



# FIRST PERFORMANCE PROGRESS REPORT 2010

<b>1. Recipient Organization (Name and complete address including zip code)</b> <b>Clackamas County</b> <b>2051 Kaen Road, Oregon City, Oregon 97045-4088</b>	<b>2. Award Identification Number</b> <b>NT10BIX5570079</b>
<b>3. Performance Narrative (Q1)</b> <i>Please describe your project activities and progress for the first quarter of your award period. This should include a description of federal expenditures to date, key milestones, the primary activities needed to accomplish those milestones, significant project accomplishments, and any delays or challenges. Please use the milestone categories provided in your baseline report (e.g., environmental assessment, design, rights of way) to structure your answer. (500 words or less)</i>  Work on the grant for the 1 <sup>st</sup> quarter primarily concentrated on 2 main areas: Grant Requirements & Project Preparation. <b>Summary:</b> Working on Award Conditions, submitted ARRA report and 1st FFR, beginning Environmental Assessment, setting up management Team, hiring contractors, instituting financial management systems, preparing project implementation / monitoring / compliance / and baseline plans, dealing with stakeholders & anchor sites / community outreach and attending weekly FPO teleconferences. <b>Key Milestones:</b> <u>Network Design:</u> Route in refinement, Design/Build Contractor RFP finals <u>Network Build:</u> 0 Middle Mile, 0 Last Mile <u>Anchor Sites:</u> 166 proposed sites, 0 connected <u>Agreements:</u> 0 Agreements, several in early discussions <u>Site Preparation:</u> None <u>Rights of Way:</u> Discussing with Portland General Electric and Canby Utility <u>Permits:</u> In Progress <u>Procurement:</u> None (none until after Environmental Approval) <u>Deployment:</u> None (working with Anchor sites on requirements) <u>Network Testing:</u> None <u>Expenditures:</u> None (none until after Environmental Approval - FONSI). Incurring staff time of \$22,000 for 1 <sup>st</sup> Quarter. <b>Grant Requirement Activity Detail:</b> <u>Special Award Conditions:</u> Working to meet all requirements. ARRA and Whistle blower signs posted. Network policy completed and posted on web site. Request for SAC modification to drop Canby overlap restriction. Sandy overlap in progress. Initial SF-425 report filed. Baseline report under development. Had initial Desk Audit with PMO. All required accounts on PAM, ASAP, GOL and Federal Reporting setup. <u>Environmental Assessment:</u> Work on all areas of EA compliance. Advertised and awarded contract for Section 106 review – sent Consultation information to NTIA and have contacted state SHPO – Historic review has begun. Contacted FEMA, Corps of Engineers and NMFS – all believe there is no impact but want to review maps for final approval. Contacted Forest Department – permit under development. Contacted US Wildlife for Section 7 – need contract biologist – in process. NTIA initiated Tribal review- no issues so far. <u>Outreach:</u> We had our public kickoff event on September 1 <sup>st</sup> which was attended by Federal & Local officials. We have begun work on a marketing packet to give to all interested parties explaining the project, as well as a marketing campaign to promote the project and hopefully address concerns raised by several local cable companies. Posted initial web page on internet with basic project information. Will be used for primary information center for public. <b>Project Preparation Activity Detail:</b> <u>Proposed Route:</u> The Middle Mile has been refined and aligned with utility pole availability. There is some underground issues to resolve. The Last Mile is dependent on the Anchor Site and has also been refined, including onsite review. The aerial path is 95% complete but there is still some underground issues to resolve with the build contractor in the next quarter. <u>Anchor Sites:</u> Most Anchor Sites (160) have been reviewed. Several have been dropped due to various issues, however more have been added and the current proposed list is now 166. Final determination will be based on EA review, last mile issues and costs. We have started the development of a Anchor packet to give to each site with details of service, costs, in-kind match, schedule etc. <u>Service Providers:</u> We are communicating with several local and regional service providers to determine if / how the project can be utilized in providing new/enhanced services. At this point, we are discussing potential route requirements and needs, anchor site support, and potential Middle/Last mile collaboration.	

**Project Management:** The position of project manager was advertised and filled. This position officially starts on 10/11/10 and will be coordinating all the project activities, supervising the construction and developing relationships with potential service providers.

**Design/Build Contractor:** The Request for Proposals (RFP) for a design / Build contractor was created and advertised. 9 bids received and reviewed for phase 1 qualifications. 3 finalist chosen with 2 sending in final proposals.

**Budget:** Set up initial internal budget for matching funds, capital, maintenance reserves and expected revenue.

**Rights of Way:** Initial meetings with Portland General Electric (PGE) concerning use of their poles and make ready costs. Have confirmed County's right to use poles for most of the aerial pathway. Also met with Canby Utility which has their own poles and conduit. Have Letter of Intent from them for the project to use their pathways for the route in Canby and desire to connect their power / water utilities using project fiber.

