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Broadband Infrastructure Development

Request for Proposal Presentation – January 2023

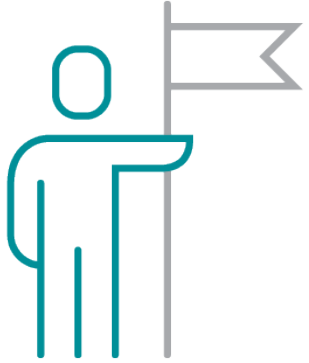


Overview

- Background
- Request for proposal overview
- Proposal analysis
- Provider selection
- Next steps



Background



The purpose of this initiative was to facilitate projects that will successfully accomplish getting fiber-to-the-home broadband internet to the unserved and underserved residents of Clinton County.

- Provide service to the home utilizing fiber technologies that deliver a minimum 100Mbps download and 20Mbps upload service upon project completion, expandable to 100Mbps symmetric service.
- Identify service provider(s) capable of delivering the required services to the eligible service areas
- Seek grant funding through the Michigan High-Speed Internet Office (MIHI) to offset costs to Clinton County (“County”).



Request for proposal overview



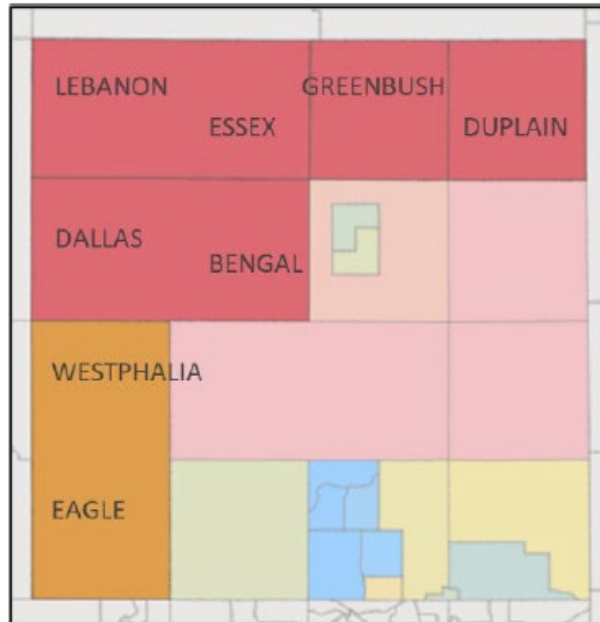
Request for proposal

- Clinton County partnered with Guidehouse to develop an RFP to solicit broadband Internet providers to build the fiber-to-the-home Internet services for the residents of Clinton County.
- The RFP requirements were largely driven by and based on the funding and grant requirements stipulated by the State of Michigan/MIHI (ROBIN Grant) and the Federal ARPA funding.
- The RFP identified three underserved broadband service areas in the County (West, Central, and East). Providers were able to propose services on one or more service areas.
- Clinton County managed the RFP solicitation process and partnered with Plante Moran to assist in the proposal evaluation process.

