

Request for Proposal (RFP)

Voice Network Project For ValleyNet, Inc. South Royalton, Vermont



ValleyNet is the Operating Company for ECFiber and LymeFiber and is currently working with other Vermont Community Union Districts to construct Fiber to the Home Internet Access

Revisions

20200530 – 00 - Original

Background Information

1. ValleyNet

ValleyNet, Inc. was founded in October 1994. The primary purpose of ValleyNet is to provide and facilitate community-based high-speed internet information resources for primarily the Upper Connecticut River Valley Region of New Hampshire and Vermont. ValleyNet is a community resource for local residents and a Vermont non-profit, tax exempt charitable organization.

As a Vermont non-profit, we provide valuable education, systems and information about the Upper Valley through several community activities and projects. ValleyNet is actively working on several projects to encourage and support the building and growth of ubiquitous broadband access to the community.

One of the projects is with East Central Vermont Communications District or ECFiber. ECFiber was initiated after meetings with the Vermont Council on Rural Development’s Rural Broadband Project. ECFiber is a joint venture of currently 23 active Vermont Towns, building and operating a municipally-owned universal, open-access, fiber-optic telecommunications network. The project is a multi-phased project to build the fiber network to these towns.

With respect to ECFiber, Phase 1 and 2 are in progress and have almost 4500 current Fiber-to-the-Home (FTTH) customers distributed across 500 square miles on the ECFiber system. ValleyNet is currently utilizing a wholesale provider of telephone service and is looking to review their options for a wholesale provider, or ‘Cloud’ or physical switch providers, for our residential customers, business customers, or both. There are approximately 2500 Voice ports in-service using a SIP Wholesale Provider. The growth plan for the end of 2020 is at least an additional 1,000 voice subscribers and then as we complete our build out to all 23 towns within the next 2 years, we expect to have approximately 8000 subscribers and approximately 5000 phone customers. ECFiber is also in the process of adding member towns which will likely increase this growth plan. Approximately 90% of the subscribers are residential with 10% businesses.

In 2019, ValleyNet began work with LymeFiber, in Lyme, NH to construct a similar system. That construction is expected to proceed in 2020 and add approximately 400 new customers at that time.

Phone Customers	Total	Residential	Business	Lyme Res.
Current	2500	2250	250	0
EOY 2020	3900	3150	350	400
EOY 2022	5500	4500	500	500

Vermont has embraced the FTTH concept for providing internet service, and so ValleyNet is working this year with several newly formed Communication Union Districts (CUDs) in which municipalities work together to fund these projects through state loan funds and ultimately revenue bonds.

ValleyNet is looking for a reliable and responsive telephone network provider that can work with us to provide managed telephone services to our ECFiber, LymeFiber and other clients as we grow.

2. Proposal Requirements

1. Responders must provide a detailed price proposal in one of three parts, based on the company's expertise and range of services:

- 1. Residential Only Response,**
- 2. Business Only Response, or**
- 3. Residential and Business Combined Response**

2. The following configuration options meet the requirements of ValleyNet's phased fiber deployment plans (The "Work"). The switching system will be expected to meet these requirements plus be easily expanded in the future to ensure that the system will not have to be replaced or significantly altered as new customers are added. New customers, features and capabilities should be accommodated without requiring a major upgrade.

The majority of subscribers on the system will be residential with approximately 10% that will be business related.

3. Pricing should include all costs associated with the following:
 - a. Per line base charge
 - b. Porting Charges
 - c. Special feature charges
 - d. Database adds, moves, changes, and removals
 - e. E-911 Database and Usage
 - f. Billing CDR's
 - g. Long Distance Rates, InterLATA, IntraLATA, and International
 - h. Data Network Links and Bandwidth
 - i. Monthly Minimums
 - j. Training
 - k. Documentation
 - l. Technical Support
 - i. Routine Business Hours
 - ii. After Hours
 - iii. Emergency (Outage)
 - m. Professional Services
 - n. Cutover
4. If there is a change in provider as a result of this RFP, the current project will need to perform a cutover from the current wholesale carrier to the new wholesale provider, cloud provider or managed system. Please describe and include the necessary engineering, professional services, hardware and software to seamlessly migrate the customer and trunks over to the new system with a minimal downtime. Please explain the length of time Customers would be expected to be without service during such a cutover.
5. The proposed switching system will interface with the switch via IP interface such as SIP, MGCP, and/or H.248. The current deployment of access equipment is combination of Calix and Zhone GPON with Optical Network Terminals (ONT) at the subscriber end. There will also be Over The Top (OTT) interfaces to SIP Phones or Terminal Adapters. There may also be interfaces to SIP to TDM

converters to accommodate other Analog trunking or line interfaces. Although ValleyNet is transitioning to Calix, the successful Contractor must ensure compatibility with both of these systems. Please identify interoperability with ONT's, SIP phones, and terminal adaptors. PBX's, and SIP-TDM converters.

