



Request for proposal

Request for Proposals (RFP)

ISP Evaluation and Strategic Plan

Rochelle Municipal Utilities – Advanced Communications Department

Proposals due at 3 :00 p.m. on September 17th, 2026

Rochelle Municipal Utilities is soliciting proposals from qualified consulting firms to assist in creating RMU Advanced Communications Department Master Plan as outlined in this RFP. This Master Plan is an important document for future planning as the Advanced Communications Department grows and continues to serve the City of Rochelle.

Sealed RFP submissions must be received by Pat Brust, Director of Advanced Communications at 420 N 6th St, Rochelle, IL 61068, on or before 3:00 p.m. on September 17, 2026. Envelopes should be marked “**ROCHELLE MUNICIPAL UTILITIES ADVANCED COMMUNICATIONS STRATEGIC MASTER PLAN PROPOSAL**”. Please also include electronic copies to PBrust@rmu.net and zjackson@rochelleil.us using the subject line: **RMU ADVANCED COMMUNICATIONS STRATEGIC MASTER PLAN PROPOSAL**. Late submissions will not be accepted.

All questions or request for clarification must be submitted in writing no later than 4:00 p.m. on September 10, 2026 to Pat Brust PBrust@rmu.net.

1. Introduction

Rochelle Municipal Utilities (RMU), a municipally owned utility serving the City of Rochelle, Illinois, is requesting proposals from qualified consulting firms to conduct a comprehensive evaluation of its Advanced Communications Department through three phases, culminating in development of a long-term Strategic Master Plan.

The selected consultant will perform an independent assessment of RMU's Internet Service Provider (ISP) operations, infrastructure, financial performance, organizational structure, and market position. The objective is to provide RMU with an unbiased evaluation and actionable recommendations that will assist utility leadership and City officials in determining the future direction of the Advanced Communications Department.

The work will cover three phases, each sequentially performed by the selected consultant. The City shall not be obligated to advance to each subsequent phase.

The phases shall entail the following:

Phase 1: Urgent. One time-sensitive regulatory compliance items that should not wait regardless of anything else.

Phase 2: Discovery. Perform an independent assessment of RMU's Internet Service Provider (ISP) operations, infrastructure, financial performance, organizational structure, and market position. Finding out what is actually going on with the Operation: the state of the network, operations, systems, dependencies, and community value.

The deliverables at this stage should cover: federal & state filing review, charter & mandate alignment, fiber plant & network infrastructure assessment, upstream connectivity & provider strategy, staffing, structure & knowledge continuity, ISP systems & platform assessment, vendor relationships & lock-in risk, operational risk & resilience, synergies & dependencies with utility and government functions, and economic development value.

Phase 3: Recommendations and Strategic Master Plan. Disposition of the Operation, and recommended execution path. What to do about the current situation, operational modifications, and sourcing vendors who can actually execute. Only scoped once a direction is chosen. The deliverable at this stage is a fully developed Strategic Master Plan.

2. Background

RMU provides electric, water, wastewater, and advanced communications services to residential, commercial, and industrial customers throughout the City of Rochelle and the surrounding area.

The Advanced Communications Department has been an important community asset by providing fiber internet and additional fiber services that support residents, businesses, and economic development initiatives. In addition, RMU owns Rochelle Technology Center which provides colocation services at the data center facility. As technology, competition, and customer expectations continue to evolve, RMU seeks an independent assessment to determine the long-term viability and strategic direction of the utility.

The evaluation should consider operational effectiveness, financial sustainability, infrastructure needs, market opportunities, organizational structure, and future investment requirements.

3. Proposed Timelines

<u>Milestone</u>	<u>Date</u>
RFP Posted	8/25/2026
Deadline for Clarifications	9/10/2026
Proposal Deadline	9/17/2026
Interviews (Optional)	9/23/2026
Consultant Selection	10/1/2026
Contract Award/Project Kickoff	10/27/2026

*Note: RMU reserves the right to modify this schedule at the RMU's discretion. If any modifications are deemed necessary, RMU will communicate those to any bidders who have submitted an intent to bid.

