

Utah Telecommunication
Open Infrastructure Agency



Request for Proposal for
Business Development Opportunities
UTOPIA RFP 100112-Business Development

January 13, 2010

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The Utah Telecommunication Open Infrastructure Agency (UTOPIA) invites proposals (Request for Proposals or RFP) from any party interested in a business development relationship with UTOPIA. As further spelled out in the body of this document, UTOPIA is willing to consider creative proposals regarding service(s) offered, pricing structures, financial risks assumed, better alignment of interests and desired outcomes, and incentives to accelerate deployment of the network. While, we are very interested in hearing from any service provider or other interested party, there is no obligation for existing service providers using the UTOPIA network or potential new providers to respond to this RFP in order to continue using the network or to become a service provider on the network in the future. However, winning proposal(s) may result in a unique relationship opportunity for a period of time.

THIS IS AN OPEN-ENDED SOLICITATION AND CLOSE DATE WILL BE POSTED ON THE UTOPIA WEBSITE. MULTIPLE AWARDS TO QUALIFIED RESPONDANTS MAY BE MADE UNDER THIS SOLICITATION AT ANY TIME DURING THE PENDENCY OF THIS SOLICITATION.

Please use email to direct all questions to Jamie Brotherton (jbrotherton@utopianet.org). Any questions received and the response provided shall be made available to any interested party.

We look forward to receiving your response.

Very truly yours,

Jamie Brotherton

UTOPIA Procurement Officer

UTOPIA

Request for Proposal

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1: GENERAL INFORMATION

1.1 The entity

The Utah Telecommunication Open Infrastructure Agency (UTOPIA) is a political subdivision of the State of Utah created by interlocal agreement among 14 municipalities for the purpose of solving the last mile challenge in telecommunications for its member cities. Since its inception, two additional cities have joined UTOPIA. UTOPIA's goal is to provide advanced communications access to every household and every business within its boundaries. To accomplish this objective, UTOPIA is building an open-access fiber optic network providing wholesale transport for retail telecommunications service providers. Currently, the 16 member cities account for a population base of around 500,000 individuals, 140,000+ households, and 30,000 businesses.

1.1.1 Creation/History

UTOPIA is a separate legal entity and political subdivision of the State of Utah. UTOPIA was created under the Utah Interlocal Cooperation Act and is governed by the First Amended and Restated Interlocal Cooperative Agreement of the Utah Telecommunication Open Infrastructure Agency, dated as of June 1, 2004 (the "Interlocal Cooperative Agreement"). House Bill 149 adopted by the Utah Legislature during its 2001 General Session and Senate Bill 66 adopted by the Utah Legislature during its 2004 General Session confirm the ability of municipal governments in the State of Utah to provide wholesale telecommunication services.

The Interlocal Cooperation Act authorizes local governmental units to make the most efficient use of their powers by enabling them to cooperate with other governmental units on the basis of mutual advantage to provide services and facilities that will best accommodate the needs and development of local communities. An entity so formed is a political subdivision of the state with power to, among other things, (i) own, acquire, construct, operate, maintain and repair, or cause to be constructed, operated, maintained, and repaired, any facility or improvement provided for in its organization agreement, (ii) borrow money, incur indebtedness and issue bonds or notes for the purposes for which it was created, and (iii) assign, pledge or otherwise convey as security or improvement within or without the State on terms deemed in the best interest of its participants.

In addition to the specific powers enumerated above which UTOPIA possesses by virtue of being a separate legal entity created under the Interlocal Cooperation Act, UTOPIA's members may contract with UTOPIA to perform any governmental service, activity or undertaking which the members themselves are authorized to perform.

1.1.2 Membership/Organization/Governance

UTOPIA currently has 16 member cities: Brigham City, Cedar City, Cedar Hills, Centerville, Layton, Lindon, Midvale, Murray, City of Orem, Payson, Perry, Riverton, Tremonton, Vineyard, Washington, and West Valley City (collectively, the "Members").

UTOPIA is governed by a Board of Directors (the “Board”).

All of the Members except Cedar City, Cedar Hills, Riverton, Vineyard, and Washington have entered into a Pledge Agreement to partially guarantee debt service on UTOPIA’s capital borrowing. Non-Pledging Members are not participating in the initial construction of the network, however, UTOPIA may, at its discretion, install the Network within their boundaries.