6. The plan for the subscriber feature set is to provide all available features to the subscriber as part of their 'unlimited' plan. The system should have unified communications platform that is accessible to the customer via a web interface or application with notifications via an e-Mail and/or SMS message. The switch should have a conferencing solution to support small businesses. The switching system should have a find-me/follow-me method which will call another telephone, a Cellphone, in sequence or at the same time with rules dependent on day of week, time of day, holidays, or special times.
7. Please identify any mobility applications that are available for Apple MAC, iPhone, PC, Android, and etc.
8. For the Business Response, provide details of features and capabilities to support a Hosted PBX platform and direct 3rd party PBX's such as Mitel, Cisco, Avaya, and etc. The majority of subscribers on the system will be residential with 10% that will be business related. There will be Small Office Home Office (SOHO) or very small business subscribers with 1 to 2 lines, small businesses that have between 2 to 20 lines, medium businesses that have between 21 and 100 lines, and a few, large businesses that have greater than 101 lines. Please identify interoperability with SIP business phones, PBX's and SIP-TDM converters.
9. Provide details of necessary equipment to allow VoIP OTT Roaming such as firewalls or session border controllers. Identify the necessary IP network interfaces and equipment necessary to interconnect with access equipment, internal LAN, VLAN, and WAN requirements. Identify the protocols that will be transported between equipment components.
10. Provide details of system alarming, notifications and log capture and any external equipment required to interface, data storage, and report.
11. Provide details of the client interface to support a Windows, Solaris, or Linux environment for maintenance and support.
12. Provide details of troubleshooting tools such as live and historical call tracing and monitoring.
13. For Training, provide the available classes, location, costs, quantity of seats that are included and any additional future seats above the basic training to bring the technicians up to speed on the database/translations, maintenance and operation of the new system once it is operational and in-service.
14. Identify the different warranty and technical support packages as either included or optional. Also provide the annual charges for continuing after the initial warranty expires, and the prices for the standard and emergency technical support and warranty or out of warranty repair and return services.
15. Please provide a list of at least 3 references which may include municipalities in the United States that are offering FTTP voice services.

3. System Details - Residential

The proposal should be detailed to support the following:

1. System Requirements – Residential

Provide a system that adds additional voice lines to grow from 2,500 lines to upwards of 25,000 at the planned capacity. The system should incorporate additional features that allow subscribers to utilize their mobile devices as an extension of their dedicated line. The system should grow with only the addition of hardware and software in the existing chassis.

a. Calling Features:

- 1) Voicemail (one line per inbox, multiple lines per inbox, or multiple inboxes per line)
- 2) Voicemail access with *99 and *97 (optional)
- 3) Voicemail PIN customer changeable
- 4) Voicemail-to-email notification with .wav file attachment
- 5) Ability to upload .wav and/or .mp3 files to use as voicemail greeting
- 6) Ability to record voicemail greeting through customer portal
- 7) Reminder notification calls
- 8) Robocall blocking (global blacklist; ability to turn off per-subscriber; Shaken-Stir)
- 9) Anonymous Call Rejection
- 10) Telemarketer screening
- 11) Selective Call Rejection (call blocking with unlimited entries)
- 12) Line blocking deactivation (*82)
- 13) Call forwarding (immediate, busy, no answer, not registered, Remote Call Forward)
- 14) SimRing / Find-Me-Follow-Me
- 15) Speed Dial Short and Long
- 16) Caller ID with Number and Name
- 17) Three Way Calling
- 18) Conferencing
- 19) Call Waiting with Caller ID
- 20) Calling Number Delivery Blocking (*67)
- 21) Automatic Recall (*69)
- 22) Customer initiated call trace
- 23) Do Not Disturb
- 24) Standardized 'Star' (*) codes Per NANPA
- 25) Account Codes for specialized calling (International, Long Distance, Local)
- 26) Teen Lines
- 27) Revertive Ring (Barn Phone)

4. System Details - Business

1. System Requirements – Business

Provide a system that adds additional voice lines to grow from 250 lines to upwards of 2,500 at the planned capacity. The system should incorporate additional features that allow subscribers to utilize their mobile devices as an extension of their dedicated line. The system should grow with only the addition of hardware and software in the existing chassis.

a. PBX Features:

- 1) Hosted PBX for Private Data Network and Over The Top (OTT)
- 2) Extension Dialing across Local Calling Areas and Multi-LATA such as Real Estate and banking offices
- 3) Hunt Groups with round robin, least idle first, with voice mail forwarding

- 4) Ring Groups
- 5) Multiple appearance directory number
- 6) Call Pickup Groups
- 7) Call Park
- 8) Call Forwarding
- 9) Call Hold
- 10) Music on Hold (Customizable per business group)
- 11) Hot and Warm line
- 12) Intercom and Paging
- 13) Voice Mail
 - a. Visual, eMail and/or SMS Notifications
 - b. WAV file recording
 - c. Optional greeting and message length
- 14) Auto Attendant (Time of Day/Holiday Call Trees)
- 15) ACD Capability
- 16) Business Group Supervisor access for Moves, Adds, Changes,
- 17) Customer Web Portal for feature changes, call lists, contacts, Voice Mail retrieval
- 18) Record, Upload and Change Greeting(s)

b. Call Delivery:

