

MEMBER
JURISDICTIONS

May 10, 2021

Memorandum #2021-75

TO: Southside Network Authority

CHESAPEAKE

BY: Steven H. DeBerry, Executive Director

RE: Southside Network Authority Meeting – May 14, 2021

A meeting of the Southside Network Authority (SNA) will be held on Friday, May 14, 2021, beginning at 2:00 PM. The agenda is attached.

NORFOLK

Pursuant to the declared state of emergency in the Commonwealth of Virginia in response to the COVID-19 pandemic and to protect the public health and safety of the SNA members, staff, and the general public, the SNA meeting will be held electronically.

PORTSMOUTH

Members of the public are invited to address the SNA. Due to the COVID-19 crisis, interested persons may submit comments to the SNA in advance of the meeting by email to kmiller@hrpdcva.gov or phone (757) 366-4370. Each comment is limited to three minutes. All comments received 48 hours prior to the meeting will be provided to the SNA Members and included in the official record. In addition, the SNA meeting will be live-streamed and available for viewing on the [Regional Connection YouTube channel](#).

SUFFOLK

SHD/ka

Attachment

VIRGINIA BEACH

SNA Voting Members:

Susan Vitale, CH
Andria McClellan, NO
Daniel Jones, PO
Albert Moor, SU
Rosemary Wilson, VB

SNA Alternate Members:

Scott Fairholm, CH
Catheryn Whitesell, NO
Angel Jones, PO
Regina Chandler, SU
Peter Wallace, VB

copy: Robert A. Crum, Executive Director, HRPDC
Mike Lockaby, Guynn, Waddell, Carroll & Lockaby, P.C.
Matthew DeHaven, CTC Technology & Energy
Southside Network Authority Jurisdictions' Chief Administrative Officers
Southside Network Authority Jurisdictions' Chief Information Officers
Southside Network Authority Jurisdictions' Legal Representatives

**SOUTHSIDE NETWORK AUTHORITY
BOARD MEETING**

**May 14, 2021
2:00 PM**

**The Regional Building
723 Woodlake Drive, Chesapeake**

Pursuant to the declared state of emergency in the Commonwealth of Virginia in response to the COVID-19 pandemic and to protect the public health and safety of the Southside Network Authority (SNA) members, staff, and the general public, the SNA meeting will be held electronically.

- 1. Call to Order**
- 2. Approval/Modification of Agenda**
- 3. Public Comments**

Members of the public are invited to address the Southside Network Authority (SNA). Due to the COVID-19 crisis, interested persons may submit comments to the SNA in advance of the meeting by email to kmiller@hrpdcva.gov or phone (757) 366-4370. Each comment is limited to three minutes. All comments received 48 hours before the meeting will be provided to the SNA Members and included in the official record.

4. Meeting Minutes (Attachment 4)

Attached for the SNA's consideration are the minutes from the April 9, 2021 SNA Board meeting:

Action Requested: SNA Board approve minutes for the April 9, 2021 Board Meeting.

5. Status update on near-term action items (Attachment 5)

During the February 26, 2021 SNA Board meeting, members voted to pursue a dual path strategy regarding funding, constructing, operating, and maintaining the Regional Connectivity Ring that provides options to move the project forward while gathering additional information regarding potential funding strategies. Staff will provide a progress update to the Board which includes projected timelines for near-term action items.

Action Requested: This project update is for the Board's information. Several associated action items are required by the Board of Directors and are included as agenda items 6 and 7.

6. Resolution for a solicitation in accordance with the Public Private Education Facilities & Infrastructure Act (PPEA) of 2002 (Attachment 6)

The Board of Directors is required to approve a resolution for the solicitation of the planned PPEA/P3 Request for Proposals (RFP) (in accordance with the SNA approved Guidelines for Implementing the PPEA of 2002). Attachment 6 provides the resolution required to proceed with the PPEA/P3 RFP scheduled for release on May 20, 2021.

Action Requested: SNA Board approve the resolution as detailed in Attachment 6 and authorize issuance of the RFP.

7. Assignments for upcoming procurement action (Attachment 7)

To ensure that the goals and objectives of our municipal stakeholders are well-represented, we are formulating response evaluation committees representing varying perspectives and expertise to support the upcoming Regional Connectivity Ring (RCR) procurement processes.