The UTOPIA Board consists of directors representing each Member. The Board holds at least one regular meeting annually, but may call other meetings as necessary. Each Member is entitled to one vote for each one-thousand (1,000) residents, rounded to the nearest one thousand. Only Pledging Members are entitled to vote with respect to all decisions related to: (i) the construction of the Network financed with proceeds of the Bonds relating to that Member’s Pledge Agreement, and (ii) the use of discretionary revenues generated from the portion of the Network constructed with proceeds of the Bonds secured by that Member’s Pledge Agreement. There must be a quorum present at each meeting in order to take any action. A quorum consists of the presence of the Board members entitled to cast a majority of the votes of the entire Board (which is not a simple majority of Board members since the voting is weighted based on population).

The Board also elects from among its members a Chair, a First Vice Chair, a Second Vice Chair, a Third Vice Chair and a Fourth Vice Chair. The aforementioned officials serve as the Executive Committee of the Board which has only those responsibilities delegated by the Board.

The Board appoints an Executive Director, who, subject to the Board, has general supervision, management, administration, direction, and control of the business and officers of UTOPIA and such other related duties as may be prescribed by the Board and the bylaws. The Executive Director is authorized to perform any function required of UTOPIA by the Interlocal Cooperative Agreement.

1.1.3 Withdrawal/Addition/Dissolution

Any governmental entity that wishes to become a member of UTOPIA may do so upon approval of the Board. Entities that become members of UTOPIA subsequent to the original execution of the Interlocal Cooperative Agreement (“Added Members”) have the same rights, power and authority as the Members. Added Members may only become part of UTOPIA if they join as Pledging Members, unless the Board waives that requirement. After July 1, 2007, municipalities may pledge their sales and use tax revenues toward obligations of UTOPIA upon approval of their governing bodies. Pledging Members may not withdraw from UTOPIA. A Non- Pledging Member may withdraw from UTOPIA upon giving the Board written notice of its decision to withdraw, subject to any specific limitations in the Interlocal Cooperative Agreement or bylaws.

UTOPIA may be dissolved by a two-thirds (2/3) vote of the Members, so long as it has no outstanding bonds. Upon dissolution and after payment in full of all outstanding bonds

and other UTOPIA obligations, the Board shall equitably disburse the assets of UTOPIA to the then current Members. To the extent possible, each Member will receive ownership of that portion of the Network within its boundaries, at no additional cost to each then current Member.

1.2 Philosophy and Goals

The member communities of UTOPIA have taken the initiative to assure world-class digital connectivity for their residents based on the following principles:

1.2.1 Open Access

Similar to a public airport, the UTOPIA network has been designed for use by several service and content providers. We believe that a single open network allows more providers competitively to offer more services at lower cost. Creative service provider proposals are expected to guarantee a base level of utilization that assures long term growth and stability for the benefit of the community.

1.2.2 Standards Based Architecture

The network is dependent, from a technical standpoint, on an open, standards-based architecture for broadband media content services. This assures flexibility of service, modularity, and interoperability in access, interconnection, and transport. Although the special needs of service providers can be accommodated, the principle of open standards must be preserved.

1.2.3 Scalability

UTOPIA's fiber optic network delivers significantly higher bandwidth than the networks of incumbent last mile carriers. Its architecture has the inherent flexibility to accommodate future bandwidth demands of residential, business, educational, governmental, and other customers without major re-design or construction. This feature must be an integral element of service provider proposals.

1.2.4 Carrier Class Reliability

UTOPIA's network strives to offer carrier class reliability enabling service providers to offer products that can compete with those available from incumbent carriers. Any partnership arrangement with a service provider must support this commitment.

1.3 Business Model

The business model for the UTOPIA network is the logical outgrowth of the principles around which the network has developed. It recognizes fundamental differences in capacities, constraints, and purposes of the public and private sectors and seeks to meld these differences into a synergistic combination that benefits the for-profit day participants as well as the member communities.