- 1) SIP Required
- 2) MGCP and/or H.248 Optional
- 3) In-Band and out-of-band DTMF (RFC-2833/4733) (Alarm Systems, Auto Attendants, Voice Mail, banking & etc)
- 4) Codecs – G.711, G.722, G.729
- 5) FAX – T.38 with G.711 Fallback

5. System Details – Network Requirements (for 3 and/or 4 above)

1. Provide detailed description with diagrams of the network interconnections, interfaces, administrative and interoperability required along with expected hardware and software to interface to the proposed system.

a. Network:

- 1) Dedicated, Private Data Links with OTT Failover to Switching System
- 2) Geo-Redundancy of Switching System
- 3) E-911 PSAP Interface via SIP or SS7
- 4) Private IP assignment for SIP Lines and PBX Trunks (NAT)
- 5) IPv4 with IPv6 future option for SIP Lines
- 6) SHAKEN/STIR capable
- 7) Emergency Stand-Alone for intra-network local calling
- 8) International Call delivery to all destinations with customer selective blocking
- 9) SIP Trunks for intermachine trunking, PBX's, Carriers
- 10) Interconnection with LEC Tandem, Local Switches, and PRI to PBX's where required
- 11) NoMoRobo capable/compatibility

b. Porting:

- 1) Number assignment by ValleyNet
- 2) Flexible Port Triggering – Manual or Automatic
- 3) Ports from LEC within 5 Business Days
- 4) No maximum limits for residential lines per customer

c. Administrative:

- 1) E-911 Database Updates
- 2) System Alarm and Log Monitoring (Critical, Major, Minor, Information)
- 3) Line Status monitoring (Registration, on-hook, in-call, error)
- 4) Trouble Ticketing System with searchable history
- 5) Live and Historical SIP Call flow monitoring tool
- 6) Monitor System/Call Error Logs for Troubleshooting
- 7) CALEA Interface
- 8) Customer Initiated Call Trace (Alarm/Log Notification)
- 9) Route adjustment to different carriers for higher quality or least cost routing
- 10) Special Call Routing such as special short codes or re-routing
- 11) Translations and subscriber data export for Billing Reconciliation (Customer Name, DN's, DID's, Features, and etc.)
- 12) CDR's for Billing and troubleshooting. Transfer to external server via Push and/or Pull FTP
- 13) Traffic Statistics for Lines and Trunks (Live and Historical – Day, Month, Year)
- 14) API's to integrate with Billing and Customer Databases to support one touch provisioning
- 15) 7x24x365 Technical Support and Escalation
- 16) Training for provisioning and troubleshooting
- 17) Marketing Support
- 18) Branding of customer facing portal or application
- 19) Managed Software Upgrades and Patching
- 20) An Automatic Programming Interface (API) is strongly preferred, but not required.

d. Compatibility:

- 1) CALIX ONT's (844G, 700 Series, 803 Gigapoint, Gigaspire)
- 2) DASAN/Zhone ONT's (24xx, 24xxA, 24xxA1, 42xx Series)
- 3) SIP Phones:
 - a. Polycom IP and Soundpoint phones
 - b. YeaLink SIP Phones and ATA's
 - c. Grandstream SIP Phones and ATA's
 - d. Cisco SPA ATA's
- 4) Alarm and Paging systems
- 5) Avaya, Mitel, Cisco, Samsung, Panasonic IP-PBX's
- 6) Provisioning Server for HPBX IP Phones

6. Project Proposed Timeline

The timeline for this project is planned as follows:

RFP Release – May 30 2020

Intent to Bid Response Due – 8 June 2020

RFP Questions Due – 8 June 2020 (via e-Mail)

RFP Response due (delivered)– Friday 26 June 2020 – 4:00pm EST

Responses must be delivered with 2 hardcopies of the Proposal, and an electronic version in MS Office or PDF Format on a flash drive.)

ValleyNet Board Approval – 11 July 2020

Project Award – 12 July 2020

Contract Signing – 18- July 2020

Implementation & Cutover Planning – 30 July 2020

Installation – 6 August 2020

In-Service – 20 August 2020

*** Dates are subject to change.

Please send your questions via e-Mail to the following:

If by e-Mail or Electronic:

To: Steve.head@headnetworks.com

Cc: chris.recchia@valley.net

Questions should be in writing and will be anonymized, and posted with answers on the ValleyNet web site by June 10, 2020.

Final Proposals should be titled "ValleyNet Telephone Network RFP Response" and mailed or delivered to:

**Steve Head
c/o Chris Recchia
ValleyNet, Inc.
415 Waterman Road
South Royalton, VT 05068**

We look forward to your responses and if there are any questions about the RFP please submit in writing via e-Mail..

Steve Head

Steve Head
Solutions Architect
HEADNetworks LLC
(603) 626-9848
e-Mail: steve.head@headnetworks.com
web: www.headnetworks.com



Christopher Recchia
Managing Director
ValleyNet, Inc.
(802) 763-2262
chris.recchia@valley.net
www.valley.net

1 INSTRUCTIONS TO RESPONDERS

1.1 Responses

ValleyNet, Inc. is hereinafter also referred to as the Customer; Responder is hereinafter also referred to as the Successful Responder/Contractor/Vendor;

Customer may reject any Response not prepared and submitted in accordance with the provisions herein and hereby reserves the right to waive any variations in, or to reject any or all Responses, to award some or all of the Work to one or more Responders, or to negotiate with any Responders, as Customer in its sole judgment deems to be in its best interests.