Action Requested: SNA Board approve the proposed assignments for upcoming procurement actions as detailed in Attachment 7.

8. Old/New Business

9. Adjournment

**Southside Network Authority
Summary Minutes
April 9, 2021**

Pursuant to the declared state of emergency in the Commonwealth of Virginia in response to the COVID-19 pandemic and to protect the public health and safety of the Authority members, staff, and the general public, the April 9, 2021 Southside Network Authority (SNA) meeting was held electronically via Webex with the following in attendance:

Southside Network Authority Voting Members in Attendance:

Susan Vitale, Chair, CH
Andria McClellan, Vice-Chair, NO
Daniel Jones, PO*

Albert Moor, SU
Rosemary Wilson, VB

Other Participants:

Steven DeBerry, SNA Executive Director
Robert Crum, HRPDC Executive Director
Sean Dolan, SU
Scott Fairholm, Alternate CH
Charlie Harcum, SU
Fraser Picard, NO
Jay Stroman, CH

Peter Wallace, Alternate VB
Catheryn Whitesell, Alternate NO
Mike Lockaby, Guynn, Waddell, Carroll &
Lockaby, P.C.
Matthew DeHaven, CTC Technology &
Energy

*Indicates late arrival or early departure

Mr. Robert Crum, HRPDC Executive Director, stated that per the requirements of the Code of Virginia, the meeting notice, agenda, and supporting documentation were posted on the HRPDC website for public review. Electronic copies of the information were provided to Authority members and other interested parties. Additionally, the meeting was being live-streamed and was available for viewing on the Regional Connection YouTube channel. A recording of the meeting will be available on the HRPDC website. This electronic meeting is required to complete essential business on behalf of the region.

Mr. Crum reviewed a few important housekeeping rules to help the meeting run smoothly:

- Participants were asked to please remain on mute before and after providing any comments to avoid unnecessary background noise and potential feedback.
- All votes taken must be by roll call vote and recorded in the minutes.
- Participants were asked to identify themselves when speaking and/or providing a motion or a second.

Mr. Crum noted the City of Portsmouth was having the swearing-in ceremony of their new City Manager at 2:00 PM today and Mr. Jones would join the meeting as quickly as he was able.

Call to Order

Chair Vitale called the April 9, 2021 meeting of the Southside Network Authority to order at 2:04 PM and welcomed everyone to the meeting. She asked Mr. Crum to conduct a roll call to determine Authority members' attendance. Mr. Crum suggested Chair Vitale call for a motion to approve the agenda and the vote would also serve as the roll call for attendance. Chair Vitale concurred and called for a motion to approve the Agenda.

Ms. Andria McClellan Moved to approve the Agenda; seconded by Ms. Rosemary Wilson.

Roll Call Vote:

Ms. Vitale	Yes
Ms. McClellan	Yes
Mr. Jones	Absent
Mr. Moor	Yes
Ms. Wilson	Yes

The Motion Carried and a quorum was confirmed.

After the roll call, Mr. Crum continued with the identification of the remaining participants in the meeting.

Public Comment

No public comments were received.

Approval of the Minutes

Chair Vitale called for a motion to approve the Minutes of the February 26, 2021 meeting.

Ms. McClellan Moved to approve the minutes of the February 26, 2021 SNA meeting; seconded by Ms. Wilson.

Roll Call Vote:

Ms. Vitale	Yes
Ms. McClellan	Yes
Mr. Jones	Absent
Mr. Moor	Yes
Ms. Wilson	Yes

The Motion Carried.

Status Update on February 26, 2021 Near-term Action Items

During the February 26, 2021 SNA Board meeting, members voted to pursue a dual path strategy for funding, constructing, operating, and maintaining the Regional Connectivity Ring. This decision provides options to move the project forward while gathering additional information regarding potential funding strategies. Mr. Steven DeBerry, SNA Executive Director provided an update on the progress and outlined the projected timelines for near-term action items. He expressed his appreciation for the HRPDC purchasing/procurement staff as they were able to turn a number of items very quickly that were associated with releasing the Requests for Proposals (RFPs).

