

SAMPLE

**PREDICTIVE RATE OPTION (PRO) –
REQUEST FOR PROPOSAL (RFP)
VOICE & DATA NETWORK SERVICES**



MacBethWilliams
TELECONSULTING

TABLE OF CONTENTS

1.0	PURPOSE & BACKGROUND	3
1.1	STATEMENT OF PURPOSE	3
1.2	SCOPE OF THE PRO-RFP	3
1.3	GENERAL OVERVIEW.....	4
2.0	PRICING FUNDAMENTALS.....	6
2.1	WIRELINE DATA SERVICES.....	6
2.2	WIRELINE VOICE SERVICES.....	ERROR! BOOKMARK NOT DEFINED.
2.3	CONFERENCING SERVICES.....	ERROR! BOOKMARK NOT DEFINED.
2.4	INSTALLATION CHARGES.....	ERROR! BOOKMARK NOT DEFINED.
3.0	CONTRACT BASELINES	7
3.1	CONTRACT TERM.....	7
3.2	CONTRACT COMMITMENT	7
3.3	CONTRACT SHORTFALL PENALTIES.....	7
3.4	CONTRACT RENEWAL.....	ERROR! BOOKMARK NOT DEFINED.
3.5	COTERMINOUS SERVICES.....	ERROR! BOOKMARK NOT DEFINED.
3.6	EXTERNAL CONTRACT REFERENCES	ERROR! BOOKMARK NOT DEFINED.
3.7	LEGAL ISSUES.....	ERROR! BOOKMARK NOT DEFINED.
3.8	EARLY TERMINATION PENALTY	ERROR! BOOKMARK NOT DEFINED.
3.9	TECHNOLOGY UPGRADES	ERROR! BOOKMARK NOT DEFINED.
3.10	BUSINESS DOWNTURN AND DIVESTITURES	ERROR! BOOKMARK NOT DEFINED.
3.11	TRANSITION OF SERVICES / RAMP DOWN	ERROR! BOOKMARK NOT DEFINED.
3.12	RATE REVIEW.....	ERROR! BOOKMARK NOT DEFINED.
3.13	VENDOR SALE	ERROR! BOOKMARK NOT DEFINED.
3.14	BILLING/INVOICE TERMS.....	ERROR! BOOKMARK NOT DEFINED.
3.15	ACCOUNT STEWARDSHIP.....	ERROR! BOOKMARK NOT DEFINED.
3.16	PRICING.....	ERROR! BOOKMARK NOT DEFINED.
3.17	ON GOING SERVICE & MAINTENANCE	ERROR! BOOKMARK NOT DEFINED.
4.0	VENDOR RESPONSE	8
4.1	PRO-RFP DELIVERY REQUIREMENTS	8
4.2	INDIVIDUALIZED “PREBID” CONFERENCE CALL.....	8
4.3	QUESTIONS AND CLARIFICATIONS	9
4.4	PREPARATION OF VENDOR’S PROPOSAL	9
4.5	OWNERSHIP OF THIS DOCUMENT	9
4.6	PROPOSED CONTRACT DOCUMENT.....	9
5.0	APPENDICES.....	10
5.1	PRICING APPENDIX	10

1.0 PURPOSE & BACKGROUND

1.1 STATEMENT OF PURPOSE

<CLIENT> is preparing for contract negotiations for their global wide area network and U.S. Inter-exchange long distance and toll free services. Preparing for these negotiations <CLIENT> seeks to establish a baseline for contract and rate expectations moving into the final negotiations targeted to occur early in <DATE>, and finalized by <DATE>. This document and its attachments establish the proposal and contract expectations. The goal of this document is to provide interested suppliers with a clear and precise set of contract and rate expectations for <CLIENT's> network services. Your compliance with this Predictive Rate Option-Request for Proposal (PRO-RFP) process insures a timely examination of your proposal and a commitment to an expedited final negotiation, assuming the superiority of your proposal.