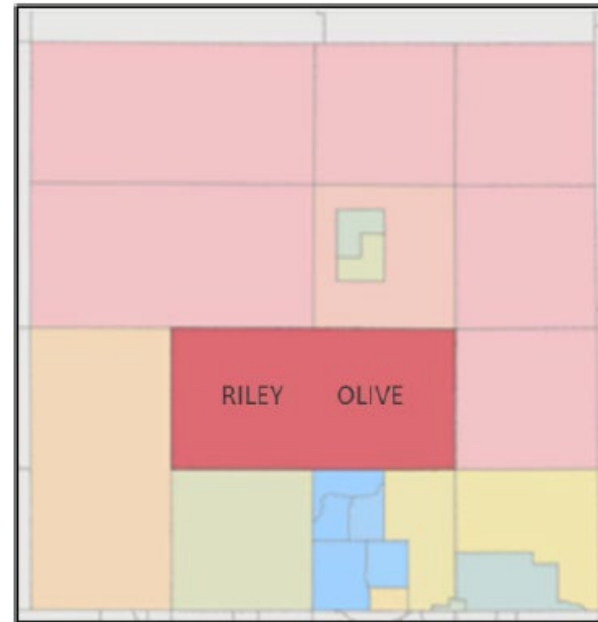


Proposed broadband service areas

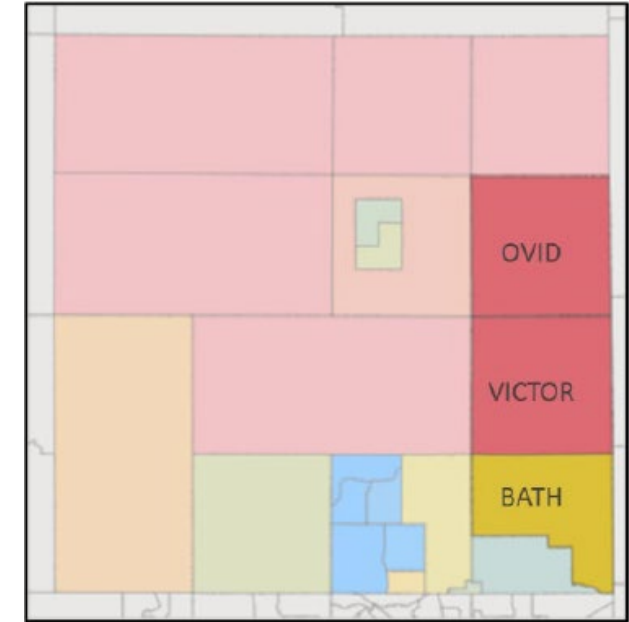
West Service Area



Central Service Area

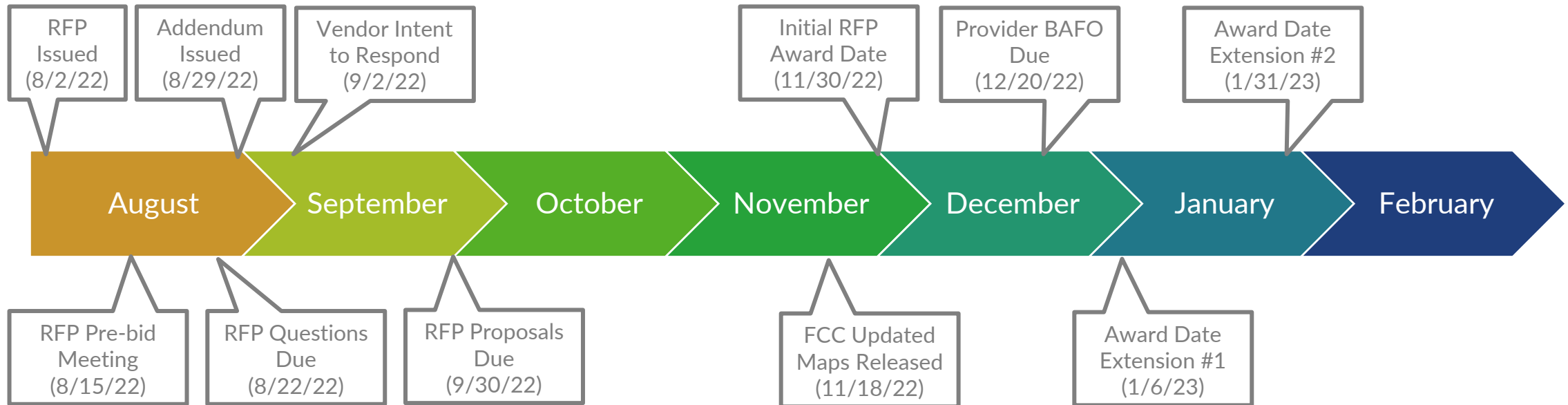


East Service Area





Request for proposal timeline



The RFP timeline was extended to allow for additional due diligence activities (financial review) and availability of more detailed FCC broadband maps.



Proposal analysis

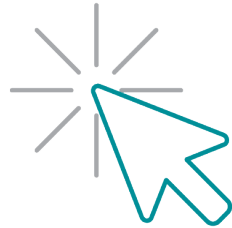


Proposal analysis process

- Six qualified proposals were received, and analysis was conducted between October 2022 - January 2023.
- Based on the initial scoring results, interviews were conducted with three providers in November 2022.
- The County partnered with Plante Moran to perform provider financial due diligence for the shortlist providers which identified some areas that required further clarification.
- Updated FCC broadband maps were published on November 18, 2022. All providers were afforded an opportunity to update their proposals by December 20, 2022, with a best and final offer (BAFO).
- The County performed due diligence reference checks for the proposed finalist provider. The feedback provided was positive.
- County legal counsel reviewed the contract terms & conditions from the proposed finalist provider and did not find any significant concerns.



RFP evaluation criteria



Minimum service performance of the offered service



Financial support/
Funding by provider



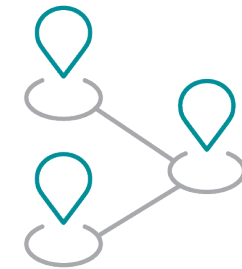
Connected community facilities



Project timelines



Digital equity



Project plan



Additional evaluation considerations

- Additional County considerations in the evaluation process:
 - Provider financial viability
 - Provider RFP cooperation & interest
 - Exceptions taken to RFP and MIHI grant requirements
 - Quantity of potential households served per service area
 - Ability of provider to service in multiple or all service areas requested
 - Provider's broadband technology design (e.g., expandability, oversubscription ratios, etc.)
 - Customer/subscriber convenience (e.g., installation fees, device program)
 - Provider service offerings and subscriber costs
 - Provider ability to expand broadband services beyond the grant eligible households
- The quantity of potential households served was determined by the provider using FCC published data regarding unserved or underserved domiciles based on the Internet speed availability criteria mentioned earlier.



