

**Market Consultation for South Norfolk Council Broadband initiative, to address potential solution(s) for areas not currently covered by the Better Broadband for Norfolk Programme (BBfN).**

**Broadband coverage for areas out of scope under the Better Broadband for Norfolk (BBfN) Programme.**

**Reference Number SNC/EG/PROC002.**

**Date: 21 June 2017.**

The objective of the market consultation is to help the Council to understand what the market can deliver and to assist the Council in preparing for any or if any subsequent procurement process is conducted. An important element of the market consultation process, is the information gathered does not result in a violation of transparency and non-discrimination principles if or any subsequent procurement process is conducted.

**1.Context and Opportunity.**

South Norfolk Council has actively supported the Better Broadband for Norfolk (BBfN) initiative since its inception. In fact, South Norfolk council has directly contributed funding to ensure that as much coverage as possible is achieved across the South Norfolk Council boundaries.

It is anticipated that by the end of the second BBfN contract, 91% of South Norfolk properties will have access to fibre based broadband solutions. With 9% not in scope for fibre deployment under the BBfN Programme. (However, in many cases, these premises can access up to 15Mbps now, via the existing copper infrastructure).

It is South Norfolk Councils intention to achieve coverage as close to 100% within the available funding envelopes. Deployment and take up under the Better Broadband for Norfolk Programme will continue to generate additional monies for reinvestment via the Programme, however this will take time to achieve.

South Norfolk Council have decided to investigate the opportunity for technology agnostic solutions to be made available to those postcode areas currently out of scope for fibre upgrade under the BBfN Programme.

There are in the region of 588 postcodes currently out of scope under the BBfN Programme.

(It should be noted that in some cases a postcode could have a single property or multiples).

More detailed information regarding addresses within these postcodes would be made available at the point any procurement process commences. Postcodes which are out of scope of the BBfN Programme can be found on the BBfN website. <http://www.betterbroadbandnorfolk.co.uk/can-i-get-fast-broadband/>

The opportunity is for innovative and sustainable solutions to be considered to deliver broadband service of a minimum download speed of 10Mbps (expected government minimum Universal Service Commitment).

Whilst the aspirations are for Superfast speeds (UK definition is greater than 24Mbps), South Norfolk Council recognises that this is not readily achievable for some properties within the BBfN Programme, or indeed via any additional funding envelopes. It is for this reason that any procurement process (if any) South Norfolk Council selects, will require to have a minimum 10Mbps download speed in anticipation that this will be the baseline speed that Department of Media Culture and Sport requires of the market, after their current consultation activity.

## **2. Potential Scope of any contract (if any).**

South Norfolk council would be looking for a solution(s), to provide as much broadband coverage to the postcodes out of scope under the current BBfN modelling, for the funding which may be made available from South Norfolk Council.

Whilst there are some 588 postcodes out of scope for fibre upgrade, it must be noted that many of the premises within these postcodes can already access speeds within the 2-15Mbps banding. As South Norfolk Council are looking to prioritise those most disenfranchised, consultees are asked to prioritise those areas which can only access less than 2Mbps.

South Norfolk Council are seeking economic operators who may be able to assist SNC to offer a solution(s) to fill as many of the voids as possible at a minimum download speed of 10Mbps.

A critical element for consideration for any contract (if any) would be how any economic operators will ensure sustainability both technically and financially of any solution offered. Any solution must be open access, ie allow any provide to use the network should they chose to.

Any such solution(s) must be able to be upgraded to whatever Universal Service Obligation that the UK Government may introduce after the current consultation. The upgrade must be self-funding within the commercial model

used by the economic operator and will not be able to benefit from any future South Norfolk Council incremental funding.

### **3. Social Value and Key Community Issues.**

If appropriate the Council will be considering opportunities under the Public Services (Social Value) Act 2012. The objective being through best practice procurement (if any) how to improve the economic, social, and environmental well-being of the area

Key points about the Social Value Act 2012:

- i) How what is proposed to be procured may improve the economic, social, and environmental well-being of the area
- ii) How it may act with a view with a view to securing that improvement in conducting the procurement process
- iii) Whether it needs to undertake a community consultation in determination of the above two points

Some examples of Social Value could include:

Education  
Local Community Value  
South Norfolk Community Value  
Environmental Awareness  
Training and Development Opportunities  
Facility Impacts  
Social Development, Initiatives, and Innovation

Broadband is recognised as key social value contributor. Education is a primary beneficiary with the main complaint for communities who do not have superfast broadband (more than 24Mbps) being that children cannot do their homework/coursework.

Local Community value has been proven with broadband being a key contributor to social inclusion. Families are brought closer together through the power of digital communications. A major case study was carried out by Suffolk Doctors/British Red Cross, by installing broadband into the homes of senior citizens and encouraging the use of videoconferencing to stay in touch.

Environmental benefits too have been proven over several years with things like homeworking and flexible working delivering value to employees and employers alike. This in turn reducing the amount of travel and emissions, something the UK is committed to globally.