1.2 SCOPE OF THE PRO-RFP

The scope of services contained in the PRO-RFP includes the following:

- Access Services (Domestic and International):
 - ◆ Dedicated Long Distance and Toll Free ISDN PRI
 - ◆ DS1/E1, NxDS1/E1, DS3/E3
 - ◆ Ethernet

- Data Network Services (Domestic and International):
 - ◆ Frame Relay
 - ◆ MPLS
 - ◆ ATM
 - ◆ Ethernet
 - ◆ Point to Point
 - ◆ Dedicated Internet
 - ◆ DSL Internet
 - ◆ Broadband Aggregation

- Voice Network Services (Domestic Origination):
 - ◆ Interstate, Intrastate, IntraLATA, & International Long Distance
 - ◆ Interstate, Intrastate, IntraLATA & International Toll Free Services
 - ◆ Advanced Toll Free

1.3 GENERAL OVERVIEW

<CLIENT> BACKGROUND

<CLIENT> is a recognized business leader in the manufacture and distribution of widgets. With offices on three continents <CLIENT> has access to more than a billion potential customers. Their customers are found within many industries, from consumer goods, produce, meat & beverages, home improvements, raw materials, petro-chemical, and automotive industries.

<CLIENT>'s existing contract provides voice and data services to all of their North American locations and many of their international locations. The network is comprised on an MPLS backbone network for both voice and data services in major location, and internet-based IP-VPN connectivity for secondary locations. <CLIENT>, as of this moment, does not have a homogenous data network around the world. <CLIENT> relies on multiple carriers to provide service to some of the more remote regions of the globe.

<CLIENT> has two contracts related to the aforementioned services expiring in the next six to twelve months. All commitments pertaining to both contracts have been satisfied, freeing <CLIENT> to negotiate for services now rather than when the contracts expire.

PROCESS OUTLINE

This main document identifies general expectations for contract terms of a master or global agreement, as well as identifying guidelines for pricing of services. The specific network elements to be considered as a part of this project are included in the following Appendices. As mentioned above, <CLIENT> are considering their near and long term architectural requirements and request a qualified proposal for all requested technologies from which to finalize their decision.

RESPONSE PROCEDURES AND DEFINITIONS

In order to effectively compare and evaluate your offer, please ensure that you complete all requested access and pricing component tabs. Where applicable, these tabs self populate the client inventory tabs. You may override the pricing where necessary to ensure the inventory tabs appropriately reflect your offer to <CLIENT>.

Offer Summary: Summarizes the carrier offer based on current inventory. Please indicate any special incentives on this tab.

Access: This is the pricing worksheet for all proposed Access and Access Alternatives. <CLIENT> expects postalized pricing for a minimum of DS1 and DS3, but would also like postalized Ethernet pricing in the U.S. The pricing listed on this tab is used to automatically populate the access on all inventory tabs. Unit prices provided in the access pricing worksheet are expected to

form the basis for contract pricing available to <CLIENT> for the term of the contract.

Component Pricing: The workbook contains component pricing worksheets for each requested service. The requested component pricing is used to automatically populate the Inventory of services. Unit prices provided in the pricing worksheet are expected to form the basis for contract pricing available for the term of the contract.

Inventory Pricing: The pricing workbook contains <CLIENT> existing and imminent inventory of requested network services. The services for each site in the inventory will auto-populate using the component pricing entered in the related worksheets. The calculated price for a particular site may be over-written (manually entered) if the Carrier can offer special pricing or needs to modify the price for any reason.

LD Pricing: Component (per minute) pricing and consumption pricing are provided on these worksheets. Consumption is automatically populated based on the per-minute rates entered on the worksheet. Unit prices provided in the LD pricing worksheet are expected to form the basis for contract pricing available to <CLIENT> for the term of the contract. Additionally, targets for items such as account code fees are included.