Proposal cost summary

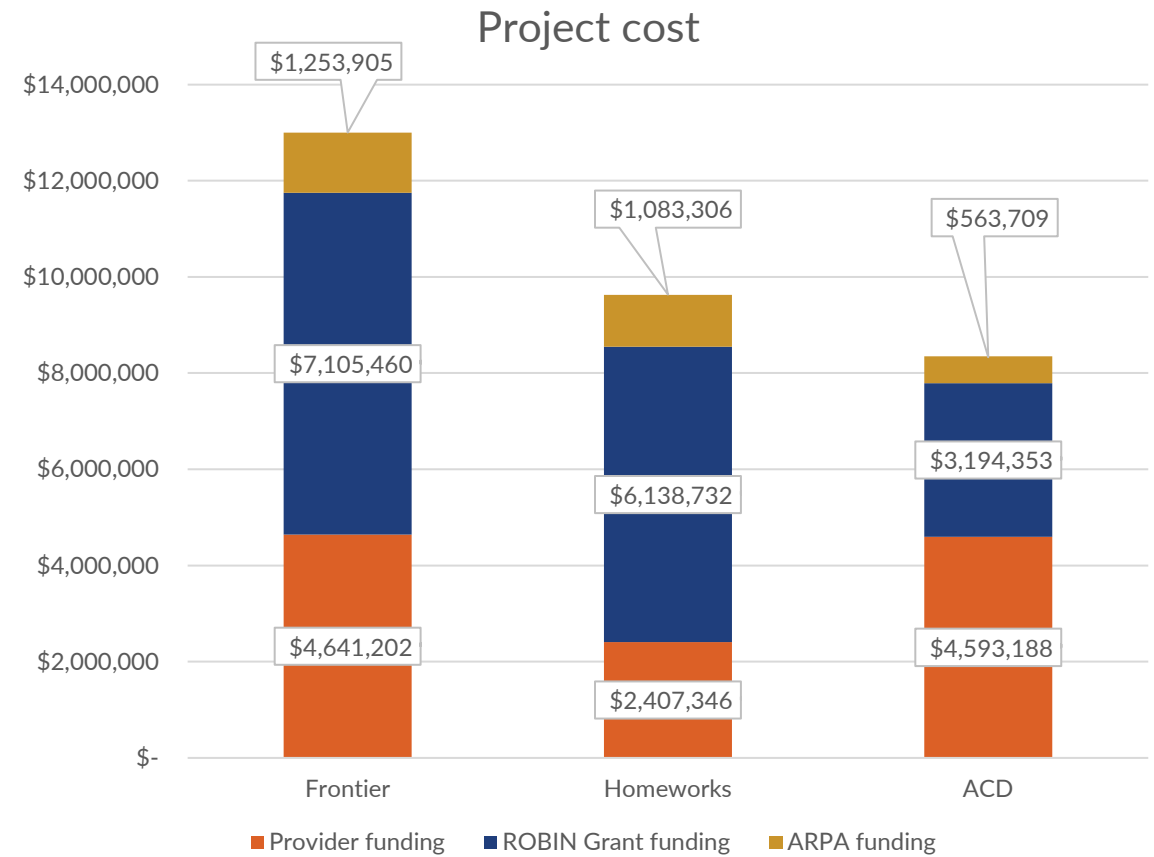
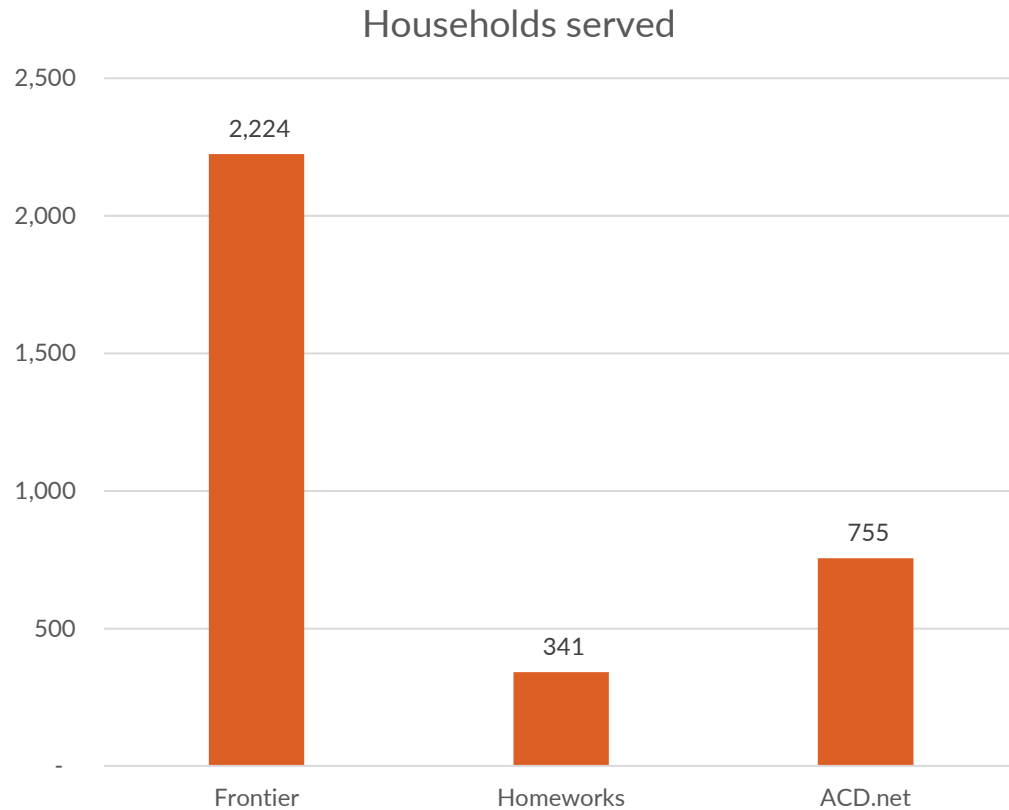
Final proposal costs									
Provider	West service area			Central service area			East service area		
	Total project cost	Provider funding %	Quantity of potential households served	Total project cost	Provider funding %	Quantity of potential households served	Total project cost	Provider funding %	Quantity of potential households served
Frontier	\$13,000,566	35.70%	2,224	\$7,603,320	35.70%	1,375	\$4,653,724	35.70%	742
Comcast	-	-	-	\$4,388,579	55%	921	\$1,534,335	74%	322
Homeworks	\$9,629,384	25%	341	\$5,060,483	25%	209	-	-	-
Stellar Broadband	-	-	-	-	-	-	\$9,041,821	40%	2,207
ACD.net	\$8,351,250	55%	755	\$7,179,750	40%	855	\$8,643,750	32%	1,860

