$510 per mile
5	Pole Application Processing.....	\$10 per pole
6	Pole Application Fees .....	At Cost

### Scope:

#### Item 1

- Includes house count, commercial count, MDU count, by pole served based on existing power drop service routing.
- Pole Tag (Verizon and Power Utility)
- Road & Street Lines, building silhouettes, bridge crossings, RR, DOT hwy, All structures - Utilizing available GIS resources.
- Main Distribution OH to show span footage
- Main Distribution UG to show span footage, including proposed HH and pedestal locations (treated as pole locations for pricing)
- Drop Services including all individual services to building will be noted as OH, UG <150', if >150' pathway will be surveyed with path and



- footage noted (UG will be to the best of our ability through site review, aerial will be at same per pole rate.
- Hi-level make ready analysis for communication space attachment by general conditions of pole and existing pole attachment findings (into High, Med, Low categories)

Item 2:

- All communications attachments and secondary attachment heights captured

Item 3:

- Create Final Strand Map
- To include buildings, roads and known structures (bridges, RR, etc)

Item 4:

- Provide complete FTTH layout design services for a GPON architecture design, including backbone ring and feeder distribution
- Select location of field FDH cabinets (pole mount)
- Splice schematics to serve entire FTTH network - physical layer only
- Complete Bill of Materials (BOM) and schedule of estimated values
- Hard Copy Deliverable will be construction drawing set based on a grid layout with keymap and splice diagrams
- Final deliverable will be in either ArcFM (FM Manager) or ArcGIS Shape Files

Item 5:

- Elco and Telco Pole application preparation and submittal
- Application management
- Make ready management / coordination
- Oversight & reporting until license is received
- The deliverable on this item is the final pole attachment license from each telco and elco utility.

Price does not include the following:

- Application fees
- Make Ready Expenses
- MR design services
- Pole Load Analysis
- Electrical design services

Assumptions:

- Building silhouettes, bridge crossings, RR, DOT hwy, structures will be shown utilizing existing GIS resources
- UG distribution lines will be recommended, with note that existing utilities are not known, and proper clearance must be maintained.
- WG+E will attempt to legally gain access to private properties to collect data, but will not do so without permission.
- Final architecture will be reviewed with owner prior to design.
- ArcGIS Shape files available for owner to import into their systems.
- ArcFM (FM Manager) will be based on the WCF library setup





## Procurement

- 7 Construction Contractor Bidding ..... 1.25% of construction bid  
8 Material Bidding and Procurement ..... 1% of material costs

### Scope:

#### Item 7:

- Preparation of all construction specifications
- Preparation of all contract documents
- Pre-bid meeting with prospective contractors
- Notice in Central Register, Comm-Buys, and Prevailing Wage
- Setup in WCF electronic sourcing and bidding platform
- Contractor evaluation and reference verification
- Bid Evaluation and award recommendation

#### Item 8:

- Preparation of all material specifications
- Preparation of all contract documents
- Pre-bid meeting with prospective vendors (if required)
- Notice in Central Register and Comm-Buys
- Setup in WCF electronic sourcing and bidding platform
- Bid Evaluation and award recommendation

## Project Management

- 9 Full Office and Field Project Management Services ..... Approximately 6% of Total Network Costs

### Scope:

#### Item 9:

- Project Management to manage overall program to delivery of successful project between contractors, field project managers, and vendors
- Field project managers to manage customer /contractor communications and contractor management
- Quality Control and Quality Assurance
- Administrative Staff to support customer calls, field project managers

## Network Operations

- 10 Circuits from town to WCF Edge Router(s), per month:..... Negotiable  
11 Internet subscriber cost, per month: ..... \$40





11.1	Program Management.....	Included
11.2	Customer Service .....	Included
11.3	Sales and Marketing.....	Included
11.4	Web Site.....	Included
11.5	Billing.....	Included
11.6	Tech Support.....	Included
11.7	Email .....	Included
11.8	Network Security .....	Included
11.9	Network Monitoring .....	Included
11.10	Legal and Regulatory.....	Included
12	Voice Over IP Subscriber cost, per month .....	\$12
13	Distribution Maintenance .....	Negotiable

Scope:

Item 10:

- Development of cost effective circuit paths from the three towns to WCF edge routers or other acceptable internet access points.
- Dependent upon total subscriptions, and requested topology.

Item 11.1: Program Management

- Oversight of program implementation
- Direct access to senior executive 24X7X365

Item 11.2: Customer Service

- Separate 800 number to WCF Call Center
- Physical Payment Center 8:30am to 5 pm, Monday - Friday
- Call Center Account Agents available 8:30am to 5pm, Monday – Friday,

Item 11.3: Sales and Marketing

- Custom branded correspondence
- Quarterly sales literature
- Bi-monthly email literature

Item 11.4: Web Site

- Web site to capture customer applications and interest
- Custom URL
- Reporting
- Customer Relationship Management

Item 11.5: Billing

- Billing Template setup





- Rates management
- Physical bill presentment
- Online bill presentment
- Collections
- Reporting
- Tax payments, as required

Item 11.6: Tech Support

- Tier 1 Help Desk 24 X 7 – Phone Support
- Tier 2 Help Desk 7 am – 6 PM, Monday - Saturday
- Tier 3 Network Support 24 X 7
- Tier 1 Field Support – 7am – 6pm, Monday - Saturday
- CPE Trouble Call Support 7am – 10 pm, Monday – Saturday.
- Field Trouble Call Support 7am – 10 pm, Monday – Saturday.