Mr. DeBerry noted the Construction and Maintenance pre-qualification RFP was released April 8th with responses due May 11, 2021. Mr. DeBerry indicated he will also be sending the RFP to the region's Chief Information Officers asking them to push them out to cast a wider net for respondents. He noted that in order to apply for and respond to the construction Invitation for Bid (IFB), a vendor must respond to the pre-qualification RFP.

The Financial Analysis RFP is scheduled to be released April 15th. Mr. DeBerry explained this RFP will assist the SNA in comparing the costs for a constructed fiber ring that the SNA will own and operate versus a public-private partnership (P3). It is anticipated this contract will be a negotiated contract. Mr. DeBerry noted the remaining RFPs will be released in such a way that the SNA and city staffs will receive the information in a timely, coordinated fashion in order to make appropriate comparisons. He anticipates the SNA will be reviewing proposals throughout the months of July, August and September.

Mr. Daniel Jones arrives

Mr. DeBerry clarified the differences between the construction and maintenance RFP and the construction and maintenance IFB. The RFP is a prerequisite for the IFB; the IFB is where the SNA will receive the actual bid, pricing and timelines. He noted the timeline for responses to the P3 is 90 days as this is more complex and comprehensive and the Authority wants to give bidders enough time to respond.

Ms. McClellan asked Mr. DeBerry to elaborate on the following points:

- The timeline makes note of a construction and maintenance RFP; however, previous discussions defined that the SNA would release an RFP for construction and an RFP for maintenance and marketing management.
- There is a pre-qualification for the IFB but not for the P3 – what are the differences between the two?
- What is CTC's role in this process?

Mr. DeBerry explained that for the prequalification on the maintenance side, it is specifically referring to the basics of emergency service and repair. He noted the SNA will be implementing this fiber ring in segments, and the moment the fiber is in the ground, you are at some risk.

Mr. Lockaby noted that when we refer to construction and maintenance at this stage, it is short-term maintenance. Typically, when infrastructure is built there is usually a one-year warranty. If something goes wrong that is related to that construction time, the construction contractor must fix it. The SNA is looking at a longer-term of maintenance where the Authority is asking the construction contractor to provide those services for a slightly longer time period so we have time to do the RFP for the much longer-term maintenance (10 to 20-year time frame). This allows the SNA a margin of comfort. As it relates to prequalification, on rather large contract, Mr. Lockaby stated it is worthwhile to make sure that anyone who intends to bid on the project has gone through a baseline process to ensure the company has the technical ability, the appropriate number of staff, the amount of equipment necessary, as well as the bonding capacity to put up the construction performance of payment bonds before they are permitted to bid on the contract. Otherwise, you could end up in the situation where a contractor bids on the project and lacks the actual capability to perform as intended. The prequalification process heads this off.

Ms. McClellan inquired if there is a reason this process is not being pursued with the P3. Mr. Lockaby said that with the P3, the SNA is asking for the prequalification information; it is one all-encompassing RFP versus several RFPs.

Mr. DeBerry noted CTC will help the SNA with RFP development and ensuring the RFPs go out in the correct format with the right information. They will be an advisory member of the selection committee with the CIOs to help the Authority with the process and provide technical support. As the Authority moves forward with construction, CTC will serve as the SNA's engineer on staff.

Mr. Wallace noted the three distinct RFPs and timeliness and inquired if a vendor could bid on all three RFPs, or once a contractor submits an RFP, must they step out of the others? He noted there is a possibility a contractor could bid on more than one component. Mr. DeHaven noted that the RFPs are not mutually exclusive. There will come a decision point where the SNA will decide which track it wishes to pursue. There is nothing that precludes a contractor from providing responses to both tracks. Mr. Lockaby stated that from a legal perspective, there is no reason a company could not bid on one or all of the components.

Mr. Fairholm inquired about the plan, during the construction phase, for construction engineering and inspection services. Mr. DeBerry stated that is still being worked on, but if there are aspects that Mr. Fairholm and the other CIOs know have worked in the past, they would certainly like to see that information. The CIOs will have an opportunity to review and comment.

Mr. Crum asked Mr. DeBerry to address Ms. McClellan's question as it related to marketing. Mr. DeBerry indicated he updated the original tasking list to include marketing and branding. The SNA has \$50,000 in the FY22 budget for marketing. The plan would be to pull in a marketing firm to assist with marketing and branding.