The customer has retained the consulting firm, *HEADNetworks LLC* to assist with this procurement. **All contact should be directly with Steve Head, Solutions Architect of HEADNetworks LLC.** He can be reached via phone at +1-603-626-9848 or email at steve.head@headnetworks.com. Written communications is the recommended method of contact.

1.2 Instruction for Responding to this RFP

Responses shall be prepared according to the instructions herein, the signatures of all persons shall be in longhand. All Responses are to be signed by a person authorized to offer this Response.

The proposed price must provide for a Telecommunications System, or individual sub-systems, completely installed and working on a turnkey basis and providing the features requested and including all engineering, installation, training and project management costs.

1.3 Response Package Contents

Each Response shall include the following items:

Responders shall restate each RFP item in sequence and, if the Responder takes no exception to the section, enter "Read and Agreed". If the Responder takes an Exception to an item, enter "Exception". A thorough explanation of all exceptions must be provided immediately below the referenced section.

Proposed contract(s) for operation that the Responder wishes to use, incorporating by reference the terms of this RFP and which satisfies the requirements specified in Section 1.10 below.

1.4 Preparation and Submittal of Responses

All proposals must be submitted with an electronic copy plus the original and two (2) copies sent and/or delivered so that the complete proposal package and copies are received on or before the **RFP Response Due Date as outlined in the proposal timeline** to:

If by Mail or Courier:
Steve Head
c/o Chris Recchia
ValleyNet, Inc.
415 Waterman Road
South Royalton, VT 05068

Electronic Copies:
To: Steve.head@headnetworks.com
Cc: chris.recchia@valley.net

The proposals shall remain in force for a period of not less than ninety (90) days from the Response due date unless such period be extended, in writing, by both parties.

1.5 Questions

All questions must be submitted no later than **as outlined in the proposal timeline** in writing only to Steve Head at steve.head@headnetworks.com with a copy to chris.recchia@valley.net. All changes (addenda) will be issued in writing and distributed to the vendors listed on file as having received the RFP.

1.6 Response Deadline

Responses received later than the Response due date and time may not be considered.

1.7 Proposal Costs

All costs of preparing the proposal are to be borne by the respondent and may not be included in the proposal price.

1.8 Timing of Award

The award of contract will be made as soon after the opening of the Responses as practical. Presentations by some Responders and site visits to working installations are likely to be a part of the decision process.

1.9 Method of Award

ValleyNet will evaluate the information provided and rate each proposal. ValleyNet will be given the full responsibility for administering the selection process including any necessary negotiations.

ValleyNet reserves the right to request clarification of and/or solicit additional information of any Responder and to have Responder(s) make presentations; and/or negotiate with any Responder(s) regarding any terms of their proposal, including but not limited to the cost(s) and/or scope of services, with the intent to achieve the best proposal(s) that shall result in a contract that is deemed by ValleyNet to be in its best interests. Any such negotiations will use the selected proposal as a basis to reach a final agreement, if possible. ValleyNet reserves the right to reject any and all Responses, and to negotiate with multiple Responders if it determines that is in its best interest.

1.10 Contract Documents

The entire RFP and successful Response shall be made part of the final Purchase Contract. Responders should provide as part of their responses a proposed purchase contract, and a proposed operating contract, consistent with and inclusive of the terms of this RFP including the conditions below.

1.11 RFP Copyright

This RFP is a copyrighted work and may not be re-used in whole or in part without the express written permission of both ValleyNet, Inc. and HEADNetworks LLC. © 2020

2 GENERAL CONDITIONS

2.1 Terms and Conditions

The following Terms and Conditions apply to this RFP:

2.2 Substitutions

Specific reference in this RFP to any articles, products, materials, equipment or any other item to be incorporated in the work or to be used in connection therewith, whether by name, make or catalog number is given only to establish a standard of design, size, or quality and shall not be construed as limiting competition.

Equipment differing in any respect from that specified will be considered only when ample proof is submitted with the proposal in the form of complete drawings, cuts, prints and descriptive literature indicating all essential requirements of the specifications are adhered to in design and construction. These specifications are intended to include the complete fabrication, finishing, delivery and setting in place, cross connections, and making ready to use, all equipment herein specified, all in accordance with these specifications. Any parts or accessories not specifically mentioned which are normally a part of the equipment, or necessary to complete the installation of same or which are required for system operation in accordance with the full extent of these specifications, shall be included in the price.

2.3 Time of Completion

The Customer anticipates that the system will be installed in the 3rd Quarter of 2020 timeframe.

2.4 Equal Opportunity

In the execution of the performance contract, the Contractor/Vendor shall not discriminate and shall comply with applicable laws prohibiting discrimination on the grounds of race, color, religion, sex, sexual orientation or identification, national origin or citizenship status, age or handicap. The Contractor agrees to comply with all local, state and federal laws, rules and regulations and Executive orders pertaining to discrimination and equal opportunity requirements, and will require the same of all subcontractors.