Item 11.7: Email

- 1 email address
- Custom domain
- Web access

Item 11.9: Network Security

- 1 license of TrendMicro

Item 11.10: Legal and regulatory

- FCC Form 477 filing
- FCC Form 499A filing
- Digital Content Millennium Act (DCMA) administration
- Communications Assistance for Law Enforcement Act (CALEA) management

Item 12: VoIP

- Customer Service as described in 11.2
- Legal and regulatory: Universal Service Fund fees, taxes, and fee calculation.
- VoIP Features, to include:
 

• Free U.S. calling	• Remote Voicemail Retrieval	• Call Return
• Caller-ID and call-waiting	• Online Preferences	• Online phonebook
• One-touch voicemail access	• Live Customer Support	• 7/10-Digit Dialing
• Online call log	• 911 Service	• Optional WiFi Adapter
• Fax Mode	• Call Hold	• Free calling to Canada
• Optional Bluetooth Adapter	• Online Voicemail Playback	• Caller Name
• The utmost voice clarity	• Area Code Selection	• Anonymous call blocking
• Caller-ID blocking	• Encrypted calls	• Voicemail alerts
	• 911 Email and Text Alerts	• Private Device
		• Instant Second Line™





- Voicemail monitoring
- Call forwarding
- Voicemail-to-email forwarding (audio)
- Private Voicemail
- Three-way conferencing
- Do not disturb
- Online Voicemail Playback
- Multi-Ring
- Send to voicemail
- Personal Number
- Backup Number
- Community blacklist
- Free Mobile Minutes
- Voicemail-to-text (\$4.99/mth)
- Google Voice Extensions

Item 13

- Construction and repair personnel as required
- Construction equipment, materials
- Traffic control
- Testing
- Splicing
- Repair stock
- Supervision



**TOWN OF SANDISFIELD**  
**OFFICE OF THE TOWN ADMINISTRATOR**  
sandisfieldtownadm@verizon.net

March 8<sup>th</sup>, 2017

**RE: Priced Proposals**

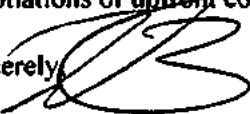
The lowest-priced proposal was submitted by Matrix, this vendor's average net cost to each respective town was approximately \$280,500.00. The highest priced proposal was submitted by Frontier, this vendor's average cost to each town is \$662,500.00 for upfront cost plus a commitment to monthly contributions from residents in the amount of \$30.00 per household. While the lowest priced proposal initially seems the best option, this vendor requires that individual residents commit to a three month pre-subscription package at a cost of \$500.00. For subscribers who subscribe to services after the pre-subscription period and whom do not wish to commit to a 24 month contract, those subscribers would bear a cost of \$1,500.00. Thus, even if these towns were to receive necessary grants so as to render the cost to these towns equal to zero, the cost to individual residents would be significant.

Given the number of residents in these four towns that are on fixed or reduced incomes, I cannot responsibly go into contract with Matrix on the basis of this priced proposal. Additionally, Matrix submitted its financials under the protection of confidentiality to our town's treasurer, while the treasurer did not ~~not~~ disclose specific information, a recommendation was made to require a 100% surety bond from Matrix given that she believed the vendor lacked the financial depths to internalize any potential risk.

My consideration of Matrix included weighing the qualitative evaluations from the four town committee that reviewed Matrix's non-priced proposal. Matrix received a composite rating 30.67 and that is with only averaging the three towns that rated them since one of the towns found Matrix's non-priced proposal to be "non-responsive" and disqualified them rendering a zero value which I did not include in the mentioned average. With a rating of 30.67 Matrix's non-priced proposal falls into our RFP's "not advantageous" category, given the challenges described above with respect to the cost to individual residents, and also considering the treasurer's recommendation, I am rejecting Matrix's proposal for being not advantageous and unresponsive.

Despite the higher cost of Frontier's proposal, its impact to individual residents is equal to \$30.00 per household. It is my belief that through negotiations upfront cost can be remediated but the quality of Frontier's proposal to our towns was superior to Matrix's proposal. The four town evaluation committee reported that Frontier's composite rating was 75.625. Frontier's proposal falls into our "advantageous" category and given the financial impacts discussed above along with Frontier's financial transparency in that it is a publicly traded firm, I am going to award Frontier a contract that is contingent on the successful negotiations of upfront costs and the availability of MBI grants.