4. Project Purpose

The purpose of this project is to provide RMU with sufficient information to make informed strategic decisions regarding the future of the Advanced Communications Department.

Specifically, RMU seeks recommendations regarding whether:

- RMU should continue owning and operating the ISP.
- RMU should consider the sale or lease of the ISP assets.
- Operational changes could significantly improve long-term performance.
- Capital investments are required.
- Alternative business models should be considered.

The consultant shall remain objective and independent throughout the evaluation process.

5. Project Objectives

The selected consultant shall:

- Evaluate the current state of RMU's ISP operations.
 - Identify strengths, weaknesses, opportunities, and risks.
 - Review organizational structure and staffing.
 - Evaluate operational efficiency.
 - Review customer growth trends and retention.
 - Assess financial sustainability.
 - Evaluate current technology and infrastructure.
 - Identify operational improvements.
 - Recommend future capital and operational investments, grants, staffing levels, service offerings, and pricing as well as a “go to market” strategy identifying (geographically) phases of implementation.
 - Develop a long-term Strategic Master Plan.
 - Present findings and recommendations to RMU leadership and City officials.
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6. Scope of Services

The selected consultant should, at a minimum, complete the following tasks.

Phase 1 – Urgent

1. BDC (Broadband Data Collection) filing status & remediation

- Assist City Staff and ensure that BDC filings are completed.
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Phase 2 – Discovery (Current State Evaluation)

2. Federal & state filing review.

- Determine where RMU stands on the major recurring telecom filings, USAC/Form 499, CALEA, CPNI, NORS, broadband consumer labels, plus Illinois Office of Broadband / Connect Illinois mapping and Illinois Commerce Commission obligations. This is a “what is in place and what is missing” pass, not a formal audit. Anything found missing would be addressed separately.

3. Charter & mandate alignment.

- Review of RMU's enabling authority and whatever charter or council mandate established the ISP, then check whether what the ISP does today lines up with that stated purpose. Mostly document review.

4. Fiber plant & network infrastructure assessment.

- The most substantial discovery item. Covers both the physical plant and the active network: Physical fiber plant: capacity, lit vs. dark strands, distribution/splice headroom, room to add customers without new construction. Includes a limited physical on-site inspection to spot-check the accuracy of the records against the field, not a full audit of the plant. If the records and the field diverge significantly, a full field audit may be warranted; that would be beyond the scope of this engagement.
- PON system & link budget: actual optical link budget, power levels, split ratios, and margin. Whether the plant is healthy or running close to capacity
- PON technology verification: confirm what is actually deployed: truly EPON as presumed, or GPON/other configured or throttled down.
- Provide recommendations for operational improvements and best practices.

4b. Network infrastructure hardware, by function:

- Distribution / access layer: OLTs and PON distribution gear, split architecture, port capacity and utilization.
- Switching layer: switch models, capacity, how traffic is aggregated and segmented.
- Routing layer: core/border routers, routing structure, upstream handoff.
- Subscriber-side / CPE: ONTs, and whether RMU provides customer routers; models, management, ownership.
- Overall architecture: how these layers fit together: topology, redundancy/failure domains, and whether the design is sound, scalable, and maintainable. This is the network-engineering judgment that turns an inventory into an assessment.
- Capacity & growth headroom: utilization and bandwidth trends, pinch points, and upgrade paths to add subscribers without major capex.

5. Upstream connectivity & provider strategy:

- Review of how RMU connects upstream and the commercial relationship behind it: current transit/upstream setup, BGP redundancy and failover, and the existing provider contract(s), what is committed, what is being paid, and how long RMU is

locked in. Includes a high-level look at what alternative upstream options exist (not contract negotiation, just identifying that better/cheaper paths may be available), and whether existing fiber assets could be leveraged more efficiently for cost savings. Also assesses how the upstream contract and connectivity interact with

RMU's broader IT and utility operations, so any change is evaluated for downstream impact rather than in isolation.