Toll Free Pricing: Component (per minute) pricing and consumption pricing are provided on these worksheets. Consumption is automatically populated based on the per-minute rates entered on the worksheet. Unit prices provided in the Toll free pricing worksheet are expected to form the basis for contract pricing available to <CLIENT> for the term of the contract. Additionally, targets for items such as 800# routing arrangements are included.

<CLIENT's> specific instructions for completing the Pricing tabs are discussed on the "Instructions" tab of the Pricing Appendix.

2.0 PRICING FUNDAMENTALS

The proposed pricing to follow is the result of <CLIENT's> in-depth analysis of market conditions and the market's impact on current rate and circuit pricing. Guidance is provided, as a result of that research, in the Pricing Appendix. Please follow the established format and respond with your "Best and Final" offer.

Component level pricing is required in each bidder's pricing response. Once the access and relevant network architecture component tabs are complete the inventory sheet will self-populate. Bidding carriers may override "self populated" pricing where necessary to ensure the total offer reflects the carrier's desired pricing.

2.1 DATA SERVICES

2.1.1 IXC ACCESS PRICING

The IXC Access tab of the pricing addendum provides input data for the carrier's proposed access charges. The requirement for domestic access is nationwide flat rate for DS1 and DS3, at a minimum, for all <CLIENT> locations regardless of their proximity to your closest network interface. <CLIENT> would like the flexibility to evaluate a combination of carrier-provided and customer-provided access, so it is extremely important that you detail cross connect charges and access on-ring and off-ring for all local access facilities. The access pricing provided on this sheet will be used to populate data in the appropriate inventory tabs for voice and data services.

2.1.2 MPLS COMPONENT PRICING

The MPLS Component tab provides input data for MPLS Port and CoS pricing both domestically and internationally. <CLIENT's> expectations for MPLS port pricing are included in MPLS Pricing Component tab. Pricing is required for all existing and anticipated future MPLS port speeds. CHEP businesses requires standard port pricing to include access to a minimum of four (4) Class of Service (CoS) queues, including Real Time (highest) and Best Effort (lowest). <CLIENT> will reluctantly accept monthly recurring charges associated with implementing CoS. Several CoS pricing table options are included in the bid response workbook, Pricing Components Tab, should your MPLS network pricing structure charge incrementally for CoS.

Currency acronyms, i.e. USD, EUR, GBP, etc. are found in Row 6 to the right of each country name. Vendors may change the currency acronym to the currency used for that particular country's response. On the MPLS Inventory worksheet you will find these currency acronyms automatically updated from the MPLS components tab.

3.0 CONTRACT BASELINES

This section identifies and establishes the baseline conditions for a suitable contract. As in the previous section, the targeted contract language specified below represents the findings of comparative analysis indicating “Best” contract terminology. Your response should recognize <CLIENT’s> motives in the targeted contract terms and conditions mentioned here and you should be willing to negotiate openly to bring a mutually beneficial conclusion to this process.

3.1 CONTRACT TERM

<CLIENT> will accept a thirty six (36) month agreement and expects the option to renew the contract in one year increments, for up to two (2) years, upon notice to Service Provider without any adjustments to pricing or terms and conditions. Additionally, <CLIENT> desires a six (6) month ramp-up period at the beginning of the three (3) year term which will be contributory to any proposed commitment period.

3.2 CONTRACT COMMITMENT

<CLIENT> will insist on a Total Revenue Commitment contract structure derived from all eligible revenue accumulated within the desired 36-month term. ***A contract offer with an annual revenue commitment will NOT be accepted.*** The contributory revenue should be calculated in net (after discounts) spending for voice and data networking services over the life of a 3-year contract. <CLIENT> want all expenses other than actual taxes and governmental fees to contribute to the vendor revenue commitment.

4.0 VENDOR RESPONSE

In the previous three sections <CLIENT> has clearly demonstrated, in specific terms, their requirements for a successful contract. While the terms, conditions and rates raised within the context of this document are not absolutes, failure to make a genuine effort to meet the expectations set forth here could result in disqualification of your proposal. <CLIENT> will not accept a vague response and/or references to positions not expressed within this document. A prompt and final decision will be rendered from your response to this document and your perceived willingness to negotiate a final agreement.

