

General Services Administration NS2020 Enterprise Infrastructure Solutions (EIS)

Volume 6: Price

Solicitation Number: QTA0015THA3003

February 22, 2016

Submitted to:

General Services Administration Mr. Timothy Horan FAS EIS Contracting Officer 1800 F St NW Washington DC 20405-0001

Submitted by:

Verizon 22001 Loudoun County Parkway Ashburn, VA 20147

Verizon Point of Contact:

Kevin K. Anderson Sr. Contract Manager 703-886-2647 (Office) 571-271-8456 (Mobile) kevin.k.anderson@verizon.com

Verizon Bidding Entity:

Verizon Business Network Services Inc. on behalf of MCI Communications Services, Inc. d/b/a Verizon Business Services and any additional Verizon entities providing service to the Government for this project (individually and collectively, "Verizon"). Local services are performed by the Verizon ILEC or CLEC in the jurisdiction where services are provided. International services are performed by the appropriate Verizon operating company in the foreign jurisdiction.

Copyright © 2016 Verizon. All Rights Reserved.

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used, or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets marked with the following disclaimer:

"Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal."

TABLE OF CONTENTS

1	Price Response [L.34]	1
1.1	Pricing Hubs (PHubs) [L.34.1(1)]	1
	1.1.1 Strategy for assigning Network Site Codes (NSCs) to PHubs [L.34.1(1)(a)]	1
	1.1.2 Strategy for adding NSCs to PHubs Post-Award [L.34.1(1)(b)]	
1.2	Physical Concentration Locations (PCLs) and Points of Presence (POPs) [L.34.1(2), B.4]	3
	1.2.1 Process for associating NSCs to PCLs [L.34.1(2)(a)]	3
	1.2.2 Process for associating PCLs to POPs [L.34.1(2)(b)]	4
	1.2.3 Process for defining services associated with a POP [L.34.1(2)(c)]	4
	1.2.4 Process for maintaining and updating the tables in RFP Section B.4 [L.34.1(2)(d)]	5
1.3	Individual Case Basis (ICB) CLINs [L.34.1(3)]	5
	1.3.1 Verizon's understanding of the use of ICB CLINs [L.34.1(3)(a)]	5
	1.3.2 Verizon's approach to creating a price for an ICB CLIN [L.34.1(3)(b)]	5
1.4	Task Order Unique CLINs (TUCs) [L.34.1(4)]	6
	1.4.1 Verizon's Understanding of the Use of TUCs [L.34.1(4)(a)]	6
	1.4.2 Verizon's approach to determining when a TUC is needed [L.34.1(4)(b)]	6
	1.4.3 How Verizon Will Maintain Information for TUCs Based on Combining Component CLINs [L.34.1(4)(c)]	
1.5	Geographic Coverage Strategy [L.34.1(5)]	7
1.6	Voice Approach [L.34.1(6)]	7
1.7	Auto-Sold CLINs [L.34.1(7)]	7
	1.7.1 Rationale for the CLINs provided in Table B.1.2.11.1 [L.34.1(7)(a)]	7
	1.7.2 Process for maintaining and updating Table B.1.2.11.1 [L.34.1(7)(b)]	7
1.8	Managed Network Services [L.34.1(8)]	8
1.9	Catalogs (where offered) [L.34.1(9)]	9
	1.9.1 The Catalog [L.34.1(9)(a)]	9
	1.9.2 Process for setting up user access [L.34.1(9)(b)]	9
	1.9.3 User Interface [L.34.1(9)(c)]	9
	1.9.4 Discount Classes [L.34.1(9)(d)]	9
	1.9.5 Discount Structure [L.34.1(9)(e)]	9
	1.9.6 Validating OLPs [L.34.1(9)(f)]	9
2	Pricing Data [L.34.2]	. 10
3	Total Evaluated CBSA Price [L.34.3]	. 11



1 Price Response [L.34]

1.1 Pricing Hubs (PHubs) [L.34.1(1)]

1.1.1	Strategy for assigning	Network Site Codes	(NSCs) to PHubs	[L.34.1(1)(a)
-------	------------------------	---------------------------	-----------------	---------------

Verizon understands GSA's intent to accommodate the pricing for legacy services while allowing for the evolution of more flexible pricing for newer technologies.
allowing for the evolution of more healible pricing for newer technologies.
Verizon has followed established
industry practices in order to assure optimal pricing and implementation.

. In the future, Verizon
can create different methods for aligning PHubs as the industry moves to a different
model with future implementations of access methods
Agencies are transforming their network infrastructure from TDM to Ethernet for greater value and the ability to share Access among numerous applications. Ethernet availability is rapidly expanding, and the proposed PHubs represent current availability. Verizon intends to continually add new PHubs to accommodate the expansion of this technology and as it becomes viable. PHubs will also be expanded to account for transformation, based on specific customer requirements. Verizon is continually and aggressively working with numerous carriers to expand our footprint of available Ethernet Access solutions. Expansion will include both Shared and Dedicated forms of Ethernet Access.
To help ensure continuity of
service for the Government's existing customers on day one, Verizon will offer
additional pricing after contract award.