6. Staffing, structure & knowledge continuity:

- Organizational structure: roles, reporting lines, and where the org chart has single points of failure. Key-person & knowledge continuity risk: whether critical functions depend on one or two people, and whether knowledge is documented or tribal.
- Burnout as a growth constraint: whether the same staff can carry both internal IT and ISP/network responsibilities

7. ISP systems & platform assessment

- Platform in use: whether there is a proper ISP OSS/BSS platform, or functions are run on general-purpose/improvised tools.
- Billing & customer management: invoicing, customer accounts, plan management, and how this interacts with the City's existing municipal billing/management system, and where a dedicated ISP platform fits alongside it without duplicating effort.
- Provisioning & operations tooling: how customers get turned up, and the monitoring/NMS behind day-to-day operations.

Support workflow: how issues come in, get triaged, and get resolved; where the manual friction is.

8. Vendor relationships & lock-in risk:

- Consolidated view of RMU's vendor dependencies and the risk they carry across the whole operation, equipment suppliers, platform/billing vendor, upstream provider, and any managed-service or support contracts.

Contract terms, renewal and termination provisions, and any costs or restrictions associated with changing providers or a future sale of the system.

9. Operational risk & resilience:

- The day-to-day operational risk posture (not the regulatory filings): change management, outage handling, backups, and resilience.

10. Current state & market position:

- High-level assessment of where the ISP stands today, internally and in its market:
 - i) Customer satisfaction & retention: whatever satisfaction signal, churn, complaint, and service-quality data exists.
 - ii) Penetration / take rate: how much of the serviceable area RMU actually captures.
 - iii) Competitive landscape: who else serves Rochelle, their offerings and pricing, and how RMU stacks up.
 - iv) Rate structure overview: what RMU charges across its tiers vs. the market, flagging obvious gaps.

11. Synergies & dependencies with utility and government functions:

- Where the ISP's infrastructure overlaps with, supports, or is depended on by RMU's broader utility and municipal operations:
 - i) Core utility functions: shared fiber, conduit, or network paths used by electric/water operations, and SCADA interdependencies in particular (SCADA traffic riding ISP-managed fiber or depending on ISP infrastructure).
 - ii) Government / municipal functions: connectivity and ISP services provided to the City itself: City offices, public safety, municipal buildings, public Wi-Fi, or other government services riding on the ISP.
 - iii) Change-impact view: what across the utility and the City would be affected if the ISP were sold, restructured, or changed direction.

12. Economic development value:

- A current-state assessment of what the ISP is worth to the community's economy: its role in local economic development, effect on property values, business attraction, and remote-work appeal. Competitive advantages for choosing to live, work and invest in Rochelle, and how the ISP can be used to attract, subsidize or bolster other investments in the community.

Phase 3 – Recommendations & execution path: A Strategic Plan

Phase 3 is where recommendations take shape and is formalized in a Strategic Plan. Phase 3 is driven by what Phase 2 uncovers and the direction the City chooses. The specific scope is settled in discussion with the City after Phase 2. The paths below are illustrative of the kinds of work that could apply, not a fixed menu, and much of it is

irrelevant under some directions; most modernization work makes no sense if the decision is to sell.

Phase 3 is scoped collaboratively. Once Phase 2 is complete, the selected Consultant will sit down with the City and work through what the findings actually mean from Phases 1 and 2 and which outcomes the City is interested in pursuing. The Phase 3 scope comes out of that conversation, informed by the information gathered rather than decided in advance.

The goal is to answer the questions the City actually wants answered, developing the options that matter to it, at the depth it needs, and not spending time or money on work that does not serve the direction it chooses.

