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ARIZONA DEPARTMENT OF ADMINISTRATION

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TO: Solicitation File

FROM: Charlotte Righetti, CPPB, CTNS, Sr. Procurement Officer

DATE: February 6 2015

SUBJECT: Executive Summary of RFP ADSPO14-00004241, Carrier and Broadband Provider Services

This Request for Proposal (RFP) commenced under the Revised Arizona Procurement Code. Revised Arizona Statute § 41-2534, Competitive Sealed Proposal followed, including R2-7-C301 (Solicitation), R2-7-C302 (Pre-Offer Conference), R2-7-C306 (Receipt, Opening, and Recording of Offers), R2-7-C312 (Responsibility Determinations), R2-7-C313 Clarification of Offers, R2-7-C316 (Evaluation), R2-7-C315 (Final Proposal Revisions), R2-7-C316 (Evaluation of Offers) and R2-7-C317 (Contract Award).

TIMELINE

Solicitation ADSPO14-00004241 was conducted pursuant to A.R.S. § 41-2534 and implementing rules. The State Procurement Office issued the solicitation on August 29, 2014, sending letters of intent to five hundred and fifty-four (554) Vendors through ProcureAZ. The RFP was approved to advertise on September 2, 2014. A pre-offer-conference was held on September 9, 2014 at the State Procurement Office, fifteen (15) Vendors attended. Thirteen (13) proposals were received electronically via ProcureAZ on or before 3:00:59 PM, October 29, 2014 from the following Offerors:

AT&T Corp
CenturyLink d/b/a Qwest Communications Corp
CopperNet Systems Inc.
Cox Arizona Telcom, LLC
Frontier
Integra Telecom Holdings, Inc.
Jive Communications Inc
Mercury Voice & Data, LLC d/b/a Suddenlink Communications
Mr. Radio of Arizona Inc.
Nextiva Inc (Quote #29831)
Nextiva Inc (Quote #29902)
Trans-West Network Solutions
TW Telecom Holdings Inc.

EVALUATION PROCESS

1. Determinations of not susceptible for award was completed on October 31, 2014 and presented to the Solicitation File.

2. The evaluation team consisted of three (3) evaluators. The first evaluation meeting was held on November 3, 2014. At this meeting evaluators received electronic copies of each proposal submitted as well as Evaluator Instructions. Procurement Disclosure Statements had been signed prior to this meeting in accordance with Significant Procurement Role A.R.S. §41-741 and §41-2503. The signed disclosures were placed within the Solicitation File.

3. The second evaluation meeting was held on November 13, 2014, consensus scoring started.

4. The third evaluation meeting was held on November 14, 2014, consensus scoring was completed for all offers.

Based on this this initial consensus scoring the committee determined the need for clarifications from the following: AT&T, Cox, CenturyLink, Frontier, Suddenlink, Trans-West and TW Telecom.

5. The fourth evaluation meeting was held on November 26, 2014. At this meeting clarification questions were discussed with the committee members. 1st round of request for clarifications were emailed November 28, 2014 to the seven (7) Vendors who the committee had previously determined needed further clarification. All seven Vendors responded in a timely manner on or before the due date of December 4, 2014.

6. A second round of clarifications went out to the following vendors via e-mail on December 3, 2014: AT&T, Cox, CenturyLink, Frontier and Integra. All five (5) Vendors responded in a timely manner on or before the due date of December 10, 2014.

7. Written determination of confidential information was completed December 9, 2014 and presented to the Solicitation file.

8. A fifth evaluation meeting was held on December 18, 2014. This meeting resulted in the evaluation team agreeing that the following vendors were susceptible to move to the next state of the evaluation process, Negotiations: AT&T, Cox, CenturyLink, Frontier, Integra, Jive, Suddenlink, Trans-West, and TW Telecom.

9. Negotiation letters were sent out via e-mail on January 2, 2015 to the following Vendors: AT&T, Cox, CenturyLink, Frontier, Integra, Jive, Suddenlink, Trans-West and TW Telecom. The letter addressed key areas that Offerors could improve on as well as stated exceptions. All responses were received in a timely manner on or before the due date of January 16, 2015.