1.3.1 Public infrastructure

The UTOPIA network is a public works facility in the same way that streets, airports, and water lines are understood to be public infrastructures. As a result, the costs of financing, building, operating, and maintaining the capital plant are governed by public sector considerations. Participating municipalities do not look to a competitive return on their investment over the short run. Rather, their motives are to stimulate economic development and provide benefits to their constituents. This means that the infrastructure can be financed over its economic life at favorable interest rates available to public borrowers. It also means that the revenue derived from operating the network only needs to cover costs on a break-even basis. The currency of success for the municipal parties will be seen in the creation of new jobs, the growth of local businesses, and the appeal of the community to new residents. These are the public purposes that justify municipal entry and the net result for the business model is a world-class telecommunication infrastructure that is available for use by private providers at attractive wholesale rates.

1.3.2 Private service provision

Although development and maintenance of public infrastructure are core competencies of municipal governments, the organizers of UTOPIA recognized that successful production and marketing of commercial telecommunication services were more properly within the domain of private enterprise. Accordingly, the business model relies on retail service providers to develop innovative products and services that attract subscribers and take advantage of the network's bandwidth and openness. The transport capacity of the network is big enough that multiple simultaneous value streams can flow across the fiber without interfering with one another. This allows the capital costs of the infrastructure to be spread across many users.

Inasmuch as UTOPIA is the first large scale project to implement an open, wholesale, business model, it has produced valuable empirical data about the kinds of relationships between public and private sector actors that are essential for success. The fundamental concept of private use of public telecommunication infrastructure has proven to be very sound. This solicitation seeks to explore the opportunity to make the model even more successful by re-looking at implementation details.

1.4 The network

1.4.1 Physical Description

UTOPIA is in the process of constructing a wholesale telecommunications network within its Member cities. The Network uses fiber optic technology which provides transmission of voice, data and video at speeds that are significantly faster than existing copper, cable, or satellite systems. Fiber is currently used for the backbone of the Internet and other high-demand applications, but has not been widely implemented over "the last mile" into homes and businesses. UTOPIA is laying the fiber optic cable necessary to connect each Member city and the homes and businesses within each Member city. The fiber optic cable is being laid both underground and above ground. Other elements of the Network include conduits, innerducts, fiber strands, splices, switches, transmitters,

terminals, internal power sources and all other items necessary to operate the Network.

Phase I involved a total of 77 footprints (neighborhood service areas) and interconnecting rings in six Members. With the exception of minor clean-up, all construction is complete and the footprints are in production. As of the end of July 2009, 451 miles of duct have been placed along with 130 miles of aerial strand and 680 miles of fiber cable. Additionally, 63,500 fibers have been landed in community cabinets and approximately 54,000 splices have been completed. Within the 77 production footprints there are a total of 43,450 addresses.

The Network is based on a layer 2, multi-protocol label switching (MPLS) active electronics architecture. In the open systems interconnect (OSI) model, layer 2 deals with the least complex dimensions of digital services delivery to minimize the interface between service providers and the Network. An active electronics design, where neighborhood cabinets contain powered switching devices, makes it possible for the Network to scale more inexpensively than the alternative passive design, where optical cables pass signals down the line through unpowered splits in neighborhood cabinets. The active network design also supports remote provisioning of services when customers change providers or choose product upgrades. The Network includes both the premises access portal that decodes optical signals into the signals that telephones, televisions, audio systems, and computers can use, and the video gateways that manage video content at the television set. This design makes it possible to support flexible customer service without requiring a service visit any time the customer makes a change in services.

The minimum capacity of the Network is 100 Mbps in both directions. UTOPIA believes that this bandwidth makes it possible for service providers to deliver higher quality services and to launch innovative new services that existing legacy networks cannot support. Such services may include converged IP services, telemedicine, telework, video on demand and full motion bi-directional video phone. Also, since the carrying capacity of fiber plant can be increased by simply changing the electronics at the ends of the Network, UTOPIA anticipates that the Network will have a long useful life in spite of technological change.

UTOPIA service providers offer bundled and stand alone services. Internet, IP digital video and voice services are available in portions of Brigham City, Layton, Lindon, Midvale, Murray, Orem, Payson, Tremonton and West Valley.

Knowledgeable observers have noted that neither wireless technologies nor legacy telephone and cable television networks have the physical capacity to meet future demands for bandwidth. Business imperatives have kept incumbent telephone and CATV operators in UTOPIA's service area from making the massive investments required to replace their legacy infrastructure. The long-term return on such an investment does not meet investors' short-term profit demands. Municipalities, on the other hand, have the long-term needs of their constituents as their first priority. Accordingly, public agencies are in a position to build and maintain the infrastructure that private companies are unwilling to do.