Note: Charter/Spectrum withdrew proposal, Point Broadband did not meet RFP requirements and was disqualified

Quantity of potential households served is based on data submitted by the providers through the RFP process. Actual quantity of grant eligible households served is subject to change based on the determination of the Michigan High-speed Internet Office (MIHI).



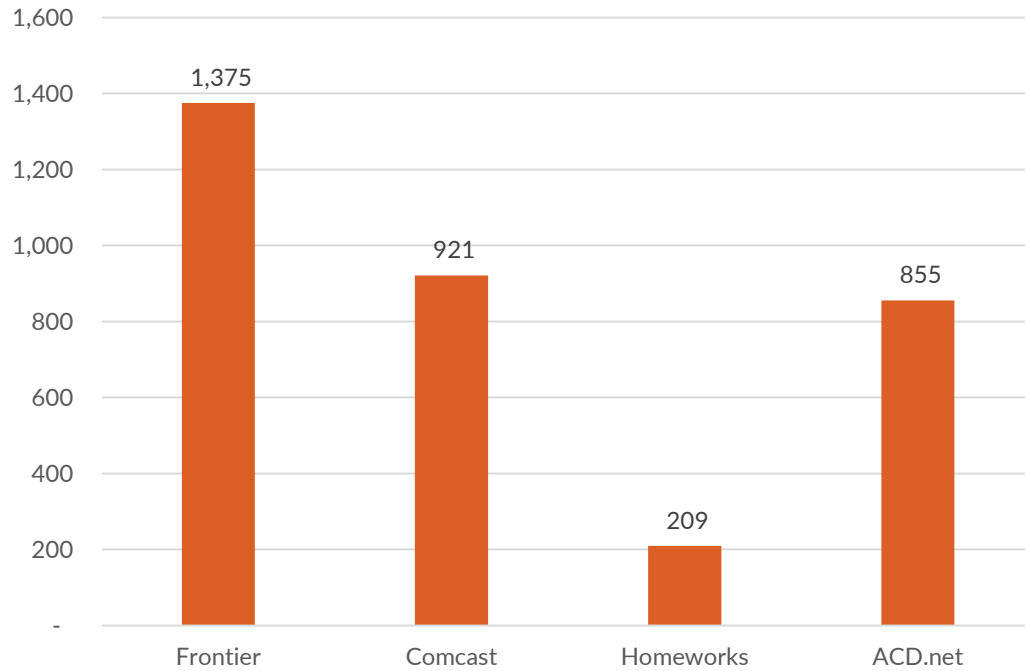
West service area



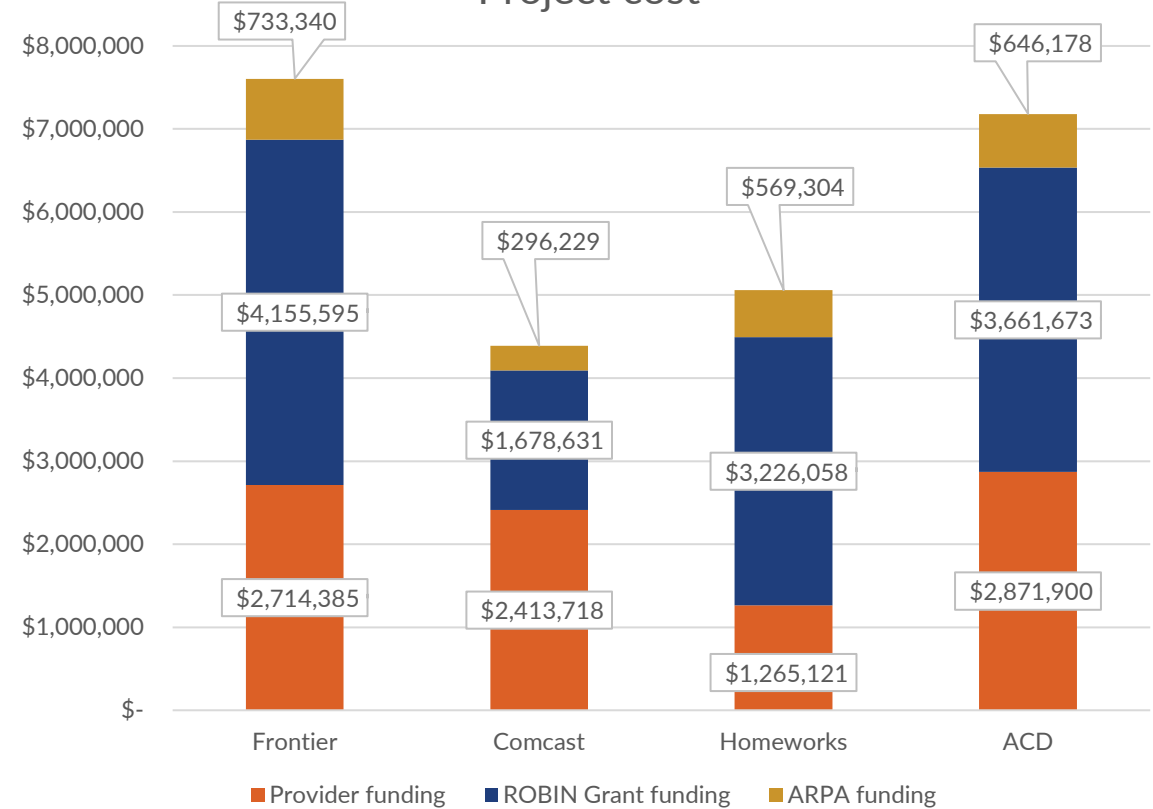


Central service area

Households served



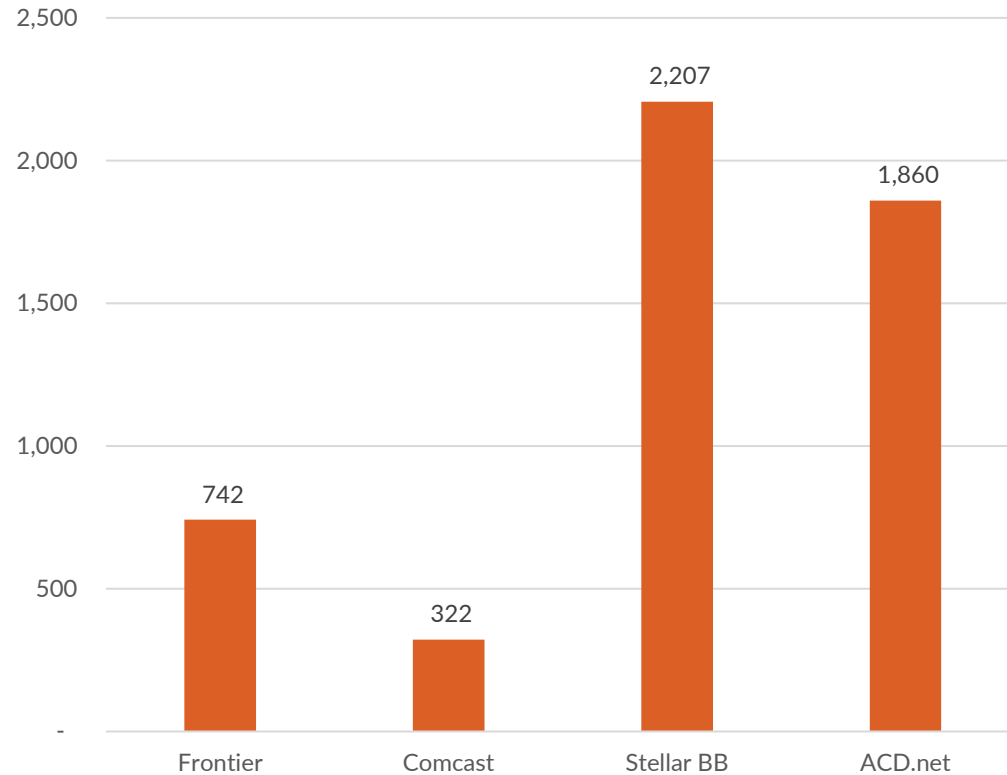
Project cost



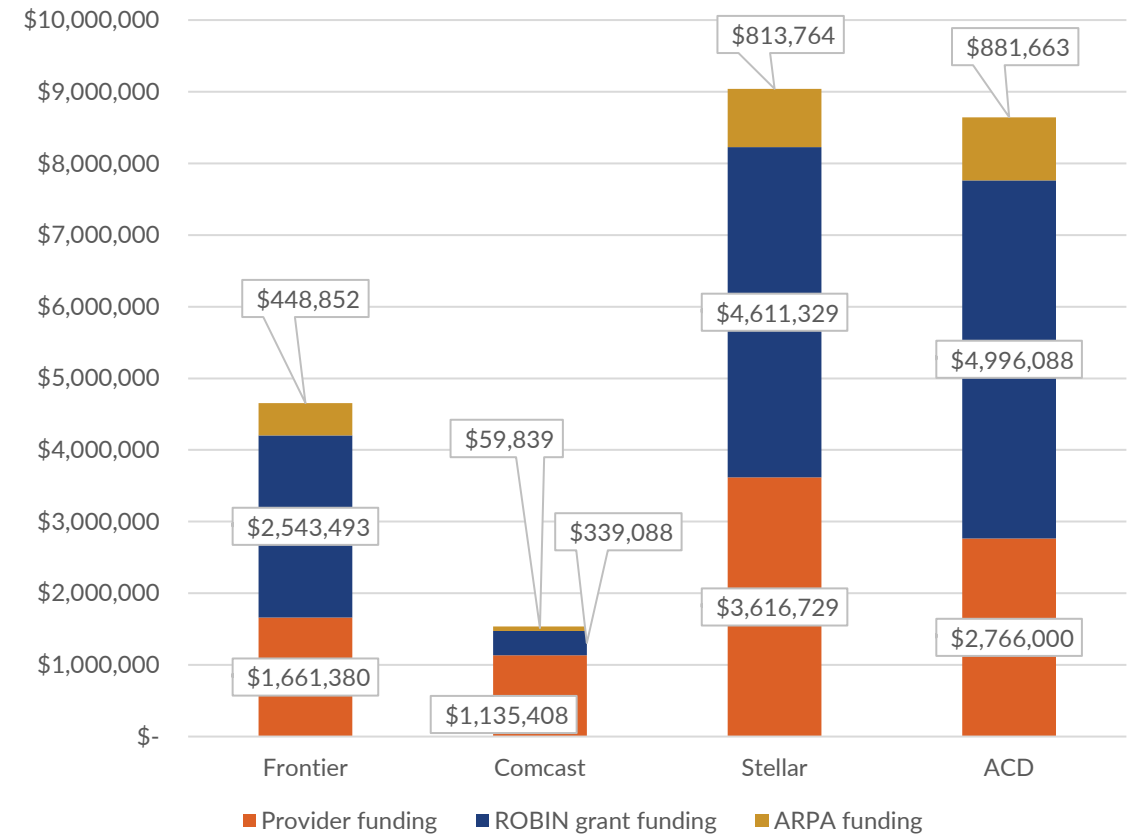


East service area