Option 1: Divest - If the direction is to divest. This track is about understanding what RMU would need to know before a sale, not executing or valuing a transaction. The work would center on mapping what is entangled, what the utility and the City actually depend on that rides on the ISP (SCADA, City connectivity, public safety, shared fiber and conduit), since those dependencies determine whether a clean exit is even possible and what would have to be carved out or retained. It would also include a clear inventory of what is actually being sold, the fiber plant, customer base, contracts, IP address space and ASN, and equipment, much of which falls out of the Phase 2 assessment. Finally, it would capture RMU's current thinking on a potential Frontier-type transaction (what they would sell, keep, or expect) as an input to an informed decision.

Option 2: Optimize Status Quo – If Option 1 is unviable because of how entangled the City itself is in the operations and assets, Option 2 will seek to grow the ISP's revenues using existing assets as a backbone to grow revenue just enough to break even. This option will not envision the ISP growing to cover the entire service area of RMU electric, rather, it will seek to maximize vendor relationships, existing investments, and existing staff and systems with minimal investment to put the ISP on a path to breakeven. This will entail some service expansion to limited areas in the city, and will focus on value.

Option 3: Actually, run the ISP as a full business unit of RMU. Option 3 will vision a solution for business operations, capital plans, external grants, "go to market strategy" and will examine the existing assets as in Option 2 to most economically grow the ISP into the entire service area that RMU Electric now covers, using colocation of assets where feasible. It will explore microwave point-to-point as an alternative to fiber and will focus on sustained build-out of the ISP and sustainability of the business itself, with a goal of returning 5.5% after operating and capital costs to the General Fund of the City of Rochelle. This alternative will also focus on cost competitiveness and providing residents, businesses and the Greater Rochelle Electric service area with a serious contender for their business.

Final Presentation

Present findings and recommendations to:

- RMU Management
- Executive Leadership
- City Manager
- City Council (if requested)

Presentation materials shall be included with the final deliverables.

Deliverables

The consultant shall provide:

- Project Work Plan
 - Progress Updates with sufficient updates so that staff may operationalize findings
 - Draft Assessment Reports
 - Draft Strategic Master Plan
 - Final Strategic Master Plan
 - Executive Summary
 - Presentation Materials
 - Electronic copies of all reports and supporting documents
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Desired Consultant Qualifications

The consultant should demonstrate experience in:

- Municipal broadband systems
- Fiber network operations
- Internet Service Providers
- Utility management
- Organizational assessments
- Financial analysis
- Strategic planning
- Telecommunications consulting
- Public sector consulting

Preference may be given to firms with experience evaluating municipal broadband systems similar in size and complexity to RMU.

Proposal Requirements

Proposals should include:

1. Cover Letter
 2. Company Background
 3. Relevant Experience
 4. Project Team
 5. Proposed Methodology
 6. Project Schedule
 7. Similar Projects
 8. References (minimum of three)
 9. Cost Proposal – Should be billed per hour with a “not to exceed” amount stipulated for each phase of work.
 10. Optional Services
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Evaluation Criteria

Proposals may be evaluated using the following criteria:

Evaluation Criteria	Weight
Relevant Experience	25%
Understanding of Project	20%
Proposed Methodology	20%
Project Team Qualifications	15%
References	10%
Cost Proposal	10%

RMU reserves the right to interview finalists prior to selection.

General Conditions

RMU reserves the right to:

- Reject any or all proposals.
- Waive informalities or irregularities.

- Request additional information from proposers.
- Negotiate with the selected consultant.
- Cancel the solicitation at any time.

The issuance of this RFP does not obligate RMU to award a contract.

Desired Outcome

At the completion of this project, RMU expects to have a clear, objective, and data-driven understanding of the current state of its Advanced Communications Division along with a practical roadmap for its future.

The final Strategic Master Plan should provide sufficient information for RMU leadership and City officials to confidently determine whether continued ownership of the ISP best serves the long-term interests of the utility and the community, or whether alternative ownership or operating models should be pursued. The report should prioritize actionable recommendations, estimated costs, anticipated benefits, implementation timelines, and associated risks for each recommended course of action.