10. Verbal discussions were held between January 20th and February 2, 2015. With all Offerors who received negotiation letters. During these verbal discussions the State addressed exceptions and ICB pricing within Attachment II pricing structures.

11. On January 23, 2015 research was conducted to confirm that the potential awarded Offerors were not excluded from providing services.

12. In accordance with A.A.C. R2-7-C315, on February 2, 2015 a written request was sent to the nine (9) Vendors who confirmed negotiations and a final proposal revision opportunity was created in ProcureAZ. Final Proposal Revisions were due on February 4, 2015 at 5:00 P.M. All three (3) proposal revisions were received in a timely fashion on or before August 21, 2014.

13. The fifth and final evaluation meeting was held on February 5, 2015, recommendations for award was completed at this meeting.

SCORING TABULATION

The committee evaluated the proposals on a 1000 point scale. Cost scores were determined on a relative scale. Upon initial evaluation of the Offers received, the following scores were assigned:

	Cost	Method of Approach	Capacity of Offeror	Total
Points Possible	**400**	**350**	**250**	**1000**
AT&T Corp	35	146	138	**318**
Cox	327	234	225	**786**
CTL (CenturyLink)	186	234	150	**570**
Frontier	171	234	150	**555**
Integra	182	263	150	**595**
Jive	16	263	125	**404**
Suddenlink	48	263	113	**424**
Trans-West	52	234	200	**486**
TW Telecom	125	234	125	**484**

The following scoring is the result of the evaluation of final proposal revisions:

	Cost	Method of Approach	Capacity of Offeror	Total
Points Possible	**400**	**350**	**250**	**1000**
AT&T Corp	35	263	150	**447**
Cox	317	292	225	**834**
CTL (CenturyLink)	181	263	150	**594**
Frontier	165	263	150	**607**
Integra	175	292	150	**617**
Jive	16	263	125	**404**
Suddenlink	46	292	125	**463**
Trans-West	49	263	200	**512**
TW Telecom	118	321	125	**564**

CONTRACT AWARD / DETERMINATION

In accordance with the Solicitations Uniform Instructions, Section 6 Award, it has been determined that it is most advantageous to the State to make multiple awards, based on the analysis of usage data and anticipated use of the awarded contracts.

Based on the information provided and consensus from the Evaluation Committee, the recommendations for award of solicitation ADSPO14-00004241, shall be in accordance with A.R.S. § 41-2534 and R2-7-C317. Awards shall be made to the following:

AT&T Corp
Cox Arizona Telcom, LLC
CenturyLink d/b/a Qwest Communications Corp
Frontier
Integra Telecom Holdings, Inc.
Jive Communications Inc
Mercury Voice & Data, LLC d/b/a Suddenlink Communications
Trans-West Network Solutions
TW Telecom Holdings Inc.

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The members of the evaluation committee have completed their review of proposals and any subsequent best and final offers received in response to Solicitation No. **ADSPO14-00004241, for Carrier and Broadband Provider Services** and have reached consensus. Based on the detailed evaluation of the individual proposals, it would be in the best interest of the State to award contracts to the following:

AT&T Corp.
CenturyLink d/b/a Qwest Communications Corp
Cox Arizona Telcom, LLC
Frontier
Integra Telecom Holdings, Inc.
Jive Communications Inc.
Mercury Voice & Data, LLC d/b/a Suddenlink Communication
Trans-West Network Solutions
TW Telecom Holdings

As a participating member of the evaluation committee, I agree with the information provided in the attached document and concur that the consensus scoring is a complete and accurate reflection of the committee's agreement regarding the evaluation of the proposals received.

