

Proposal and Bill of Materials

Once the review of a network design is complete, project partners submit a proposal and bill of materials to the property owner. Here's what to look for.

By David Lippke ■ *Korcett Holdings Inc.*

After a design review establishes expectations, a proposal and a bill of materials (BOM) summarize those expectations in a document for review. If the proposal is a response to a specific RFP, the submission should mirror the RFP to make it as easy to understand as possible. Even if you as a developer did not issue a formal RFP, proposers should follow a template that encompasses all the necessary points in a typical RFP response: a description of the proposed solution, an overview of the project (property details and pricing), a general design outline and a brief description of how the network will operate after installation.

The proposal should be thorough enough to address any concerns and to answer any questions, but brief enough that the involved parties will take the time to look through it. You will undoubtedly have questions, but your partners should have tried to cover as much ground as they could during the proposal phase to make sure that completion of the project is feasible and economical. (In a still later phase, the Master Services Agreement will cover specific service-level agreements and answer any outstanding questions before the final implementation.)

The BOM should reflect the results of the site survey and network design phases. Requiring a group site visit may be beneficial to insure that all potential partners are on the same page with regard to expectations for the project. Without solid information, a solid BOM cannot be created for any project. Something as

Pre-deployment	Sequence
Request for Proposal (RFP)	1
Site Survey	2
Network Design	3
Design Review	4
Proposal and BOM Submission	5
Proposal Review & Acceptance (Project Authorization)	6
MSA Submission, Review & Approval	7

simple as the type of fiber can throw the BOM off by thousands of dollars. This could cause a delay in the planning and rollout of the project, which would delay the actual turn-up date at the property.

The BOM should be very specific and should include every piece of equipment and all the materials needed for the installation and the property turn-up. However, even though the BOM should be as accurate as possible, it does need to be flexible enough to accommodate a change in equipment brands. Though some RFP responses require the submission of a BOM based on two different equipment types, usually you already will have settled on the design standards that you want to stay with. If you are comfortable with a specific product line, the proposers should have taken this into

account when creating the BOM. Specifying the wrong equipment will make the pricing of the materials on the BOM completely incorrect.

In most cases, the BOM is submitted as a separate document so you can pass it along to the engineering or IT group for further review and discussion. When your engineers or IT specialists review the BOM and the proposal, they need to keep in mind the overall goal of the project in addition to the total cost. As we're all aware,

the least expensive option is not always the best long-term solution. You may need to perform a cost analysis based on the submissions you have received, just as service providers do. Generally, a conference call can be scheduled between your potential partners and your engineering group to iron out any last-minute questions that come up after the material has been reviewed. This allows you and your potential partners to obtain additional information before the review of the proposal.

In the next issue, we will discuss the proposal review and acceptance, answering questions about the service levels, the installation itself, and the materials that were outlined in the BOM. This stage can also include project authorization from the service provider or the owner. **BBP**

About the Author

David Lippke is the senior project manager for Korcett Holdings. He can be reached at david.lippke@korcett.com. Korcett Holdings is dedicated to the development and deployment of next-generation service solutions.