2.5 Role of the Specifications

The specifications represent the functional capabilities, performance characteristics, and minimum hardware required and/or desired in the system to be purchased. These requirements are for the protection of each and every Responder and to insure, if possible, that all Responses

submitted shall be upon a fair and comparable basis. In view of a usual wide disparity in details of design and manufacture, responses to the specifications, complete descriptive literature, and the proposal forms duly executed must be submitted on the system offered.

2.6 Liens

Neither the final payment nor any part of the retained percentage shall become due until the Contractor, if required, shall deliver to the Customer a complete release of all liens arising out of the Contract, or receipts in full in lieu thereof, and, if required, in either case, an affidavit that so far as the Contractor has knowledge or information, the releases and receipts include all the labor and material for which a lien could be filed; but the Contractor may, if any subcontractor refuses to furnish a release or receipt in full, furnish a bond satisfactory to the Customer, to indemnify it against any lien. If any lien remains unsatisfied after all payments are made, the Contractor shall refund to the Customer all moneys that the latter may be compelled to pay in discharging such a lien, including all costs and a reasonable attorney's fee.

2.7 Contractor's Liability Insurance

COMMERCIAL GENERAL LIABILITY With No Exclusion Endorsements; Bodily Injury and Property Damage Combined: Minimum amount of two million dollars (\$2,000,000.00).

EXCESS UMBRELLA COVERAGE with the Primary Policy;
Minimum amount of one million dollars (\$1,000,000.00).

OTHER INSURANCE:

Workers Compensation and Employers Liability:

Coverage A: Vermont Statutory Workers Compensation.

Coverage B: Employers Liability

- 1) Bodily injury by accident: minimum amount of one million dollars (\$1,000,000.00) each accident.
- 2) Bodily injury by disease: minimum policy limit of one million dollars (\$1,000,000.00) each employee.

Automobile:

One million dollars (\$1,000,000.00) combined single limit per occurrence;
Trucking vehicles to have Pollution Endorsement CA9948 and Motor Carrier Act Endorsement where required.

2.8 Management of Employees, Subcontractors and Agents

The Contractor shall promptly pay all employees as their pay falls due, shall pay promptly as they fall due all bills for material, supplies and services going into the work, and all bills for insurance, Worker's Compensation coverage, Federal and State Unemployment Compensation, and Social Security charges applicable to said project. Before final settlement is made, the Contractor shall furnish evidence to the Customer that all said payments have been made. The Contractor shall at all times enforce strict discipline and good order among Contractor's employees, and shall not employ on the work any unfit person or anyone not skilled in the work assigned.

2.9 Labor and Wages

All Contractors and Subcontractors shall conform to the labor laws of the State of Vermont or other state as applicable, and all other laws, ordinances, and legal requirements affecting the work or services to be provided in Vermont.

2.10 Permits, Laws, Taxes and Regulations

Permits and licenses necessary for the prosecution of the work shall be secured in advance and paid by the Contractor. The Contractor shall give all notices and comply with all laws, ordinances, rules and regulations bearing on the conduct of the work as specified.

2.11 Indemnification

Contractor shall indemnify and hold harmless Customer regarding any action, damage, or inaction caused by the Contractor's equipment, placement, maintenance or operation, or for the loss or damage to the equipment so located. This shall not apply to any Customer negligence associated with maintenance of the building in which the equipment is located.

2.12 Use of Premises – Applicable only to those seeking to locate equipment at the ValleyNet office site

In the event that a Responder wishes to locate equipment at the ValleyNet site, ValleyNet is prepared to accommodate that option as long as the Responder can fully manage and maintain the equipment. The premises will be occupied during the course of the installation. It will be the responsibility of Contractor to provide access to Customer's buildings and grounds for the Customer's staff and visitors in order for services to continue unabated. Contractor shall perform all work in full compliance with local, state and federal health and safety regulations.

All work hereunder shall be performed in a safe manner. Contractor shall immediately correct any dangerous condition caused by or resulting from its work. If it fails to correct, or to act diligently to correct, any condition which Customer reasonably believes to be a hazard to persons or property, then immediately upon oral or written notice to any supervisory or similar personnel of Contractor, Customer may, but shall not be required to, correct same at Contractor's expense. Customer shall confirm in writing any oral notice given within five (5) days thereafter.

If any shut-down of services is required, notice shall be made in writing and submitted to Customer for its prior approval, at least two (2) weeks prior to the proposed shut-down. The Contractor shall confine apparatus, the storage of materials and the operations of workers to limits indicated by law, ordinances, permits or directions of the Customer and shall not unreasonably encumber the premises with materials. The Contractor shall not load or permit any part of the structure to be loaded with a weight that will endanger its safety.

No floors, walls, ceilings, or structural members of the existing finished work shall be drilled, cut or in any way defaced without the Customer's prior consultation and approval. Contractor will be held strictly responsible for and shall make good at its own expense any and all damage to the existing finish work, other cables, and Customer's grounds and buildings caused by or resulting from unapproved Contractor's work.