Households served



Project cost



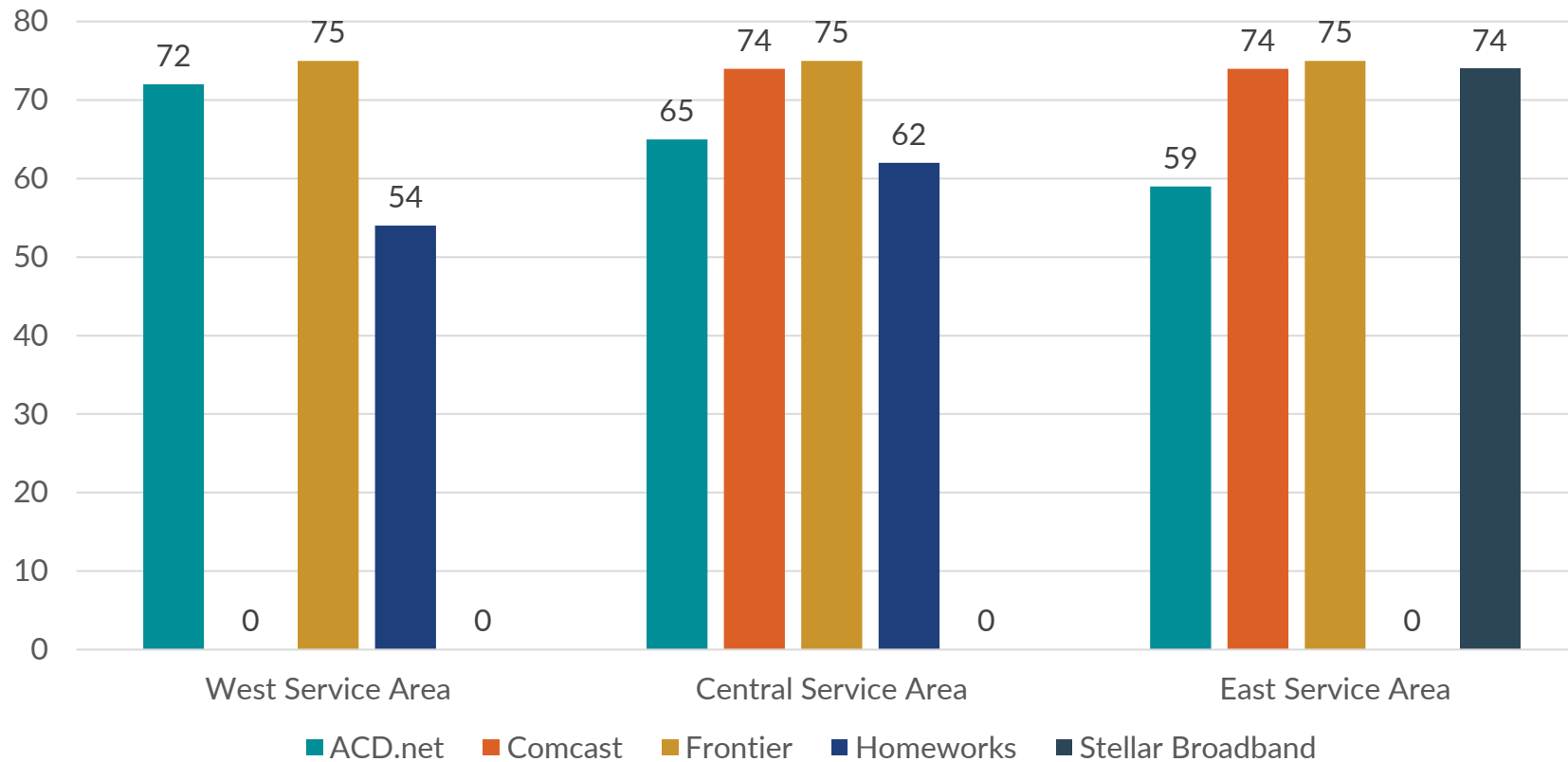


Provider selection



RFP scoring summary

The provider proposals were evaluated and scored by the County RFP Selection Committee with the support of Plante Moran. The overall score for each provider is shown below.





Recommendation

Plante Moran supports the recommendation of the Clinton County RFP Selection Committee to award all three services areas (West, Central, East) to:

Frontier North Inc. (d/b/a “Frontier”)

- Received the highest overall score (75) in the RFP evaluation process.
- Provider with lowest cost per household capable of serving all three service areas.
