

**ADDENDUM #2
REQUEST FOR PROPOSALS T-08
PROVISION OF FTTP NETWORK
SEPTEMBER 14, 2017**

General Questions:

1. **Will the City of Salem provide space (single mode fiber strands) on the existing City network designed, engineered and installed by Comm-Tract to be utilized for the part of the backbone of the proposed FTTP Network? If so, under what conditions and/or terms?**

No.

2. **Does the City have interest in partial ownership of the FTTP network to retain some level of control over the selection of retail ISP providers? And, if so, is the City open to retaining a percentage of the ISP revenues for maintenance of the FTTP network that allows for “transport” or delivery of ISP services in such a scenario?**

No. The City does not have an interest in having an ownership interest in the network. The City does have an interest in ensuring that economic benefits to the taxpayers’ flow from the grant of access to the City’s rights of ways.

3. **Will the City consider providing financial backing to accelerate the pace of deployment of the proposed FTTP network throughout the entire footprint of the City? In section III. B. of the RFP, it states “Proposals may include options under which build-out will occur if providers are guaranteed a specified amount to cover capital or operational costs.” It is not clear if this represents a financial commitment on the part of the City to support the FTTP build out until such time as the regions, or areas of the build out are completed, and services being rendered to the end customers.**

No. The City is making no financial commitment. Section III B refers to sources of capital other than the City.

4. **The RFP requests in section 1.1 “Provide fiber-optic access to the Internet to homes and businesses...” Does the City prefer to have the costs/business model assume the build out to the individual homes and businesses occurs prior to any service sign up by the end customer? Or, the “curb to premise” to be billed to the end customer at a later date after sign-up for such services occurs?**

The City has no preference, the model used should be clearly described in the proposal.

5. **Does the City have any engineering specifics on what type of fiber network is preferred? i.e. GPON, Active Ethernet, or other direct fiber design architecture?**

No. The design must meet or exceed established standards for communication and performance.

6. There are some limited demographics provided on the residences in the RFP, however no information on the demographics of businesses in the City. Can this information be provided?

Considered the “hub” of the North Shore, Salem is home to much of the area’s commerce and development, as well as the educational, medical, legal, cultural, and banking functions of the area. The city’s downtown hosts a robust tourism economy based on the city’s many historic and cultural resources. Salem is home to a diverse workforce concentrated within the health care and educational services industries.

Salem’s largest employers (as measured by the number of employees) are major institutions, including North Shore Medical Center, state government, and Salem State University. The city’s largest 100 employers are located across the city; the largest concentration of those employers is in and around Downtown, though others (the institutions) are located outside of Salem’s historic core. The Hawthorne Square Shopping Center—a typical strip shopping center on Highland Avenue—is another node of large employers.

Salem has a diverse collection of small businesses beyond its largest employers. These businesses include the city’s large retail and foodservice sectors that are concentrated Downtown.

More than 5,000 people work in Salem’s Health Care and Social Assistance sector, representing more than 1 in 4 of Salem’s workers (28%). Nearly 4,500 workers (23% of all workers) work in Accommodations and Food Service or in Retail. Nearly 3,000 workers (15%) work in Education Services, which includes K-12 schools and higher education institutions like Salem State University. All other economic sectors employ fewer than 10% of the people working within Salem.

7. Should the RFP response include estimates for the licensing (aerial attachments/underground) of the FTTP proposed network as a separate line item in the overall costs of building the FTTP network? (These costs are unknown until surveys, and make ready quotes could be completed, and estimates could vary widely.)

Yes.