

FirstNet official clarifies evaluation process, public-safety pricing goals

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After receiving bids from offerors on May 31, [FirstNet](#) evaluators will engage in a lengthy, negotiation-filled process in an effort to forge the best arrangement with its contractor on behalf of public-safety users, a FirstNet official said during a session at

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2016.

This evaluation approach is a reflection of the unique nature of the FirstNet procurement, which is very different from a typical bidding process in which government pays money for specific good or services, according to James Mitchell, FirstNet's director of program management. Under the terms of the FirstNet request of proposals (RFP), the contractor actually will make regular payments to FirstNet throughout the 25-year contract term in return for access to prime 700 MHz spectrum that can be leveraged to sell services.

"Price, in your typical contract, is what we're going to pay industry to do something," Mitchell said during a session last month that focused on the economics of FirstNet. "Obviously, that's flipped here. Our partner, or contractor, will be paying us for access to the spectrum, and there will be an exchange, based on the adoption targets that are presented in the proposal process and thereby agreed to in a contract."

Given this situation, Mitchell emphasized that FirstNet evaluators will seek the "best value" offer, Mitchell said.

"I'm not asking for the lowest-cost, technically acceptable, requirements-based acquisition," he said. "I want more stuff for public safety. I want a better network. I want to go bigger, faster and stronger than previous offerings, and I'm actually asking industry to pay us to make that happen."

"That's an awkward proposition, but it's one that we've laid out in Section B of the RFP."

Proposals from offeror teams are due in five weeks, on May 31. Although offerors have been asked to submit their best bids at that time, the proposals likely will not be stagnant during the “long” evaluation process, Mitchell said.

“If you want to think of it as being at least the beginning of a long negotiation process, that’s what the evaluation is going to be,” Mitchell said. “We’ve talked about reserving the right for discussions and negotiations. I think anyone in the acquisition community will tell you that’s something you have to do when it’s this complex and this big—especially something that is this unique.”

FirstNet’s RFP includes significant disincentive payments that the contractor would have to pay, if public-safety users—none of whom are under any legal obligation to subscribe to the proposed nationwide broadband network—do not meet adoption targets. But these targets are not prescribed in the RFP; it is up to the offeror team to propose the adoption targets.

Not only will each offeror propose its own public-safety adoption targets, it will play a key role in defining who qualifies as a public-safety entity that is eligible for prioritized service on the network. [FirstNet](#)’s RFP specifies that police, fire and EMS personnel will be in the “primary user group,” but the FirstNet contractor will be asked to determine who should be included in the “extended primary user group.”

“Disincentive payments are obviously tied to those adoption targets—whatever is agreed to, when we get to contract,” Mitchell said. “That’s critical, and that’s basically going to be the forecast for the next 25 years, and we want to make sure that we’re smart about it. So, we’ve opened that up and allowed offerors to come back and propose that to us.”

When asked about the potential impact that multiple body sensors or Internet of Things (IoT) devices could have on the public-safety subscription targets, Mitchell acknowledged the issue but declined to share FirstNet’s position on the matter.

“It’s part of our model, but I can’t disclose that specifically,” Mitchell said.

The contractor's public-safety definition also could impact pricing on the network. Under the RFP, public-safety entities will get "most-favored customer" pricing. This means that FirstNet public-safety subscribers would get the best pricing for "like services"—a term that will need to be clarified during the evaluation process, Mitchell said.

"It's for 'like services,'" he said. "They [the offeror teams] are going to have to bring it back to us and tell us what that actually is to them."

Although FirstNet has extended the deadline for offerors to submit bids by a month since the RFP was first released in January, officials have continued to state that the organization hopes to sign a deal with the contractor by Nov. 1.

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