Ms. McClellan indicated she would like to continue discussions on this particular topic as there appears to be different perspectives surrounding this; she wants to ensure the SNA is clear on what the RFP is looking for. Mr. DeBerry concurred, and Chair Vitale asked that this discussion be included on the agenda for future meetings.

Mr. DeBerry concluded his presentation with a series of next steps for the SNA:

- Execute the procurement strategy
- Prioritize and align remaining contract & governance items
- Continue to pursue potential grants and strategic partnerships
- Work with the SNA localities regarding the American Rescue Plan and American Jobs Plan as a funding mitigation strategy for building the fiber ring

Mr. Crum highlighted the conversations the HRPDC and HRTPO have had with our federal congressional delegation about the federal infrastructure program – including the fiber ring construction. The HRPDC/HRTPO has been working with other regional organizations to assemble a list of regional infrastructure projects for consideration by the federal government. The fiber ring project has been part of this conversation. Mr. Crum indicated he will continue to keep the SNA apprised the progress.

Budget Update

Mr. DeBerry directed the SNA members' attention to the budget summary contained in the agenda. He noted the budget is on track for this year and indicated he may come back to the Board in June to recommend a carry-over of approximately \$350,000 to fund legal and financial advisory tasks as well as to continue the contractual relationship with CTC to assist the SNA through the RFP process.

Old/New Business

Chair Vitale called for any Old or New Business to come before the SNA.

Adjournment

With no further business to come before the Southside Network Authority, the meeting adjourned at 2:51 PM.