- Potential to serve the highest number of grant eligible households across all three service areas.
- Proposed broadband infrastructure allows for future expansion to other areas and customers within the county (funded separately).



Additional considerations Frontier

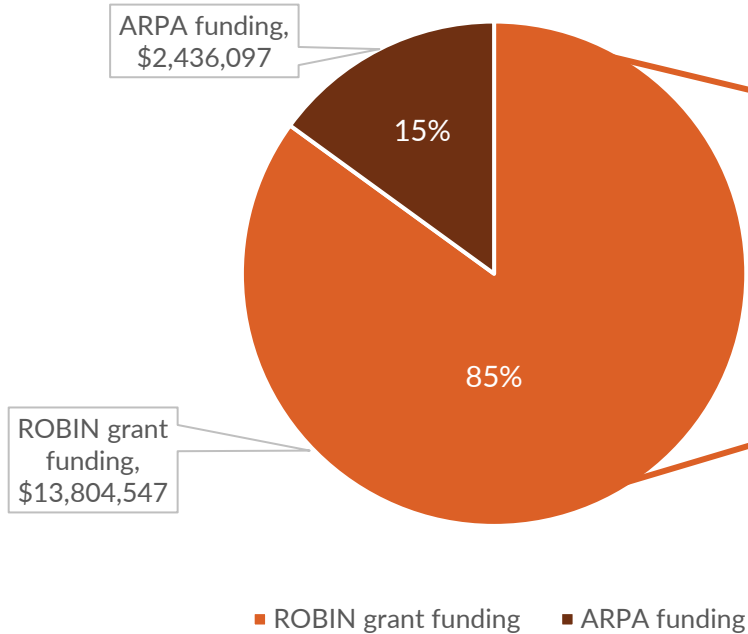
- Frontier has a strong financial position. Plante Moran assisted in an evaluation of provider financials that supports this conclusion. As a large publicly traded company, their financials are audited and made publicly available.
- The company's Chapter 11 restructuring resulted in a change in strategic direction and has positioned them as a fiber provider versus a traditional telecommunications company.
- The company has reorganized the customer service division of the business to make it a priority and better align with customer expectations of their 1.34M broadband customers.
- The County performed provider reference checks with other municipalities and received consistently positive feedback.
- Frontier provided a realistic and conservative project timeline that accounts for the required engineering and permitting activities.
- Frontier maintained significant interest and good cooperation throughout the RFP process.