Sally Grimm — 2-5-15
Grimm, Sally — Date

Gary Hensley — 2/5/15
Hensley, Gary — Date

Michael Sherman — 2-5-15
Sherman, Michael — Date

FINAL EVALUATION REPORT

Solicitation No. ADSPO14-00004241

Carrier and Broadband Provider Services

		Offerors																	
		AT&T Corp		Cox Arizona Telcom, LLC		CenturyLink d/b/a Qwest Communications Corp		Frontier		Integra Telecom Holdings, Inc.		Jive Communications Inc.		Mercury Voice & Data, LLC d/b/a Suddenlink Communications		Trans-West Network Solutions		TW Telecom Holdings	
	Total Score	*447*		*834*		*594*		*607*		*617*		*404*		*463*		*512*		*564*	
400	**Scenarios**	35		317		181		165		175		16		46		49		118	
36.4	Scenario 1, Analog Line	no bid	0.0	$ 16.75	36.4	$ 59.93	10	$ 31.82	19.2	no bid	0.0	no bid	0.0	$ 72.90	8	$ 295.00	2.1	no bid	0.0
36.4	Scenario 2, Metro Ethernet	no bid	0.0	$ 501.00	35.6	$ 489.72	36	$ 1,429.00	12.5	$ 1,002.30	17.8	no bid	0.0	no bid	0	no bid	0.0	$ 938.38	19.0
36.4	Scenario 3, MPLS or Equivalent	$ 698.20	31.4	$ 602.00	36.4	$ 1,550.78	14	$ 929.00	23.6	$ 1,003.40	21.8	$ 1,401.10	15.6	no bid	0	no bid	0.0	$ 1,131.40	19.4
36.4	Scenario 4, PBX ALI	no bid	0.0	No charge	36.4	$ 1,305.20	0	$ 1,075.00	0.0	no bid	0.0	no bid	0.0	no bid	0	no bid	0.0	no bid	0.0
36.4	Scenario 5, MPLS with Ethernet Port Service or Equivalent	no bid	0.0	$ 2,015.00	36.4	$ 5,106.57	14	$ 3,512.00	20.9	no bid	0.0	no bid	0.0	$ 2,450.00	30	$ 25,700.00	2.9	$ 2,303.40	31.8
36.4	Scenario 6, Stand Alone Internet Access Service	no bid	0.0	$ 194.00	36.4	$ 637.00	11	$ 239.98	29.4	no bid	0.0	no bid	0.0	no bid	0	no bid	0.0	no bid	0.0
36.4	Scenario 7, High Speed Internet Access Service	no bid	0.0	$ 4,855.00	27.1	$ 9,239.53	14	$ 8,781.00	15.0	$ 3,612.50	36.4	no bid	0.0	$ 17,500.00	8	$ 13,200.00	10.0	$ 6,889.75	19.1
36.4	Scenario 8, Managed WiFi Access-Point Service	$ 5,607.32	3.1	$ 483.00	36.4	$ 719.07	24	$ 3,437.99	5.1	$ 5,149.50	3.4	no bid	0.0	no bid	0	$ 600.00	29.3	no bid	0.0
36.4	Scenario 9, PRI	no bid	0.0	$ 840.00	36.4	$ 1,395.00	22	$ 1,954.42	15.6	$ 1,323.00	23.1	no bid	0.0	no bid	0	$ 6,558.00	4.7	$ 1,060.00	28.8
36.4	Scenario 10, Fiber Lease Service	no bid	0.0	ICB	0.0	ICB	0	no bid	0.0	$ 11,250.00	36.4	no bid	0.0	no bid	0	no bid	0.0	no bid	0.0
36.4	Scenario 11, Regional Transport Network	no bid	0.0	no bid	0.0	$ 30,925.14	34	$ 45,000.00	23.7	$ 29,250.00	36.4	no bid	0.0	no bid	0	no bid	0.0	no bid	0.0
350	**Method of Approach**	263		292		263		292		292		263		292		263		321	
59	2.1 E-Rate SPIN #	Exceeds Expectations	59	Exceeds Expectations	59	Exceeds Expectations	59	Exceeds Expectations	59	Exceeds Expectations	59	Exceeds Expectations	59	Exceeds Expectations	59	Exceeds Expectations	59	Exceeds Expectations	59
	Comments	Provided spin #		Provided Spin		Provided Spin #		Provided Spin #		Provided Spin #		Provided Spin #		Provided Spin #		Provided Spin #		Provided Spin #	
58	2.2 Categories to be offered by County.	Exceeds Expectations	58	Exceeds Expectations	58	Exceeds Expectations	58	Exceeds Expectations	58	Exceeds Expectations	58	Exceeds Expectations	58	Exceeds Expectations	58	Exceeds Expectations	58	Exceeds Expectations	58
	Comments	Multiple Categories offered within multiple counties.		Multiple Categories offered within multiple counties.		Multiple Categories offered within multiple counties.		Multiple Categories offered within multiple counties.		Multiple Categories offered within multiple counties.		Multiple Categories offered within multiple counties.		Multiple Categories offered within multiple counties.		Categories 1-4 in all Counties		Multiple Categories offered within multiple counties.	
58	2.3 Excluded Cities Serviced by County.	Exceeds Expectations	58	Meets Expectations	29	Meets Expectations	29	Meets Expectations	29	Meets Expectations	29	Meets Expectations	29	Meets Expectations	29	Meets Expectations	29	Exceeds Expectations	58