### **4. Current Funding Value.**

The value of the funding is in the region of £300,000

## **5. Potential Contract Award Criteria.**

Examples (not limited to) of contract award which may be considered for the procurement process (if any) are detailed below:

Innovation and sustainability of the solution
Implementation and mobilisation
Quality of service
Pricing (both network build and end user pricing)
Financial stability of the successful company to ensure sustainability of Solution deployed.
Methodology for network upgrade path to provide improved speeds as future bandwidth demand increases.
Social Value

## **6. Indicative Procurement Process (if any) Timetable.**

- Informal market consultation discussions with interested economic operators- July 2017
- Review information and consider next steps. July/August 2017
- Procurement Strategy (if any) – September 2017

The Council reserves the right to amend any dates and times during the procurement process (if any). The Council also reserves the right not to award any contract because of this market engagement.

To assist the Market Consultation process, an overview meeting for consultees will be held, followed by individual meetings (if requested) approximately for twenty minutes. The overview meeting will be to explain the market consultation process and background for consultees to assist the Council in understanding the market/solutions for these services.

Any consultee who attends these sessions, is expected to be able to respond to the questions below. Clearly commercial sensitivity may mean that information relating to these questions will be within the private sessions only, however, to achieve the best outcome of this process it would be very helpful that any consultee who attends this session is suitably prepared. The detail requested will provide valuable market data for South Norfolk Council and will be used to deliver potential solution(s) for the benefit of its community.

The market consultation meeting will take place at 10am on Monday 24 July 2017, at South Norfolk Council, Cygnet Court, Swan Lane, Long Stratton, Norfolk NR15 2XE. If a consultee plans to attend (maximum of two people per organisation) they must provide the name(s), position(s), e-mail address, landline, mobile telephone number of the attendee(s) and if they wish to

request a private session to: Mark Stanton [mstanton@s-norfolk.gov.uk](mailto:mstanton@s-norfolk.gov.uk) no later than Thursday 20 July 2017.

## **7. Key Outcomes from Market Consultation.**

If any procurement process commences this market consultation document and the key outcomes will be provided to potential bidder if any procurement process is commenced ensuring EU Treaty Principles are applied.

## **8. Questions for Market Consultees.**

1. Do you have commercial coverage already in any of the postcode areas which are not in scope for the BBfN Programme, but which form the basis for the South Norfolk initiative?

2. If so, what speeds are available and do you have any plans to expand your coverage on a purely commercial basis, where this is planned, can you please advise SNC where this may be to prevent overbuilding commercial operations using public money?

3. Your company has had the data confirming all the no-build postcodes for 18 months- 2 years now, why have you not targeted commercial deployment under your own investment, built a network and gained commercial benefit?

4. If SNC are putting £200K-300K into this programme, what investment will you be making, and what outline coverage is expected to be achieved with the combined funding?

5. Do you have any innovative ideas as to where additional funding could be made available from? (e.g., could you build a solution using money and vouchers?).

6. Whilst SNC may or may not choose to run a procurement, it is the vendor's responsibility to ensure residents/businesses in the planned intervention areas want to take the service. What evidence will you provide of stimulating demand within the areas planned for deployment, to ensure ongoing commercial viability and take up?

7. SNC are technology neutral in our desire to achieve a suitable solution for our residents. Give an overview of what technology you may use and why you chose to do so?

8. What evidence can you provide of the sustainability of any solution given the fast-moving market?

9. What are your current product offerings and price bandings, how do these equate with market benchmarking?

10. How can you evidence your ability to deliver a minimum 10Mbps guaranteed download speed in line with the ask of this RFI and the demand of government legislation currently being implemented? (Queens speech May 2016 refers).

11. SNC will require reports as to the speeds achieved across the network for audit purposes, how would you propose to do this?

12. How will you operate a transparent automatic compensation scheme when things go wrong? (Queens Speech 2016). SNC will expect evidence of this within any potential ITT response.

13. If you are also operating as an ISP, how will you implement a service 'switching' scheme (Queens Speech 2016).

14. Where you intend to also act as an ISP using any network built using SNC funds, how will you implement the on-line child protection legislation being mandated from the Queens Speech of 2016?

15. How can you illustrate your ability to achieve future bandwidth uplifts in line with expected legislation from the UK Government and Ofcom as demands grow, based on purely commercial investment after the initial funding of any procurement? (No further funding will be made available by SNC for this project).

16. For the number of postcodes which are out of scope of the BBfN project, we believe there are some 5,522 premises. 383 with less than 2Mbps and 1259 with between 2Mbps and 15Mbps. The remaining premises can already benefit from more than 15Mbps therefore State Aid cannot be used. It must also be noted that some of the premises in receipt of less than 10Mbps speeds, are served off live cabinets therefore they too have already benefitted from State Aid. What would your solution priorities be and why?

17. For those communities/premises with less than 2Mbps and which are eligible to receive the Basic Broadband Vouchers, could you deliver a solution which optimises the vouchers within the validity period of the vouchers, and if so what would be your expected start/end date for achieving this?

18. Give a broad idea of your methodology for doing this and why?

19. Do you think there is sufficient funds, and if not, why not?

20.SNC would expect to agree to a programme plan for deployment. The plan would be in agreed phases. Payment would be paid by SNC at agreed phased points over the project deployment cycle. Funding is not able to be awarded as a lump sum before work starts. It must also be made clear that the initial building of the network will be at the cost of the vendor and no money will be forthcoming 'up front'. Each vendor needs to confirm that they have sufficient capital to build the network phase up to the agreed payment point. Whilst SNC will look for more detailed evidence of this should we go to procurement, potential vendors need to be aware of this before expressing interest in participating.

21. Is/are there solution(s) in the market that are sustainable based on the current funding?

22. What would the components be for life cycle costs?