4.1 PRO-RFP DELIVERY REQUIREMENTS

The document should be provided in the existing Word document and Excel formats. Supporting materials should be included in three (3) bound copies as well as the electronic copies. Each vendor's complete proposal should be emailed to MacBeth Williams at the email addresses listed below. The three (3) bound copies should be sent to the address provided below as well.

Delivery Address:	MacBeth Williams Inc. Attn: <Consultant> 1995 North Park Place, Suite 400 Atlanta, GA 30339 770-850-0607
Electronic Addresses:	<a href="mailto:<consultant>@macbethwilliams.com"><u><consultant>@macbethwilliams.com</u>
Due Date & Time:	Electronic: <DATE>, 5:00 PM

No oral, telephonic, or facsimile bids will be considered or accepted. Vendors are required to meet the schedule, and should arrange necessary resources to comply.

4.2 INDIVIDUALIZED "PREBID" MEETING

MacBeth Williams plans to conduct pre-bid meetings to review the business objectives, the PRO-RFP format, and to answer any questions from the bidding service providers regarding this request. Pre-bid meetings are scheduled for the mornings of <DATE> and <DATE> in <CLIENT>'s office. Each bidding service provider is requested to provide their own conference bridge number for those participants who will be remote and are asked to provide this information in advance of the meeting for those <CLIENT> remote team members.

4.3 QUESTIONS AND CLARIFICATIONS

Questions and clarifications encountered as you prepare a response should be directed in writing to <CONSULTANT> of MacBeth Williams prior to 5 PM on <DATE>.

Questions and clarifications posed and the resulting answers will be kept in strict confidence and regarded as proprietary.

4.4 PREPARATION OF VENDOR'S PROPOSAL

All costs associated with the preparation of the proposal and intentions to negotiate are the responsibility of the vendor.

4.5 OWNERSHIP OF THIS DOCUMENT

This document and all addenda or attachments are the property of <CLIENT>, and MacBeth Williams. If any vendor elects not to participate in this process, then said vendor is required to destroy all copies of this PRO-RFP.

4.6 PROPOSED CONTRACT DOCUMENT

Carrier is expected to include a copy of their proposed contract language in the response to this Specification document.

5.0 APPENDICES

5.1 PRICING APPENDIX

Pricing Instructions:	Instructions for completing the Pricing spreadsheets
Location List:	Complete list of all locations for which services are to be bid
IXC Access:	Pricing worksheet for all dedicated Voice & Data Access alternatives
FR Components:	Pricing worksheet for Frame Relay Network Services
ATM Components:	Pricing worksheet for the ATM Network Services
MPLS Components:	Pricing worksheet for MPLS Network Services
Internet Components:	Pricing worksheet for Internet Access Services
MPLS Inventory:	Pricing worksheets which detail <CLIENT's> specific domestic and international MPLS WAN inventory
IPVPN Inventory:	Pricing worksheets which detail <CLIENT's> specific domestic and international dedicated Internet access circuit IPVPN WAN inventory
DSL Inventory:	Pricing worksheets which detail <CLIENT's> specific domestic and international DSL access circuit IPVPN WAN inventory
P2P Inventory:	Pricing worksheet for the Point to Point Network Services
Internet Inventory:	Pricing worksheet for Dedicated Internet Services
IP-MPLS Gateway:	Pricing worksheet for IP-MPLS Gateway Services
Interstate LD & TF:	Pricing worksheet for Interstate and International Long Distance and Toll-Free
Intrastate LD & TF:	Pricing worksheet for Intrastate and Intra-LATA Long Distance and Toll-Free
International:	Pricing worksheet for International calling usage
Dedicated LD/TF Access:	Pricing worksheet for Dedicated LD/Toll-Free Access