1.1.2 Strategy for adding NSCs to PHubs Post-Award [L.34.1(1)(b)]

As NSCs are created and validated after award, Verizon will use commercial best practices to map those NSCs to the appropriate PHub for TDM and Ethernet Access. As new buildings (NSC sites) are completed, Verizon will associate the Network Site Code to appropriate
related PHub.
Verizon recognizes that individual task orders will mandate additional Network
Site Codes to be added to the contract and mapped in a similar manner. Per B.2.9.1 of the RFP, for pricing purposes, the physical address of the SDP location will determine the appropriate PHub and will be used for the provision of access.
1.2 Physical Concentration Locations (PCLs) and Points of
Presence (POPs) [L.34.1(2), B.4]
1.2.1 Process for associating NSCs to PCLs [L.34.1(2)(a)]
The NSC to PCL structure follows current commercial practices
This also
aligns to the commercial back office support systems.

				As	technol	ogy	mature	es to	virtual	routing,	this	mapping
could	change											
1.2.2	Proces	s for	associat	ing F	PCLs to	POF	Ps [L.3	4.1(2)	(b)]			
The F	PCL to	POP	structure	e wil	l follow	Ver	izon's	curre	nt cor	nmercial	stan	ndards 🔳

1.2.3 Process for defining services associated with a POP [L.34.1(2)(c)]

Verizon offers a wide range of services at many of its POPs; this is represented in the POP-availability-by-service reference tables submitted with Verizon's pricing data.

Verizon continually projects customers' needs through both business and network forecasting and customer meetings to help ensure service will be available wherever and whenever our customers will need it. This ongoing evaluation and analysis is collaborative effort between Verizon's Network Engineering, Sales, Program Management and Carrier Management organizations. The result is that Verizon's network is continually optimized to enhance service, offerings, bandwidth availability, and geographical coverage. As new services come online, Verizon will assign these services to the appropriate Points-of-Presence.

Verizon is committed to providing the best and most secure interconnections between the customer site (NSC), aggregation points, and ultimately the Verizon service POP. Verizon conducts extensive evaluations of partners related to security in the network, the ability to provide diverse routes, financial stability, and timeliness of service installation and restoration. Verizon has well-established and direct relationships with every major ILEC and competitive carriers, many of which qualify as small carriers.

1.2.4 Process for maintaining and updating the tables in RFP Section B.4 [L.34.1(2)(d)]

Verizon will maintain tables to align with changes in customer requirements, service availability, bandwidth availability and physical infrastructure, and to provide best value to the Government. This is a continuous activity, driven by customer demand, network topology and new service availability. Regular network security reviews also could result in revisions and adjustments to tables to help ensure that Government traffic is transmitted safely and securely.

1.3 Individual Case Basis (ICB) CLINs [L.34.1(3)]

1.3.1 Verizon's understanding of the use of ICB CLINs [L.34.1(3)(a)]

Verizon understands that ICB CLINs were not to be priced in this initial proposal submission but will be priced and become part of the contract as part of a Task Order (TO). As unique requirements are received, they will be priced and added to the contract with unique identifiers. Specific requirements will then be provided to GSA, including CLIN, ICB case number, a unique Case Description, Charging Unit, and where applicable such as in the case of ICB access, the NSC and jurisdiction country ID.

1.3.2 Verizon's approach to creating a price for an ICB CLIN [L.34.1(3)(b)]

Verizon anticipates that ICB pricing will be required for many task orders. The competitive marketplace will drive competitive pricing practices for such task orders. In cases where ICB pricing is required after award of a task order, Verizon will offer fair



and reasonable ICB pricing and will provide the Government with comparable pricing for price analysis purposes.

1.4 Task Order Unique CLINs (TUCs) [L.34.1(4)]

1.4.1 Verizon's Understanding of the Use of TUCs [L.34.1(4)(a)]

Verizon anticipates that task orders will include requirements not explicitly defined in the master contract. To deliver such services, the use of TUCs will be necessary. Alternatively, Verizon anticipates that TUCs could be requested by customers who seek to bundle several master contract CLINs or combine master contract CLINs and unique requirements into a single new line item. Billing complexity should be greatly diminished and government forecasting accuracy should be greatly enhanced.

1.4.2 Verizon's approach to determining when a TUC is needed [L.34.1(4)(b)]

Verizon will evaluate the agency requirement

If an agency has a requirement that is not met by existing CLINs and includes services Verizon would like to offer to other agencies, Verizon will work to modify the master contract to include the new CLINs. If the agency's requirements are for services that will not be offered to other agencies, Verizon would use a TUC.

Verizon would create a new ICB CLIN in the case where Verizon desires to offer the CLIN to all EIS customers. The applicability for that CLIN could be limited to the task order.

1.4.3 How Verizon Will Maintain Information for TUCs Based on Combining Component CLINs [L.34.1(4)(c)]

In the case of TUCS that combine component CLINs, Verizon will use RFP table B.1.2.12.1 TUC Combined CLIN Component Table to identify the TUC combined CLIN number as well as each of the component CLINs that constitute that combined CLIN.