Moreover, UTOPIA's member cities believe that the Network will contribute to economic development because of the quality and quantity of service that can be provided through the Network. Experience has already shown that businesses are inclined to locate within the boundaries of a Member because of availability of such services. Businesses already located in Member cities have a competitive advantage because of the expected gains in efficiency that the Network can provide.

1.4.2 Operation

UTOPIA took over operational control of the network in June 2008. UTOPIA has internalized the capacity to install customer drops and currently has a staff of 16 technicians to perform customer premise conduit placements, drop fiber installations, and access portal deployment. A total of \$600,000 has been invested in vehicles, excavation equipment, fiber splicing devices, and testing instruments to support this effort. These crews have also assumed prime responsibility for outside plant maintenance and repair.

1.4.3 Telecommunications Competition

UTOPIA expects to stimulate greater competition between private companies in the advanced communications arena. The Network is open to any service provider who demonstrates the abilities to meet the qualifications established by UTOPIA. The policy governing service provider qualifications is available upon request.

2: SERVICE PROVIDER BUSINESS OPPORTUNITY

UTOPIA's business plan assumed that its independent operation and a wholesale pricing structure with favorable but constant marginal costs per subscriber per service for use of its network would satisfy the mutual interests of its members and its service providers. Although operational experience to date has largely validated these assumptions, it has also shown that the interests of the parties might be served even better with alternative operational and pricing arrangements. Accordingly, UTOPIA is interested in receiving proposals from qualified entities that incorporate alternative concepts. Although there are no preconceived terms for the desired partnership, there are goals and principles that UTOPIA expects responders to address: Similarly, there are business concepts that UTOPIA recognizes as potentially compelling for investors in non-facilities based advanced telecommunications delivery firms. Both sets of interests will need to be addressed in responses to this solicitation.

2.1 UTOPIA goals

UTOPIA believes that a business development partnership linking the advantages of a public telecommunications infrastructure with the financial and marketing strength of private enterprise has the potential to align the interests of the partners and create a mutually beneficial synergy. The hoped-for relationship should be structured to accomplish the following UTOPIA goals:

2.1.1 Accelerate growth of the network

UTOPIA's ability to complete the build out of its network in all of its member cities and to extend the reach of the network into additional communities has been slowed by the Agency's limitations, acting alone, to acquire necessary capital for underwriting network construction. A relationship with a private party that has both a strong incentive to extend the scale of the network and an ability to facilitate the acquisition of growth capital is believed to be an ideal means to fulfillment of the member cities' vision.

2.1.2 Preserve core principles

UTOPIA was created and structured to adhere to a fundamental set of core principles as summarized in Section 1.2, above. Accordingly, although the public private partnership that may result from responses to this solicitation is likely to be different from the owner-service provider relationships that have characterized UTOPIA's operations to date, only those proposals that assure preservation of the core principles will receive serious consideration.

2.1.3 Stimulate innovation

To date, service providers on the UTOPIA network have offered traditional telephone, television, and Internet services that have not taken full advantage of convergence capabilities available in the network's high bandwidth IP environment. Consequently, the enormous opportunity to differentiate products delivered over a fiber optic network from products available on any other medium remains insufficiently leveraged. UTOPIA

member cities hoped to improve the quality of life for their residents with deployment of the network and these expectations were largely driven by the prospect of truly innovative services.

2.2 Business opportunity

UTOPIA recognizes that a successful business development partnership has to enable the private party to achieve profitability and growth objectives as fully as it accomplishes its public policy goals. Over the past 18 months, UTOPIA has found tremendous opportunities with commercial businesses that require “middle-mile” and “last-mile” construction to their premises to achieve connectivity. Many of these businesses do not have the capital resources to undertake the requisite construction efforts need to obtain services that could increase the efficiency of operations over the long term. As a consequence, the businesses, UTOPIA service providers, and UTOPIA underutilize their collective efforts. Thus, this solicitation expressly seeks proposals regarding a capital financing program that address the following business goals.