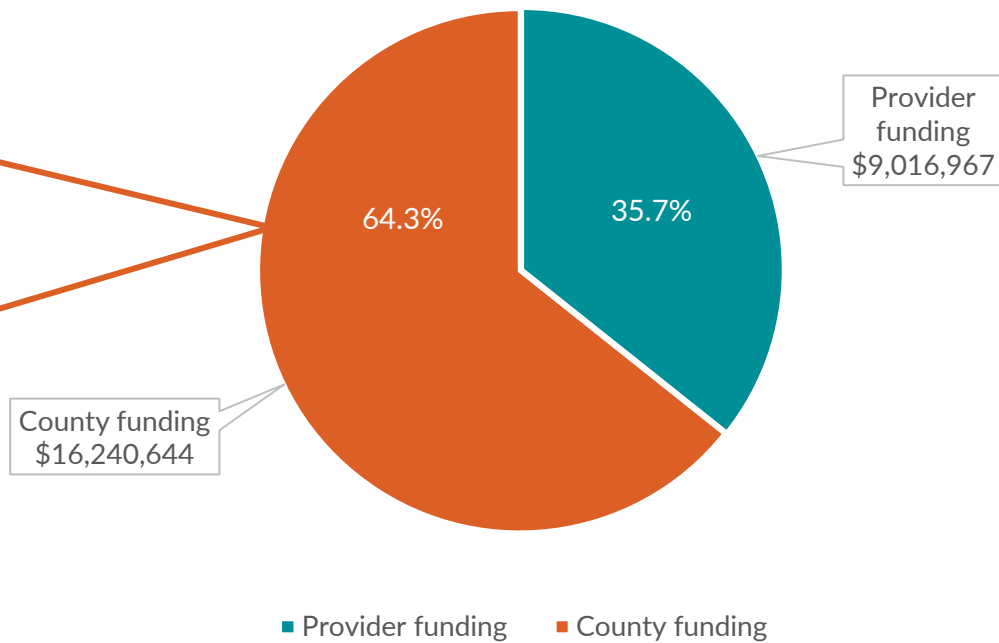
Project funding summary

Total project cost	\$25,257,611
Provider portion of project	\$9,016,967
County portion of project	\$16,240,644
ROBIN grant funding (85%)	\$13,804,547
County ARPA funds required (15%)	\$2,436,097
ARPA funds remaining	\$563,903

County funding required
\$16,240,644



Total project cost
\$25,257,611

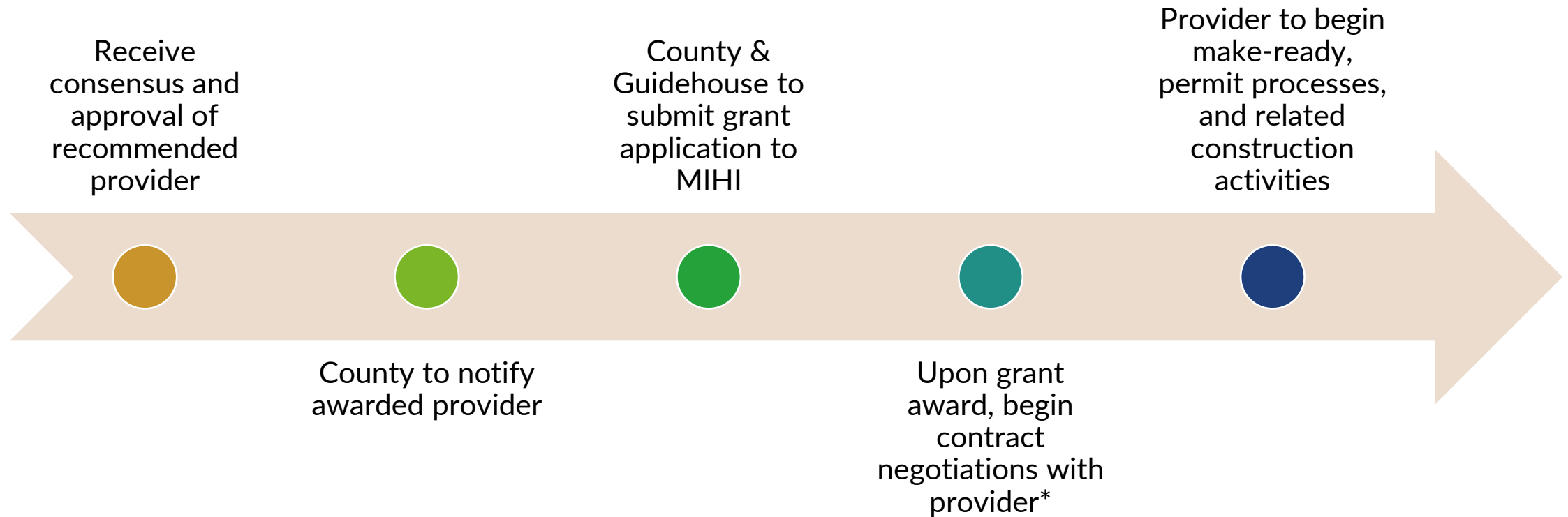




Next steps



Next steps



*Includes review and validation of grant eligible households to be served.



Thank you on behalf of the Plante Moran team.

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