ADDENDUM #3
SNA-RFP-2021-02

on Behalf of the Southside Network Authority

Southside Hampton Roads Regional Fiber Connectivity Ring

July 8, 2021
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*This addendum includes 2 parts: (1) Additional information and guidance regarding ARPA funds, and (2) Q&A in response to industry questions.

Addendum Regarding ARPA Funds

The following information is issued as an update to the RFP due to the issuance of interim regulations and FAQs by the U.S. Department of the Treasury to implement the American Rescue Plan Act (ARPA), 117 P.L. 2 (2021). Funds allocated to states and localities under ARPA might be available to the project. However, in order to be eligible for these funds, the proposal should include information that demonstrates that the project will fit within the scope of the U.S. Treasury’s Interim Final Rule (86 Fed. Reg. 26786 (May 17, 2021)) and FAQs issued by Treasury on July 19, 2021. If a proposer includes ARPA funds or ARPA fund eligibility in its financing plan (see RFP Section IV.D.2) or includes a last-mile service component in its P3 project proposal, the proposer should provide the following information in order for the Authority fully to assess eligibility for and availability of ARPA funds:

- How the proposed P3 project would serve or directly enable last-mile service to customers, and in particular those lacking 25/3 wireline service.
- Whether, to what extent, and in what price range any last-mile service proposed as part of the P3 project would be available to last-mile customers with 100/100 symmetrical wireline service.
- What methods are in place to ensure affordability of service to last-mile customers.

The Authority remains committed, as set out in the proposal, to open-access middle-mile service (see RFP Section III.B and page 15). Nevertheless, all proposers are invited to elaborate on the eligibility of their project for ARPA funding, regardless of whether it is a part of their proposed financing structure.

Q&A

This section of the addendum is issued to clarify the second round of questions received by the Hampton Roads Planning District Commission (HRPDC) pertaining to Request for Proposals (RFP) No. SNA-RFP-2021-02.

1. A. Is an RFP going to be released that will allow just for a construction and maintenance agreement?
Yes, the Authority issued an invitation for bids (IFB) for construction and interim maintenance of the Fiber Ring to prequalified construction general contractors on July 15, 2021. Only construction general contractors prequalified under SNA-RFQ-2021-01 are eligible to bid. The IFB is part of a separate, parallel procurement track that might not be pursued if it proves incompatible with a preferred proposal received in response to this RFP, or which might be pursued if there is no response to this RFP that adequately addresses the SNA’s goals or the preferred response to this RFP lacks a construction component (see RFP Section IV, first paragraph). Accordingly, a proposal in response to this RFP for a model in which a respondent intends only to function to provide some combination of design, operations/maintenance, finance, and/or is seeking to lease capacity of the RCR from the SNA, might result in the SNA pursuing a hybrid approach along both procurement tracks.

B. With the authority being responsible for material reimbursement, engineering and permitting?

The IFB seeks bids from prequalified construction general contractors to construct the RCR under typical terms for public infrastructure construction contracts.

2. Are Data Centers an essential element of SNA’s plan for a successful deployment of the RCR? Yes, the routes presented for the RCR were selected for their alignment with the goals of the SNA, to include connectivity between particular Municipal network peering points and commercial data centers.

Data centers might well benefit from the construction of the Regional Fiber Ring. As laid out in the RFP, the potential customer base and revenue sources, which might include data centers, should be addressed by potential P3 partners in their proposals along with other economic development and innovation benefits (see RFP Section III.B and IV.D.3).

3. If the answer to Question #1 YES; will the SNA assist the provider with developing those relationships?

The intent of this question is not clear, but the Authority will facilitate all business relationships that benefit the success of the Regional Fiber Ring.

4. Will conduit (where available) and Right of Way be made available for the build of the network, or will the provider be on their own in managing those aspects of the construction?

Subject to the considerations set forth in the responses to questions 1 and 2 above, it will be the responsibility of the selected P3 partner to construct the Regional Fiber Ring including conduit. The Authority will work with our selected P3 partner to facilitate ROW communications and other common issues with the 5 Southside City members. The exact form of the permitting and franchising will also differ depending on the legal and ownership structure of the P3 arrangement (see RFP Section D.1).
5. Will VDOT Right of Way be made available for the project?

The P3 partner will be expected to work with VDOT and other public organizations necessary for the successful construction of the Regional Fiber Ring. The Authority will work with the P3 partner and other public and private organizations to mitigate construction issues. The exact form of the permitting and franchising will also differ depending on the legal and ownership structure of the P3 arrangement (see RFP Section D.1).

6. Is the SNA committed to a 100% underground build?

Yes.

7. Is the SNA committed to a specific list of anchor institutions to be connected to the RCR, and if so, do you have a list of those anchor institution names and addresses?

The Authority has not designated specific anchor institutions at this time other than the 5 Southside Cities (and the Transatlantic Cables); however, there are a number of potential anchor institutions including higher education, medical, governmental, etc. We would be looking for potential P3 Partners to include this issue and other innovative ideas as part of their proposal.