2.2.1 Alignment of interests

The cities that joined together to create UTOPIA wanted to provide a ubiquitous, reasonably priced, transformational telecommunication infrastructure that would promote local economic development and enrich the quality of life for residents. They also expected the project to become self-sustaining without any tax support. A relationship with a private business development partner whose profitability goals are best served by increasing the scale and reach of the network and by linking achievement of public policy objectives to achievement of business objectives would promote both sets of interests.

2.2.2 Operational efficiency

Outsourcing was previously used to assemble the technical and professional competencies necessary for the deployment and operation of the network but was eliminated in June 2008. The outsourcing approach initially enabled rapid development of a basic management infrastructure and it contributed to the network’s early success. On the other hand, it had multiplied coordination challenges and added costs that were avoidable in an alternative organizational design. For example, at the behest of current service providers, UTOPIA discontinued its reliance on a premises network deployment contractor and internalized the staff and equipment needed to install customer drops. This move resulted in a reduction in the cost of this function. UTOPIA recognizes that it may be possible to realize additional operational efficiencies in a business development partnership arrangement. These efficiencies should inure to the benefit of both parties.

2.2.3 Capital financing

Given public ownership of the UTOPIA network, its financing of capital investments for plant expansion and technology upgrades observes a different set of borrowing imperatives than a private enterprise. The primary difference derives from the municipal interest in obtaining a return OF its investment over the long run versus the business interest in obtaining a return ON its investment in the short run. Consequently, UTOPIA

can access capital instruments that are not available to a private borrower. On the other hand, a private enterprise can offer its lenders and investors profit-related opportunities that are beyond the reach of a public entity. This solicitation assumes that there may be a synergy between these two financial spheres that can redound to the mutual benefit of the partners.

2.3 Business Development

UTOPIA has extensive Graphic Information Systems (GIS) database, order-management systems, and service provider relationships. Established processes enable UTOPIA to quickly evaluate potential addresses to determine proximity to the network and develop relevant costs to complete connectivity to the premises. Once these costs are prepared, the business development partner can act as the catalyst to bring the customer, service provider, and UTOPIA to a fully matured operational capability.

3: THIS SOLICITATION

We are issuing this solicitation for business development partnership proposals to provide an attractive business opportunity and to reduce pledging city risks. After reviewing the information presented herein, if you conclude that the prospect is worth pursuing, we would invite you to respond.

As noted in the cover letter, THIS IS AN OPEN-ENDED SOLICITATION AND CLOSE DATE WILL BE POSTED ON THE UTOPIA WEBSITE. MULTIPLE AWARDS TO QUALIFIED RESPONDANTS MAY BE MADE UNDER THIS SOLICITATION. The following table outlines UTOPIA's planned calendar of major events related to the RFP distribution, proposal submission, evaluation, and selection processes.

1. RFP announced to prospective respondents	1/13/2010
2. Last date for submission of written questions	TBD
3. Responses to questions	As required
4. Negotiation of agreement	30 days ARP
5. Implementation of agreement complete	60 days ARP

UTOPIA reserves the right in its sole discretion to amend the above schedule.

Proposals must follow the format prescribed below and must include the requested information.

3.1 Number of Copies

UTOPIA requires respondents to provide one (1) signed unbound original, clearly marked as such, plus six (6) complete copies of their proposal. The proposal must be organized as indicated below.

3.2 Print Format

All proposals must be printed on standard 8 ½" x 11" paper (larger paper is permissible for charts, spreadsheets, etc.) and bound with tabs delineating each section.

3.3 Proposal Organization

The proposal must be organized and indexed in the following format and must contain, as a minimum, all items listed below in the sequence indicated:

- a. Letter of Transmittal
- b. Table of Contents

- c. Section 1: Executive summary
- d. Section 2: Understanding and Proposed Approach
- e. Section 3: Business points
- f. Section 4: Financial and Technical Qualifications

Within each section of their proposal, respondents must address the items in the order in which they appear below.

3.3.1 Letter of Transmittal

A single original signed letter of transmittal must accompany the package of proposals. The letter must not be bound with any of the proposals and must:

- a. Identify the submitting organization.
- b. Identify the name and title of the person authorized to contractually obligate the organization.
- c. Identify the name, title and telephone number of the person authorized to negotiate the contract.
- d. Identify the names, titles, and telephone numbers of persons to be contacted for clarification.
- e. Be signed by the person authorized to contractually obligate the organization.