1.5 Geographic Coverage Strategy [L.34.1(5)]

Verizon has selected and proposed

1.6 Voice Approach [L.34.1(6)]

Verizon will offer CSVS service throughout CONUS as well all OCONUS sites within the defined CBSAs.

1.7 Auto-Sold CLINs [L.34.1(7)]

1.7.1 Rationale for the CLINs provided in Table B.1.2.11.1 [L.34.1(7)(a)]

Verizon has identified a number of CLINs that are required to deliver a complete service or to offer the best customer experience.

To support these capabilities, Verizon will automatically include these "Auto-Sold" CLINs on orders for these services that contain the requisite CLINs.

1.7.2 Process for maintaining and updating Table B.1.2.11.1 [L.34.1(7)(b)]

The process for maintaining and updating Table B.1.2.11.1:

1. If Verizon seeks to add new auto-sold CLINs to the EIS contract (as new capabilities and features are added to the contract for the services that have auto-sold CLINs), Verizon will do so only with GSA's approval, which will be discussed during the GSA program meetings. Such newly added auto-sold CLINs will not be applicable to any previously issued TO unless specifically added via a TO modification.

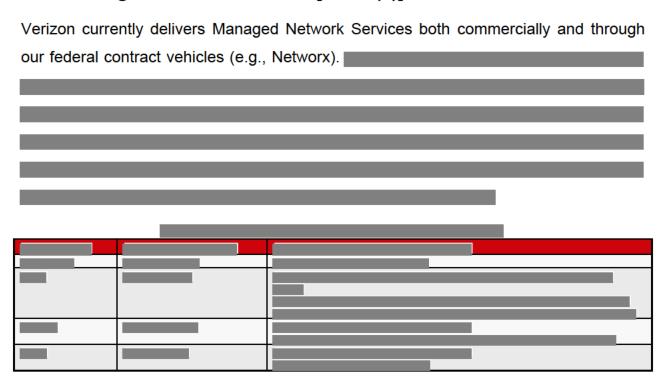
2. As needed, Verizon will maintain and update auto-sold CLINs on an ongoing basis via updates to table B.1.2.11.1.

CLIN*			Auto-Sold CLIN Case Number**	Task Order Number****	Start Date	Stop Date

3. Updates to table B.1.2.11.1 will be passed to GSA systems accordingly.

If Verizon's solution to an agency requirement includes services with one or more autosold CLINs, Verizon will include those CLINs in any proposal or quote as though they had been expressly requested and ensure they are on the TO. Also, any applicable auto-sold CLINs will be listed in all notifications and deliverables associated with a service order.

1.8 Managed Network Services [L.34.1(8)]



Verizon recognizes that the EIS contract spans 15 years. Over time, Verizon may modify its rationale for sizing, ensuring that sizing in support of EIS is consistent with its standard commercial practices.



1.9 Catalogs (where offered) [L.34.1(9)]

1.9.1 The Catalog [L.34.1(9)(a)]

Verizon's catalogs are lists of rate sheets that will be available to review on the Verizon web portal. Orders will be placed using regular ordering procedures.

1.9.2 Process for setting up user access [L.34.1(9)(b)]

Every user entitled to access the web portal will have access to the catalog. Access to the catalogs will be done utilizing Role Based Access Control as described in section 1.1.4.3.3 of Verizon's Management response.

1.9.3 User Interface [L.34.1(9)(c)]

Access to the catalogs will be provided within the Document Management System tool accessed through the web portal. Users will be able to open individual catalogs within the tool and browse through the available options. Verizon will comply with the catalog requirements as specified in Section B.1.3.1 of the EIS RFP.

1.9.4 Discount Classes [L.34.1(9)(d)]

1.9.5 Discount Structure [L.34.1(9)(e)]

Verizon has benchmarked its EIS equipment catalog pricing

to ensure its proposed pricing will be deemed fair and reasonable. Verizon continually conducts market research and benchmarks its price catalog against competitive government contract pricing.

1.9.6 Validating OLPs [L.34.1(9)(f)]

For Service Related Equipment (SRE), all OLPs were provided to Verizon by the equipment manufacturers. Verizon has provided these official manufacturer commercial price lists to the Government



2 Pricing Data [L.34.2]

Verizon has submitted completed pricing tables containing its entire price structure and prices for the 60-month base period using the AcquServe portal. For each CBSA Verizon has proposed, Verizon has provided all information necessary to price mandatory traffic and mandatory CLINs, as required in RFP Section B and RFP Section J.1. Verizon has submitted prices for the mandatory services and access arrangements in at least 25 of the top 100 CBSAs. For optional services, Verizon has provided all information necessary to price the traffic and mandatory CLINs for the optional services, as required in RFP Section B and RFP Section J.1.



3 Total Evaluated CBSA Price [L.34.3]

Verizon understands that for each CBSA proposed, Verizon's submission using the AcquServe portal will be used to develop the government's Total Evaluated CBSA Price (TECP) for mandatory services.

