

FirstNet Releases Final RFP for Up to \$6.5 Billion

January 19, 2016



FirstNet released its final [Request for Proposals \(RFP\)](#) seeking a Contractor to build and operate the nationwide public safety broadband network (NPSBN), as authorized by the Middle Class Tax Cut and Job Relief Act of 2012 (Act), and fund FirstNet operations. The RFP is the result of input to more than 13 Requests for Information, two public Industry Days, and a year of dialogue with the public safety community. The RFP provides for a single award, Indefinite Delivery-Indefinite Quantity (IDIQ) contract with fixed price payments. In exchange, the winning contractor gains access to 20 MHz of contiguous 700 MHz spectrum and the ability to lease excess network capacity to secondary commercial users, receiving up to \$6.5 billion in funding from FirstNet. FirstNet envisions a 25-year public-private partnership, suggesting that solutions may include "various partnerships and business arrangements that monetize new public safety market offerings via devices, applications and other value-added benefits and services." FirstNet plans to select a contractor by the end of the year.

The Funding

What's unique about this RFP is that the winning bidder will receive up to \$6.5 billion in funding from FirstNet but the winner will have to make regular payments to FirstNet based on the following estimated costs that FirstNet expects to incur over the life of the contract, including base operating and general administrative costs: at least \$80 million during the first five years, \$130 million in year 6, \$205 million in year 11, \$305 million in year 16, and then \$430 million each of the last five years. Any revenue FirstNet generates from these payments will be reinvested in to the network. This will also account for the Contractor's proposed total amount of payments for all 56 States and Territories. Should a State or Territory "opt-out," the Contractor's payments to FirstNet will be adjusted accordingly.

One factor which will affect the payments flowing from FirstNet to the Contractor is how many States and territories decide to "opt-out" and deploy, operate and maintain the Radio Access Network (RAN) within their own State or territory. For those states and territories that "opt-out," the Department of Commerce's National Telecommunications and Information Administration (NTIA), which oversees the quasi-independent FirstNet, reserves the right to administer a RAN construction grant program. FirstNet will reduce the Contractor payments for each State or territory that notifies FirstNet of its intent to deploy its own RAN. The onus is on the Offeror to propose the payment adjustments. NTIA will not finalize the RAN Construction Grant amount until after FirstNet awards the RFP.

The Solution: An Objectives-Based Approach

Specifically, FirstNet seeks a “comprehensive network solution covering each of the 56 states and territories,” which includes: “the deployment and provisioning of a nationwide Core Network (Core), and RAN services; backhaul, aggregation, and the use of national transport networks and operation centers; a device ecosystem; use of network infrastructure; deployable capabilities; use of operational and business support systems; an applications ecosystem; network services; and the integration, maintenance, operational services, and ongoing evolution of these systems required to function fully as an operational wireless 3rd Generation Partnership Project (3GPP) standards-based Long Term Evolution (LTE) NPSBN.”

What's unique about this RFP is FirstNet's approach, which is an objectives-based model rather than a traditional requirements-driven model. This means that FirstNet is requiring offerors to achieve broad objectives through innovative solutions not limited by any particular type of solution or type of entity. FirstNet directly states that the RFP is open to all entities, “whether traditional wireless incumbents or new entrants.” The rationale for using an objectives-based model is to provide industry with the “maximum opportunity and flexibility in the development of innovative solutions for the NPSBN.”

The winning bidder must meet sixteen objectives:

1. Building, deployment, operation, and maintenance of the NPSBN
2. Financial sustainability
3. First responder user adoption
4. Device ecosystem
5. Applications ecosystem
6. Accelerated speed to market
7. User service availability
8. Service capacity
9. Cybersecurity
10. Priority services
11. Integration of state-deployed rans
12. Integration of existing commercial/federal/state/tribal/local infrastructure to support NPSBN services
13. Life-cycle innovation
14. Program and business management:
15. Customer care and marketing:
16. Facilitation of FirstNet’s compliance with the act and other laws

Given that this is the final remaining recommendation to implement from the 9-11 Commission Report and the political pressure from the Hill to deploy the NPSBN, FirstNet is leveraging the momentum from its stakeholder engagement process and leaving the technical expertise to the

marketplace.

Timeline

Interested parties may submit questions seeking clarification no later than February 12, 2016. FirstNet will hold an in-person, pre-proposal conference on March 10, 2016, which requires registration. Parties submitting proposals must file a capability statement by March 17, 2016. Those parties interested in subcontracting and teaming opportunities with other potential Offerors who would like their contact information on a FirstNet compiled list must submit their business name, size, email and phone number no later than March 17, 2016.

Proposals are due no later than April 29, 2016.

If you are interested in learning more about FirstNet, please contact Jennifer Holtz at jholtz@kelleydrye.com or any member of the Communications Practice Group.