Respectfully submitted,

Robert A. Crum, Jr.
HRPDC Executive Director
Recording Secretary

Southside Network Authority (SNA)
Board Meeting
May 14, 2021

Regional Connectivity Ring
Contract Negotiations/Near Term Actions

Steven DeBerry
Executive Director, SNA

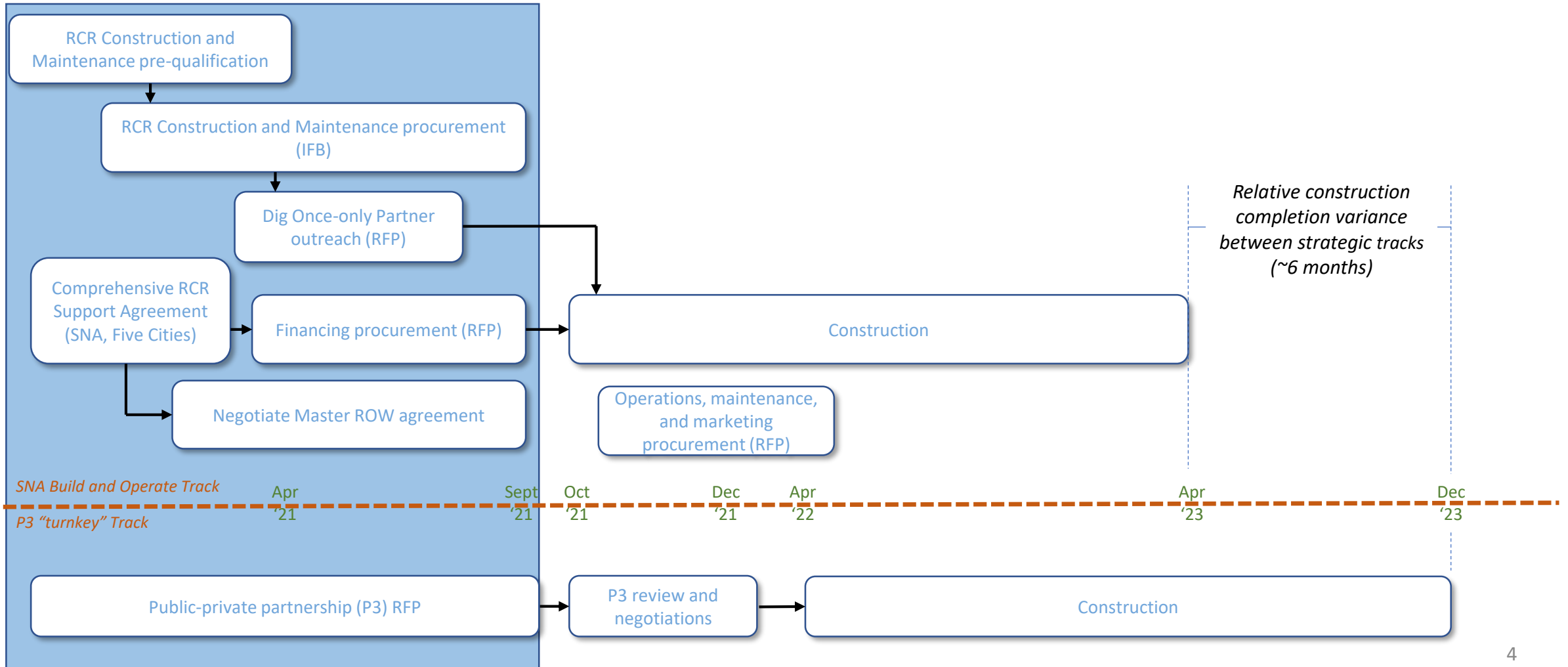
Agenda

- Review projected timelines for near-term efforts
- Approve resolution for P3 solicitation in accordance with Public Private Education & Infrastructure Act (PPEA) of 2002
- Discuss and approve committee assignments for upcoming procurement actions
- Next Steps

Projected Timeline for Near-Term Efforts

- Construction and Maintenance Pre-qualification RFP - Issued April 8, 2021 (responses due May 11, 2021)
- Financial Analysis RFP – Issued April 15, 2021 (responses due May 18, 2021)
- P3 RFP – Issue May 20, 2021 (responses due August 24, 2021)
- Construction and Maintenance IFB – Issue August 5, 2021 (responses due September 14, 2021)
- The remaining efforts are in various stages of progress and will be prioritized/aligned over the next few weeks

Relative Timeline Comparison for RCR Strategies



PPP Solicitation—Important Points

- Structured as procurement under the Public Private Education Facilities and Infrastructure Act of 2002 (PPEA), using competitive negotiation process
- Focus on priorities reported by the Cities during the RFP development process
- Seeking proposals that cover
 - Qualifications—who is the proposer or consortium of proposers, and can they do the job?
 - Design—how will the project be designed? What are the private partner's goals, and how do they relate to ours? How will the design relate to the existing 60% design documentation?
 - Construction—what is the approach, how much will it cost, and what is the timeline?
 - Operations—how will the project be operated and marketed on a day-to-day basis? Who responds to customer calls?

PPP Solicitation (Continued)

- Maintenance—who and how will the physical plant be maintained? Who responds to 811 calls, or fixes things if they break in the middle of the night?
- Finance and legal structure—how will it be paid for, and what is the legal structure to control the effort? What business case is there, and what are the contingencies? How will it wind down at the end of the partnership?
- RFP will cover desired information on each of these items in more detail
- Proposals do not need to cover all desired items, but must explain how/why different items might be covered and contingencies
- Analysis will be by a Selection Committee, with assistance from Authority staff, counsel, and consultants. Each of the Cities will also be called on to provide analysis and input.
- Board will receive the report of the Selection Committee, and may elect to move forward with one or more, or none of the proposers to negotiation and possible entry of a contractual relationship.

Next Steps

- Execute procurement strategy per Board direction
- Prioritize and align remaining contract and governance items
- Continue to pursue potential grants and strategic partnerships
- Work with 5 Southside cities regarding American Rescue Plan and American Jobs Plan as funding mitigation strategy for building the Regional Connectivity Ring

A Resolution of the Board of Directors of the Southside Network Authority
Authorizing Issuance of a Solicitation under the Public Private Education Facilities & Infrastructure Act of 2002 and Providing for the Evaluation Thereof

WHEREAS, the Authority is a public body corporate and politic and a political subdivision of the Commonwealth of Virginia pursuant to the Virginia Wireless Service Authorities Act, Va. Code § 15.2-5431.1 et seq., and a responsible public entity under the provisions of the Public Private Education Facilities and Infrastructure Act of 2002, Va. Code § 56-575.1 et seq. (the “Act”), and has adopted Guidelines for the implementation of the Act; and

WHEREAS, the Authority has made public that it desires to find a private partner to work with it to provide goods and services to design, build, finance, operate, and maintain, or combination thereof, a fiber optic network that will interconnect the five Cities of South Hampton Roads; and

WHEREAS, the Authority has retained the firm of CTC Technology and Energy (the “Consultant”) to assist it in preparing a solicitation under the Act and in evaluating proposals received in response; and

WHEREAS, the Executive Director has presented to the Board a report on the structure of a proposed solicitation under the Act (the “Solicitation”) at this meeting, which is to be filed with the records of the Authority’s Board of Directors with this Resolution upon issuance.