3.3.2 Table of Contents

The table of contents must be placed immediately after the report cover and before the Executive Summary.

3.3.3 Executive Summary

Label this section “Section 1: Executive Summary.” In two pages or less, highlight the significant aspects of your proposal including any observations about your understanding of the scope of solicitation that may set your proposal apart from other submitters.

3.3.4 Understanding and Proposed Approach

Label this section “Section 2: Approach.” Proposals must indicate your understanding of goals and expectations particularly with respect to the mutually beneficial financial advantages that inure to the parties. This section should not parrot the initial sections of this RFP; rather, it should explain, at a high level, how your proposed response will address the key goals and criteria.

3.3.5 Business points

Label this section “Section 3: Business Points.” Include a complete but succinct discussion of the key business points you propose to effect a business development partnership that will meet UTOPIA’s objectives as outlined above and will facilitate a profitable business opportunity for your company and its investors. The business points should specifically address the following:

- a. How the proposed business development partnership will preserve UTOPIA’s core principles
- b. How the proposal will accelerate growth of the UTOPIA network
- c. How the financial risk of UTOPIA member cities will be mitigated
- d. How the proposed arrangement will stimulate innovation.
- e. How the proposal aligns your interests with UTOPIA’s interests
- f. How the proposal leverages the different capital funding imperatives of the parties

In addition to covering these requirements, include other descriptions of business points that demonstrate the innovativeness and practical feasibility of your proposal.

3.3.6 Financial and Technical Qualifications

Label this section “Section 4: Qualifications and Experience.” Provide information (including resumes) on those key individuals with whom UTOPIA would work to implement the proposed public private partnership. Highlight their experience in successfully managing telecommunication businesses.

Also provide information describing the financial resources, technical capabilities, and marketing expertise that will be required to carry your proposal to completion. Include evidence that your company has or will acquire these resources.

3.4 Clarifications

You may request clarification of any part of this RFP, but you must do so in writing—no other type of request for clarification will be honored. Your questions should specify the section and paragraph number of the RFP about which you would like to have additional information. All responses to requests for clarification will be published to all registered respondents simultaneously.

Any questions must be directed, via email, to: **jbrotherton@utopianet.org** and will be answered as received.

UTOPIA reserves the right to obtain clarification of any point in a respondent's proposal or to obtain additional information necessary to properly evaluate a particular proposal

3.5 Proposal Submission

The proposal package must be delivered to:

Jamie Brotherton, Procurement Officer
UTOPIA
2175 S. Redwood Road
West Valley City, UT 84119

Proposals may be submitted at anytime this RFP is still open. Multiple contract awards may be made during this open period.

A Letter of Transmittal, an original and six (6) copies of the paper-based proposal, and 2 CDs containing electronic copies of the proposal (with support materials) must be sealed in a package showing, in addition to the address listed above, the following information on the outside:

- Respondent's Name, Contact, Phone number, and Email address
- Proposal – UTOPIA RFP 100112-Business Development
- Proposal due: As submitted.

The Letter of Transmittal must be signed by a person(s) legally authorized to bind the respondent. Electronic proposals must be submitted in MS Word format.

4: TERMS AND CONDITIONS

4.1 Response Material Ownership

All material submitted in response to this RFP becomes the property of UTOPIA and will only be returned to the respondent at UTOPIA's option. Any person may review responses after final selection has been made. UTOPIA has the right to use any or all system ideas presented in reply to this request, subject to limitations outlined below in "Proprietary Information." Disqualification of a respondent does not eliminate this right.

4.2 Proprietary Information

UTOPIA is subject to the disclosure requirements of the Government Records Access and Management Act ("GRAMA"), Title 63, Chapter 2, Utah Code Annotated. UTOPIA generally considers Agreements, Contract Documents and all accompanying material to be public and subject to disclosure. Respondents may submit a written claim of confidentiality and a concise written statement of reasons supporting a claim of confidentiality; provided, that the written claim be submitted along with the response, under separate cover and accompanied by the confidential information. UTOPIA will classify such information as "protected" to the extent permitted under GRAMA. Please note, however, that blanket claims that the entire proposal is confidential will not be accepted by UTOPIA. Nothing herein shall be construed as a guarantee from UTOPIA that "protected" information will be free from public disclosure, rather UTOPIA will only release such information as required by court order or applicable law. UTOPIA will provide respondents prompt notice of a request for disclosure of such protected information and will cooperate with respondents, at respondents' sole expense, in seeking the issuance of a protective order, at their cost.