	Comments	Through Clarifications AT&T confirmed they have no exclusions within the counties they are providing services in category 1-4 within.		Exclusions in Cochise, Maricopa, Pima and Pinal Counties		Exclusions found in all Counties.		Exclusions in Apache, Coconino and LaPaz.		Exclusions found in all offered counties		Exclusions for Category 1 offerings in multiple counties.		Exclusions found within Coconino, Gila, La Paz, Mohave, and Yavapai Counties.		Through clarifications TransWest stated that adequate bandwidth is required so that cities are not excluded.		Through Clarifications TW confirmed they have no exclusions within the counties they are providing services.	
59	2.4 Compliance to Requested Services by Category.	Meets Expectations	29.5	Exceeds Expectations	59	Meets Expectations	29.5	Exceeds Expectations	59	Meets Expectations	29.5	Exceeds Expectations	59	Exceeds Expectations	59	Exceeds Expectations	59	Exceeds Expectations	59
	Comments	Exceptions listed are acceptable.		Did not take exceptions to service requirements, marked no to this question and submitted exceptions for T&Cs and other portions of the SOW, not the Services.		Exceptions listed are acceptable.		Did not take exceptions to service requirements, marked no to this question and submitted exceptions for T&Cs and other portions of the SOW, not the Services.		Exceptions listed are acceptable.		Marked yes on questionnaire and that was an accurate declaration. Exceptions were submitted within T&Cs and other portions of the SOW, not the Services.		Did not take exceptions to service requirements, marked no to this question and submitted exceptions for T&Cs and other portions of the SOW, not the Services.		No exceptions to services.		Did not take exceptions to service requirements, marked no to this question and submitted exceptions for T&Cs and other portions of the SOW, not the Services.	
58	2.5 Expanding Geographic Availability	Meets Expectations	29	Exceeds Expectations	58	Meets Expectations	29	Meets Expectations	29	Exceeds Expectations	58	Meets Expectations	29	Exceeds Expectations	58	Meets Expectations	29	Meets Expectations	29
	Comments	CLEC, No strategy provided.		Through clarifications identified they are a CLEC and listed various companies with established agreements		Through Clarifications CTL confirmed they are an ILEC.		ILEC.		CLEC, with agreements in place with ILECS. No additional strategy provided		Not a CLEC.		CLEC, franchise agreements with sister cable entities. No plans of expanding CLEC activities currently.		Not a CLEC.		CLEC, no strategy given.	
58	2.6 Broadband Expansion	Meets Expectations	29	Meets Expectations	29	Exceeds Expectations	58	Exceeds Expectations	58	Exceeds Expectations	58	Meets Expectations	29	Meets Expectations	29	Meets Expectations	29	Exceeds Expectations	58
	Comments	Wishes not to participate.		Wishes not to participate.		Provided detailed plan to increase infrastructure throughout the state included aggregate recommended bandwidth by community in exhibit A. Provided maps through BAFO.		Participating and provided maps through BAFO.		Provided plan with high level of detail and strategies that show vendor's understanding of State's objectives		Wishes not to participate.		Wishes not to participate.		Wishes not to participate.		Provided plan for expansion as well as required maps.	
250	**Capacity of Offeror**	150		225		150		150		150		125		125		200		125	
50	3.1 Overall Company Information	Exceeds Expectations	50	Exceeds Expectations	50	Exceeds Expectations	50	Exceeds Expectations	50	Exceeds Expectations	50	Meets Expectations	25	Meets Expectations	25	Meets Expectations	25	Meets Expectations	25