NOW THEREFORE, the Board of Directors of the Southside Network Authority hereby resolves as follows:

1. The Board expressly finds and declares that due to (i) the probable scope, complexity, or priority of the Project, (ii) risk-sharing including guaranteed cost or completion guarantees, (iii) added value or debt or equity investments proposed by the private entity, or (iv) an increase in funding, dedicated revenue source or other economic benefit that would not otherwise be available, use of the competitive sealed bidding process is not advantageous or practicable for a single procurement of the full scope of services explained in the Executive Director’s presentation and which will be sought in the Solicitation. The Board therefore directs use of the competitive negotiation process.

2. The Board hereby authorizes and directs the Executive Director or his designee to cause a Request for Proposals substantially conforming to the presentation made at this meeting of the Authority Board, the propriety of which will be conclusively determined by its issuance, to be posted to the Authority website and to be advertised not later than May 20, 2021, including advertisement on eVA, *Virginia Business Opportunities*, and such other publicity outlets as the Executive Director may deem advisable to ensure exposure of the Solicitation to interested parties. The response period may close no sooner than August 24, 2021.

3. The Board hereby forms the following Selection Committee to evaluate proposals:

- a. Hon. Susan Vitale, Board Chair, Chesapeake City Council
- b. Hon. Rosemary Wilson, Virginia Beach City Council
- c. Daniel Jones, Portsmouth Chief Information Officer
- d. Peter Wallace, Virginia Beach Chief Information Officer
- e. Scott Fairholm, Chesapeake Chief Information Officer
- f. Steven DeBerry, Southside Network Authority Executive Director

The Selection Committee must meet with the Consultant and review proposals. It must rank the proposals, interview top proposer(s), if any, and make a recommendation to the Board at its earliest convenience of

the proposer or proposers with whom to proceed to the detailed phase of negotiations, if any. The Selection Committee shall follow the procurement process set forth in the Solicitation, and use the criteria set forth therein when making its evaluations.

In accordance with the Guidelines, the Selection Committee should also seek out and take into account comments received from the public, as well as from Affected Local Jurisdictions, including the administrative staff and Councils of the Cities of Virginia Beach, Suffolk, Portsmouth, Norfolk, and Chesapeake.

4. The Board authorizes the Executive Director to retain such additional consultants as may be necessary to assist him, the Consultant, and the Selection Committee in evaluating any proposals received in response to the Solicitation.

5. The Executive Director is directed to post all proposals received to the Authority website on the closing date of the Solicitation and make determinations of the applicability of Freedom of Information Act exemptions to confidential sections of proposals.

6. The Executive Director is authorized to take or cause to be taken such other and further administrative actions as may be necessary to ensure that the processing of the Solicitation and the actions authorized by this resolution comply with law.

7. To the extent that the Guidelines are inconsistent with this Resolution and the terms of the Solicitation, this Resolution supersedes and controls over the Guidelines.

8. This resolution is effective upon adoption.

By a recorded vote:

Board Member	Vote
Hon. Susan Vitale, Chair.....	_____
Hon. Andria McClellan, Vice-Chair	_____
Hon. Rosemary Wilson.....	_____
Daniel Jones	_____
Albert Moor	_____

A copy teste:

Steven DeBerry
Secretary to the Board of Directors

RFP Review/Panel Assignments (Proposed)

Const/Maint Pre-qual

Daniel Jones

Peter Wallace

Regina Chandler

P3

Peter Wallace

Daniel Jones

Scott Fairholm

Chair Susan Vitale

Ms. Rosemary Wilson

Construction/Maint

Daniel Jones

Fraser Picard

Regina Chandler

Financial Advisor

Steven DeBerry

Mike Lockaby

Bob Crum

Catheryn Whitesell