Respondents are entitled under GRAMA to appeal an adverse determination regarding the classification of information. UTOPIA is not required to notify respondents of a request for non-protected information, and will not consider a claim of confidentiality unless the respondent's claim of confidentiality is made on a timely basis and in accordance with GRAMA.

4.3 Conflicts of Interest

Proposed solutions to this RFP must be defined in such a way as to prevent and prohibit conflicts of interest between the respondent, UTOPIA, and other service providers that may offer services across the UTOPIA network. Any potential conflicts shall be disclosed and strategies for mitigating these conflicts proposed.

4.4 Incurring Costs

UTOPIA is not liable for any costs you incur prior to issuance of a formally signed and executed written agreement, contract or purchase order. Costs of developing the proposals, oral presentations or any other such expenses incurred by the respondent in responding to the RFP are entirely your responsibility, and will not be reimbursed in any manner by UTOPIA.

4.5 Miscellaneous

Respondents should be aware of the following requirements.

4.5.1 No Discrimination in Employment

In connection with the proposed business development partnership arrangement, respondents agree not to refuse to hire, discharge, promote or demote, or to discriminate in matters of compensation against any person otherwise qualified, solely because of race, creed, color, religion, sex, age, national origin, ancestry, or sexual orientation.

4.5.2 News Releases/Advertising

News releases and/or advertising pertaining to this procurement or any part of the subject may not be made without prior, written approval of UTOPIA.