Sincerely,



Willie Morales, M.P.P.  
Chief Procurement Officer



TREASURER  
TOWN OF SANDISFIELD  
PO BOX 612  
SANDISFIELD MA 01255  
Tel: 413.258.4711 Fax: 413.258.4225

March 1, 2017

Willie Morales, Town Administrator:

After careful analysis of the financial statements of Millennium Communications Group, Inc. and Affiliate, which had been reviewed but not audited by Cohn and Reznick, I found that the financial documents appear to be in compliance with generally accepted accounting principles. A review by its nature does not carry the assurance of an audit. In essence, by performing inquiry and analytics, the review provides limited assurance that there is no material modification that should be made to the financial statement. A review does not require tests or accounting records or the need to obtain corroborating evidential matter. Although the company is absorbing the cost of constructing the network, the financial statements did not appear to demonstrate sufficient financial resources to absorb potential failure of the project. Nor did it reveal the depth that the company could internalize the risk of that potential failure. Therefore, in order to protect the respective towns from such risk I would request that Millennium Communications Group, Inc. and Affiliate obtain surety bonds in the amount of 100% of the net cost to the respective towns.

Sincerely,



Theresa M. Spohnholz

Treasurer



**TOWN OF SANDISFIELD**  
**OFFICE OF THE TOWN ADMINISTRATOR**  
[sandisfieldtownadm@verizon.net](mailto:sandisfieldtownadm@verizon.net)

March 8<sup>th</sup>, 2017

Mr. Kevin Smith  
Vice President, Business Development  
Frontier Communication  
137 Harrison Street  
Gloversville, NY 12078-4815

Dear Mr. Smith:

On behalf of the Municipal Light Plants for the Towns of Monterey, New Marlborough, Sandisfield, and Tolland, it is my pleasure to inform you that your firm's proposal has been selected as the most advantageous and responsive of the proposals received for our High Bandwidth Internet Services project. Our four town evaluation committee recommended to me that your proposal be awarded a contract on the basis of non-priced criteria.

All four towns have some concerns regarding upfront costs, however. In the case of New Marlborough, for example, the price quoted includes upfront costs that are significantly higher than when your firm negotiated individually with the town just five months prior. A better understanding and further negotiation of these costs will be required as a condition precedent to the signing of any contracts.

In addition, the signing of any contract is contingent upon the availability of funds, including from the Massachusetts Broadband Institute (MBI).

Sincerely,



Willie Morales, M.P.P  
Chief Procurement Officer

Cc: Michael Cicchetti, Director of Government and External Affairs Frontier Communications



**TOWN OF SANDISFIELD**  
**OFFICE OF THE TOWN ADMINISTRATOR**  
sandisfieldtownadm@verizon.net

March 8<sup>th</sup>, 2017

Mr. Chris Lynch  
Matrix Design Group  
Director, Business Development  
11 Melanie Lane Suite 14,  
East Hanover, NJ 07936

Dear Mr. Lynch:

On behalf of the Municipal Light Plants for the Towns of Monterey, New Marlborough, Sandisfield, and Tolland, it falls upon me to inform you that your firm's proposal has been rejected at this point. Our four town evaluation committee reviewed your firm's non-priced proposal and deemed its response as "not advantageous" per the criteria described within the RFP that your firm responded to.

In evaluation of your priced proposal, your financials were reviewed confidentially by our town's treasurer. The treasurer maintained that while your firm's financial documents were compliant with all generally accepted accounting principles (GAAP), the financial documents submitted did not convey the financial depths necessary for your firm to internalize any potential risks associated to the project. The treasurer recommended a 100% surety bond if we were to move forward with your proposal.

In my review of your priced proposal, I found the financial impact to our everyday residents to be too high. Even in a scenario where MBI grants render the net cost to the town equal to zero, a subscription cost of \$500.00 during a pre-subscription period, and subscription cost of \$1,500.00 post your pre-subscription period, is too high. Our four towns have large populations of fixed income households and your firm's subscription prices would adversely impact said populations.

We appreciate the time and professionalism with which your firm has responded to our RFP, but given the factors considered above, your proposal has been rejected for not being advantageous to the interest of the Towns of Monterey, New Marlborough, Sandisfield, and Tolland.

Sincerely,



Willie Morales, M.P.P.  
Chief Procurement Officer



**TOWN OF SANDISFIELD**  
**OFFICE OF THE TOWN ADMINISTRATOR**  
[sandisfieldtownadm@verizon.net](mailto:sandisfieldtownadm@verizon.net)

March 8<sup>th</sup>, 2017


Mr. Daniel J. Howard  
General Manager  
Westfield Gas & Electric  
100 Elm St, Westfield MA 01085

Dear Mr. Howard:

On behalf of the Municipal Light Plants for the Towns of Monterey, New Marlborough, Sandisfield, and Tolland, it falls upon me to inform you that your firm's proposal has been rejected at this point. Our four town evaluation committee reviewed your firm's non-priced proposal and in my capacity as Chief Procurement Officer, I reviewed your priced proposal. Both processes have identified your proposal as non-responsive.

We appreciate the time and professionalism with which your firm has responded to our RFP, but your proposal has been rejected for not being responsive to the needs described in the RFP for the Towns of Monterey, New Marlborough, Sandisfield, and Tolland.

Sincerely,



Willie Morales, M.P.P.  
Chief Procurement Officer