2.13 Working Hours

Contractor shall coordinate its installation schedule so that work is performed during Customer's normal working hours, from 8:00 a.m. to 5:00 p.m., Monday through Friday, unless written

permission is obtained from the Customer to work during other times. This condition shall not excuse Contractor from timely performance under the Contract. Contractor recognizes that it may be required to work outside of normal business hours (nights, weekends, holidays) in the event that schedule tasks interfere with Customer's normal business practices or if system delivery is behind committed projects dates. In accordance with the foregoing, all overtime or off-hours costs for installation will be absorbed by the Contractor and the Customer will not be responsible for said additional overtime costs.

Cutover of existing telephone system to new telephone system will be accomplished outside of normal business hours.

2.14 Workmanship

All Workmanship, Materials or Equipment, either at the Site or intended for it, shall conform in all respects with the requirements of all the Contract Documents, and shall be a strictly first class, workmanlike installation and the best obtainable from the crafts and trades. In all cases, the materials, equipment and workmanship shall be equal to or better than the grade specified, and the best of their kind that is obtainable for the purpose for which they are intended. All Labor shall be performed by mechanics skilled in their respective trades. Prior to submitting a Response, the Contractor shall become familiar with the local labor conditions, skilled and unskilled.

2.15 Cleaning Up

The Contractor shall at all times keep the premises free from accumulation of waste materials or rubbish caused by Contractor's employees or subcontractors, and at the completion of each work day shall remove all rubbish from and about the project and all tools, scaffolding and surplus materials and shall leave the work "Broom clean" or its equivalent, unless more exactly specified. In case of dispute, the Customer may remove the rubbish and charge the cost to the Contractor. The Contractor will make every effort to remove excess packing materials prior to arriving on site in order to minimize the amount of waste needing to be disposed of.

2.16 Publicity

All publicity and public information resulting from the RFP or selection of a Responder shall be the responsibility and exclusive purview of ValleyNet, Inc.

2.17 Scope

The Contractor shall be responsible for providing all systems engineering, equipment, materials, fabrication, project management and supervisory labor personnel to insure full and proper operations, in accordance with the intent of the Response specification, whether or not all of the items required for proper operation are specifically covered by these specifications.

2.18 Responsibilities of Successful Responder (Note, Sections 2.18.1 through 2.26 are applicable only to Responders seeking to locate equipment at the ValleyNet site.)

2.18.1 Space, Power, Environmental and LAN/WAN Requirements

The Contractor must provide ongoing technical and engineering data to assure proper system installation and implementation to meet present and future needs for:

A. Space Requirements

Customer will authorize the use of secure space on the premises meeting the area, size, shape, height and weight-bearing requirements as designated by the Successful Responder to house its systems cabinets and capable of ultimately servicing the maximum number of lines and trunks specified at capacity.

B. Power Requirements

If hosting equipment, Customer, at its cost, will provide commercial power as specified in writing by Contractor's personnel to its systems' switch rooms to accommodate the maximum backup and ancillary equipment. If during the installation process, there is an emergency power outage, the installation will cease and the new equipment will be powered down to preserve the battery backup for the existing system as well as reduce the load on the generator.

C. Environmental Requirements

Contractor will notify customer of any modifications necessary to fully affect the new telecommunications system. Customer, at its cost, will contract to install the necessary air conditioning, heating, humidifying/dehumidifying, fire and water protection, lighting and security devices, equipment and systems specified in writing by Contractor's personnel for the level of service anticipated hereunder. Should Customer install the above and such level immediately or ultimately prove inadequate for the level of service anticipated hereunder, Contractor shall bear the additional costs of the required improvements and related costs so that such items are adequate for the anticipated level of service hereunder.

D. LAN/WAN Requirements

If the proposed solution depends upon the use of the Customers LAN and/or WAN, the Responder must specify any and all hardware and software requirements needed for the system to function properly. In the event that the Customer provides the LAN/WAN resources specified by the Successful Responder but additional modifications are needed for the system to operate properly, the Successful Responder shall bear the costs for any and all additional modifications.

2.19 Manufacturer's Guarantees/Option to Purchase

If the Contractor wishes to locate equipment at the ValleyNet site, the Contractor shall include an Option to Purchase the equipment valid for the life of the Contract, prorated over time. Under these circumstances, the Contractor must also have equipment manufacturer guarantees. The manufacturer shall furnish a minimum ten (10) year commitment, effective from date of installation, for continued manufacture and manufacturer support for all products supplied as part of this system. In addition, the manufacturer shall agree to provide or arrange to provide maintenance by a properly trained supplier through the life of contract and should the Contractor fail to fulfill its maintenance obligations. Responders shall provide a written acknowledgment from the equipment manufacturer attesting to these commitment, to be submitted with the Contractor's proposal.

2.20 Manufacturer's Directions

Where it is required in the specifications that materials, products, processes, equipment or the like be installed or applied in accord with manufacturer's directions, specifications or instructions, it shall be construed to mean that the said application or installation shall be in strict accord with printed instructions furnished by the manufacturer of the material concerned for use under conditions similar to those at the job site. One (1) copy of such instructions shall be furnished to the Consultant and/or Customer with approval obtained before work is begun.