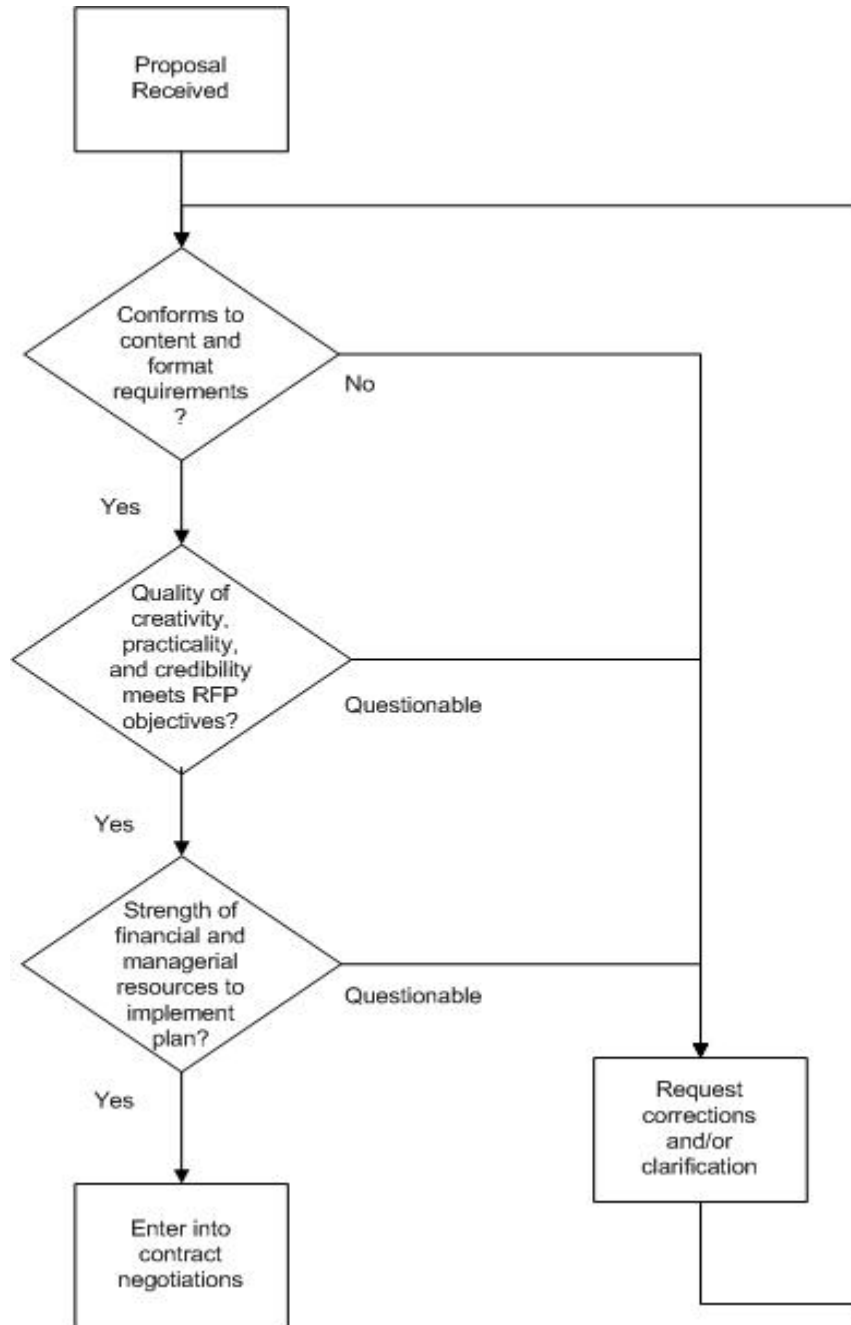
5: SELECTION PROCESS

UTOPIA considers your response to the substantive content of this RFP to be the most important element in the evaluation/selection process. We are looking for proposals that reflect a creative, practical, and credible approach to implementing a business development partnership that advances the mutual interests of the parties and redounds to the ultimate benefit of UTOPIA member city residents. To this end, each response will be judged in its entirety as outlined below.

5.1 Evaluation Process and Criteria

The evaluation of responses will follow the logical path outlined in Figure 5.1. At each step, reviewers will focus on specific criteria as described below. However, we reserve the right to overlook any irregularity or waive any requirement when, in UTOPIA's sole discretion, doing so would inure to UTOPIA's benefit.

Figure 5.1 Proposal Evaluation Process



5.1.1 Submission Conformance Review

Section 3, above, provides directions about the content and organization that we expect to see in your response. If your proposal contains material omissions or fails to follow the organization guidelines given in this RFP, it will be at risk of being set aside from any further evaluation.

5.1.2 Proposal Responsiveness Evaluation

The review committee will review the quality and responsiveness of your proposal by separately considering the following elements:

- a) Creativity. We are interested in a fresh look at the possible synergies of a publicly financed and publicly owned business development partnering with a for-profit entity. Accordingly, proposals that provide a creative new way of melding the different strengths and weaknesses of the parties will be particularly well received. The reviewers will pay special attention to your understanding of the unique institutional environment in which UTOPIA operates and to your ideas about how to manage these dynamics.
- b) Practicality. There are well-defined financial, organizational, political, and operational boundaries within which a business development partnership between UTOPIA and a service provider can operate. Reviewers will look for evidence that your proposal has taken cognizance of these limits and that you have outlined a strategy that can work within them. Your proposed partnership arrangement must be capable of implementation without a major realignment of these parameters.
- c) Credibility. Your proposal will need to give reviewers a high level of confidence that your team has the competence and the resources needed to operationalize your strategy.

5.1.3 Organizational Capacity Review

In addition to the judgments that reviewers can derive from your description of the proposed strategy, they will need to be able to corroborate your representations by appeals to third parties. Accordingly, the evaluation process will include such reference checking and fact verification as the review committee deems necessary before reaching a conclusion about selecting a winning offeror.

5.2 Acceptance of Proposal

UTOPIA retains the right, at its sole discretion, to select or not select respondents to be included in further negotiations at any point during the evaluation process. The contents of the proposal of the successful respondent may become contractual obligations, if we determine to proceed with implementation of the partnership.

5.3 False or Misleading Statements

If, in the opinion of UTOPIA, a proposal contains false or misleading statements or references, it will be rejected. However, before removing a proposal from consideration, we will notify the submitter of our concern and allow the submission of an explanation. UTOPIA's decision, after considering any explanatory information will be final.

5.4 Rejection of Proposals

Issuance of this RFP in no way constitutes a commitment by UTOPIA to award a contract. If it is deemed in the best interest of UTOPIA to do so, UTOPIA reserves the right to reject any or all proposals and to waive any informalities or minor irregularities in proposals received or to accept any portion of a proposal or all items proposed, or to reject any and all proposals received in response to this RFP, or to cancel the RFP.