	Comments	Detailed information provided by vendor		Vendor provided all requested information in great detail		Provided certifications, all information was given in detail.		Detailed information for their Arizona operations		Detailed company information provided. Extensive key personnel information provided.		Provided requested information.		Provided requested information.		Provided requested information.		Provided requested information.	
25	3.2 Audited Financials	Meets Expectations	12.5	Meets Expectations	12.5	Meets Expectations	12.5	Meets Expectations	12.5	Meets Expectations	12.5	Meets Expectations	12.5	Meets Expectations	12.5	Meets Expectations	12.5	Meets Expectations	12.5
	Comments	Provided requested information.		Provided requested information.		Provided requested information.		Provided requested information.		Provided requested information		Provided requested information.		Through Clarifications documents were provided.		Provided requested information.		Provided requested information.	
25	3.3 Subcontracting	Meets Expectations	12.5	Meets Expectations	12.5	Meets Expectations	12.5	Meets Expectations	12.5	Meets Expectations	12.5	Meets Expectations	12.5	Meets Expectations	12.5	Meets Expectations	12.5	Meets Expectations	12.5
	Comments	Through clarifications AT&T confirms they do not utilize subcontractors, if a subcontractor is required they will obtain approval from the State first.		Utilize 15 subcontractors		Utilize 8 subcontractors.		Frontier statement is that they do not currently utilize subcontractors. If subcontracts are required they will meet the requirements of the T&Cs.		Utilizes 2 subcontractors		Does not employ subcontractors.		Utilize 1 Subcontractor		Utilize 2 Subcontractors		Utilize 15 Subcontractors for providing various portions of requirements of the RFP.	
150	3.4 Current Customer Base	Meets Expectations	75	Exceeds Expectations	150	Meets Expectations	75	Meets Expectations	75	Meets Expectations	75	Meets Expectations	75	Meets Expectations	75	Exceeds Expectations	150	Meets Expectations	75
	Comments	Provided 3 references, all are out of state customers requiring services such as: Voice, Data, Ethernet, VoIP, VPN Security, etc.		Provided 4 references, 1 school customer, 1 county customer, I state customer and 1 coop customer. Services include: Ethernet, WAN, Internet, Voice ext.		Provided 3 references, one out of state and 2 schools. Services provided include: Ethernet, voice services, Ethernet, etc.		Provided 3 references, 1 out of state customer, 1 county and 1 nation. Services provided include DSL, PRI, POTS, P2P circuits, Ethernet, etc.		Provided 3 references, all three out of state. Provide services such as Dark Fiber, Data Services and Voice Services.		Provided 3 references, all of which were with schools who obtain hosted VoIP services.		Provided 3 references, 2 schools and 1 library. References obtain services such as Internet Access, PRIs, Phone lines, etc.		Provided 6 references all of which were schools obtaining services such as VoIP and Wireless Access Points.		Provided 3 references, One State customer, 1 County customer and 1 out of state customer requesting services such as Internet, PRI's, Ethernet, VPN, etc.	

For each of evaluation criteria above, a determination was made regarding how well the proposals satisfied the stated requirements. The rating definitions, found below, formed the basis for determining the scores assigned to each proposal. The comments fields were used to note strengths and weaknesses of the proposal.

Formula for Scoring Cost, Scenarios, Criteria 1

$$\left(\frac{\text{Price}_{lowest}}{\text{Price}_{offered}}\right) \times \text{Points}_{max} = \text{Points}_{awarded}$$

Rating Definitions for Criteria 2 and 3	***% of Max Points***
Exceeds Expectations	*(100% Points)*
Meets Expectations	*(50% of Points)*
Unacceptable	*(0 Points)*