2.21 Installation

Contractor agrees to furnish all necessary cables, wire, software, hardware, and labor with such other items as necessary to complete the installation and cross-connections of their systems but shall have no duty or obligation to make any structural alterations to the premises to install the systems. The Contractor's work shall be performed in a professional manner so as to provide minimal interference with Customer's operations at the premises. Customer shall permit reasonable use of, to the extent available to Customer, elevator service, heat, light, sanitary facilities, and electrical power in the premises. Customer agrees to allow access to the premises as shall reasonably be required for the purpose of installing the system. The Contractor shall arrange for its own telephone service.

The Contractor shall do all necessary cutting, fitting and patching of the work that may be required to properly receive the system, to make their several parts join together properly, to receive and provide for the work of various trades, and to be received by the work of other contractors. No cutting, fitting or patching of the work shall be done without the prior approval of the Customer. The Contractor shall not cut, excavate, or otherwise alter any work or Customer premises in such a manner or by a method or methods that will endanger the work, adjacent property, the Contractor's own employees, the Customer's staff and visitors or contractor or employees of other contractors.

The Contractor shall seek approval and coordination from the Customer for the installation of all cable and ancillary equipment in the building prior to installing said cable and ancillary equipment. The cutover and selected installation date shall be scheduled by the Customer and its Consultant. In accordance with the foregoing, all overtime costs for installation will be absorbed by the Contractor and the Customer will not be responsible for said additional overtime costs.

2.22 Passing of Title and Risk of Loss

- A. Title to each item of equipment and licenses to each applicable software package shall remain with Contractor, and shall pass to Customer only if the Option to Purchase is exercised, and upon final payment.
- B. Contractor and his insurer shall assume the risks of loss or damage to the equipment up to and including the date title passes, except that Customer shall be responsible for loss or damage caused by Customer's negligence.
- C. The Contractor shall not remove any system equipment or materials from the premises without prior written consent from the Customer.

2.23 Staffing

Contractor will assign a Project Manager and a back-up Project Manager or Installation Supervisor. Resumes of these individuals must be provided no later than 3 weeks prior to installation commencement. Customer must approve any changes to these assignments.

The Project Manager's responsibilities will include, but not be limited to:

Develop and execute an implementation plan in close coordination with the Customer Project Manager.

Obtain permits, licenses, permissions, consents, approvals, and clearance necessary for the installation, cutover and subsequent operation of the system.

Schedule and conduct regular status/progress meetings at the Customer premises.

Keep minutes of each meeting and distribute them with an agenda at least two days prior to each regularly scheduled project meeting.

2.24 Agency

The Contractor will serve as the Customer's Agent, after proper notification to customer of actions, to the serving telephone utility and/or other network suppliers and will conduct comprehensive testing of all carrier services through acceptance at no additional cost to the Customer.

2.25 Training

The Contractor will provide System Administration Training to ValleyNet personnel on-site for a minimum of two full days to be scheduled at the Customer's convenience within 10 days of cut-over. The training will cover system administration capabilities, billing data transfer, traffic analysis, and other ancillary systems and will be designed in conjunction with the Customer and Consultant.

2.26 Provision of Documentation

Within fifteen (15) days following cutover, Contractor shall furnish the Customer, at no additional cost to Customer, all relevant system documentation from the manufacturer. Upon cutover, Contractor shall furnish to the Customer all shop drawings, as built drawings, records, programming manuals, descriptive literature, and wiring diagrams. All drawings shall become the property of the Customer. Following cutover, Contractor shall keep current software records, maintenance logs and cable records on premises as well as be responsible for maintaining a current set of all system documentation at the main headquarters in South Royalton, Vermont. These shall be made available to Customer if and when the "Option to Purchase" is exercised.

The Following Apply to all Responders:

2.27 Cut-over

No later than the In-Service date as listed in the proposal timeline, or on such date as Customer and Contractor agree upon in writing, the equipment shall be cutover. In the event the Contractor does not meet the cutover date set forth above, Customer shall have the remedies set forth in the Response Documents entitled, "Termination by Customer."

2.28 Termination and Damages - Failure to Meet Cut-over Date

The parties hereby acknowledge that in the event the system cut-over is not accomplished in a timely manner, the Customer will suffer damage and harm, the amount of which is at this time extremely difficult, if not impossible to ascertain. The parties therefore agree to the following liquidated damages, which shall not be considered as penalty, but as compensation to the Customer for such delays:

A. In the event Contractor fails to cutover the equipment within seven (7) calendar days after the agreed-upon Cut-over Date, the purchase price to Customer shall be reduced by 10% of the total contract price as liquidated damages and not as a penalty.

B. In addition, Contractor shall reduce the purchase price to the Customer by 1% of the total contract price per day as liquidated damages and not as a penalty for every day beyond the seventh calendar day after the agreed upon cutover date.

C. In addition to liquidated damages listed in Sections A and B above, in the event Contractor fails to Cut-over the system within twenty-one (21) calendar days after the agreed-upon Cut-over Date, Customer shall have the option to terminate the Contract.

2.29 Force Majeure

No Party shall be liable for any failure to perform its obligations where such failure is as a result of Acts of Nature (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction, national or state executive orders, blockage, embargo, labor dispute, strike, lockout or interruption or failure of electricity [or telephone service], and no other Party will have a right to terminate this Agreement under Termination in such circumstances.

Any Party asserting Force Majeure as an excuse shall have the burden of proving that reasonable steps were taken (under the circumstances) to minimize delay or damages caused by foreseeable events, that all non-excused obligations were substantially fulfilled, and that the other Party was timely notified of the likelihood or actual occurrence which would justify such an assertion, so that other prudent precautions could be contemplated.

2.30 Acceptance

Acceptance testing shall consist of:

1. Cut-over
2. Operation of all new components for 30 consecutive days with no Catastrophic or Major Failures, as defined below.
3. Quality of Service (QoS) for 30 consecutive days which does not trigger Major Failure, as defined below.
4. Completion of all "Punch List" items including correcting programming deficiencies, clean-up etc.
5. Provision of documentation
6. Completion of agreed Training

2.31 Failure Definitions – Default of Contractor

Catastrophic Failure means that, as a result of system hardware and/or software malfunctions, more than twenty-five percent (25%) of the total trunking and/or subscriber stations are inoperable, or the battery back up is inoperable, or failure of the system.

Major Failure means that more than ten percent (10%) of the total trunking and/or extension stations are inoperable, or failure of more than twenty-five (25%) of the features and services at any time cumulatively during the Acceptance Period. Poor quality of Service, including but not limited to: failure of or inability to make outgoing calls, failure of or inability to receive incoming calls, dropped calls, voice delays, echo, etc., that total more than twenty-five (25%) of customer phone experiences cumulatively shall be considered a Major Failure during the Acceptance Period.

Minor Failure means loss or impairment of any service and/or equipment of a lesser magnitude than any Major Failure.

2.32 Failure to Meet Acceptance Criteria

If the Contractor fails to meet the criteria set forth herein within 28 calendar days of Cutover, then Customer shall have the right to terminate the Contract.

2.33 Termination by Customer

In the event of default by Contractor, Customer shall at its option:

- A. Retain all materials, equipment or property delivered or shipped to Customer's premises, paying to Contractor the balance of Contractor's reasonable cost of performance prior to such termination; or
- B. Upon refund by Contractor of all sums paid under this Agreement exclusive of the cost to Contractor of cable and wire, Customer shall return to Contractor all other materials (except cable and wire), equipment, or property then on the Customer's premises relative to Contractor's performance under this agreement.

In either event, Customer shall be under no further obligation to Contractor.

2.34 Audit

The final Purchase Price for the system, after all adjustments for additions or deletions in accordance with the schedule provided for hereunder, shall be determined by an audit of actual equipment installed, such taken by the Contractor and Consultant/Customer on the Acceptance Date. Any variance from the original Purchase Price shall be adjusted for on the Systems Acceptance Payment.

2.35 Quality of Service – Stipulated Damages

Notwithstanding Acceptance Criteria and Acceptance of the system and services, through the life of the Agreement, Contractor shall remedy a Major Failure within 4 hours of notification of the problem and within 24 hours of notification for a Minor Failure. For any Minor or Major failure which exceeds these time periods, Customer shall be entitled to a credit for two (2) days of total Monthly Service Cost (MSC) per subscribers affected, and thereafter credit for two (2) days of MSC per subscriber affected for each day or partial day that the QoS problem continues. For the purposes of this section, any Minor Failure or instance of a QoS problem that occurs or persists in any 10 day period shall be considered one occurrence. The maximum credit shall not exceed the total MSC for the subscriber(s) effected in any given month, but if the QoS persists into a new calendar month, credits shall begin anew. The stipulated Damages and Customer credits provided under this section shall be considered mitigation of charges and shall not be considered a penalty.

2.35 Warrantees

- A. The Contractor shall be liable to repair and install and or replace without charge any equipment or part thereof which, within the agreed initial warranty period from the Date of Acceptance fails to perform according to the manufacturer's specifications. The Contractor further warrants that the entire installation will be free from any and all defects caused by faulty design, faulty material or poor workmanship.
- B. The foregoing warranty does not extend to any equipment which has been subjected by Customer to misuse, neglect, unauthorized modifications, or to use in violation of applicable instructions furnished, nor to equipment where the serial number thereof has been removed, defaced or altered — unless so done by Contractor, its agents or Subcontractors.
- C. The Contractor's system will consist only of new components of the highest quality available. The Contractor represents and warrants that it will maintain the system and all related equipment in the system in working order twenty-four (24) hours per day, seven (7) days per

week and shall provide emergency telephone numbers where Emergency Service can be obtained during the Warranty Period with two-hour response for Catastrophic Failures, four (4) hour response for Major Failures, and twenty-four (24) hour response for Minor Failures with "Failures" defined in Section 2.35 of this Response Document.

2.36 Assignment of Contract

The Purchase Contract may not be assigned, sublet or transferred without the written consent of the Customer.