**Expenditures:**

At this point in the grant, NO Federal expenditures have been made. The only matching expenditures has been in County staff working on the Project (Technical Services Management, GIS Analyst, Network Engineers) for a total of approximately \$22,000.

**4. Performance Projections (Q2)**

*Please describe your anticipated project activities and progress for the next quarter. This should include a description of federal expenditures, key milestones, the primary activities needed to accomplish those milestones, significant project accomplishments, and any potential delays or challenges you foresee. Please use the milestone categories provided in your baseline report (e.g., environmental assessment, design, rights of way) to structure your answer. (500 words or less)*

Work in the 2<sup>nd</sup> quarter will concentrate on to main areas: Completion of Initial Grant Requirements & Preparation for Construction.

**Summary:**

Primary goals for next quarter will be to complete all Award Conditions, complete draft Environmental Assessment, initial project Packet for anchor sites, finalize route design, award RFP to build contractor, finalize anchor site list and initiate communications, Implement financial management systems, initiate procurement RFP for equipment, continue outreach and agreement discussions.

**Key Milestones:**

**Network Design:** Award Design/Build RFP, Finalize route design

**Network Build:** 0 Middle Mile, 0 Last Mile

**Anchor Sites:** Complete Anchor Site list w/ ~160 site, 0 connected

**Agreements:** 0 Agreements, Ongoing discussions, outreach to local companies with IRU proposals

**Site Preparation:** None

**Rights of Way:** Complete ROW contract with Portland General Electric

**Permits:** In Progress

**Procurement:** None (none until after Environmental Approval)

**Deployment:** None (working with Anchor sites on requirements)

**Network Testing:** None

**Expenditures:** No equipment or construction expenses. (none until after Environmental Approval - FONSI). Incurring network Design costs estimated for 2<sup>nd</sup> Quarter of \$78,000 and Staff time of approximately \$41,000 for the 2<sup>nd</sup> quarter.

**Grant Requirement Activity Detail:**

**Special Award Conditions:** Goal is to complete all SAC requirements that must be fulfilled for work to begin. This includes SACs 7) Baseline Report, 8) Environmental Assessment Draft, 9) Last Mile Overlap Restrictions and 6C) Infrastructure Construction. The Baseline will reflect planned Anchor Sites and Last Mile routes as of submission date – changes in both sites and routes are expected and will be coordinated with NTIA. All requirements of the Desk Audit should be fulfilled by end of December 2010. The Anchor Packet with all required rules, procedures, restrictions and information will be complete and distributed to anchor sites.

**Environmental Assessment:** Goal is to complete a full NEPA Environmental Assessment Draft for submission to NTIA. Will include FEMA / Corps of Engineers / NMFS / Section 106 / Section 7 / US Forestry. Goal is to have *No Impact* determinations from all agencies except Section 7 with US Wildlife & Fisheries – the biological review may be in progress into early January 2011. Our Section 106 consultant Entrix will be performing the Section 7 and final NEPA draft document.

**Outreach:** The initial Marketing Package for outreach to politicians, officials, media and public will be complete and in distribution. The project web site will have updated information. Potential utilization and expansion of the project will continue to be pursued including work with Health, Fire/Life/Safety, Education, Utility, Local Government, Business and private entities with concentration on economic and broadband opportunities.

**Preparation for Construction Activity Detail:**

**Proposed Route:** Continued refinement and design of Middle / Last Mile routes with build contractor. Final underground routes determined and designed. Determine required interconnect points. Resolve some gaps in route including Hwy 26 at Hwy 35.

Anchor Sites: "Final" list of ~ 160 Anchor sites determined and built into design. Begin site review and preparation with each anchor site. Resolve underground versus aerial building connections.

Service Providers: Continue discussions with potential service providers – especially local cable companies. Develop preliminary agreements with a couple of providers to utilize the project infrastructure and provide service to project customers.

Project Management: Continue to develop the project management of the project including filing system, reporting and contracts.

Design/Build Contractor: Complete the contract with the awarded build contractor. Complete scope adjustments and schedules. Complete the project team with County, contractor and NEPA contractor. Resolve EA issues with contractor and begin procurement.

Budget: Setup grant monitoring process and budget tracking with County Finance department. Determine with NTIA all the rules and Procedures around In-Kind matching opportunities and begin required security interest documentation.

Rights of Way: Complete ROW contract with Portland General Electric and Canby Utilities. Coordinate with other pole residents for make ready work.

#### Expenditures:

Given actual construction is not expected to begin until beginning of 3<sup>rd</sup> Quarter (Feb-March 2011), there will be no construction or equipment expenditures. There will be some route design and Environmental contracting expenditures estimated at \$78,000 for the 2<sup>nd</sup> Quarter. There will also be some additional County staff time estimated at \$41,000 for the 2<sup>nd</sup> Quarter, but nothing related to actual ground disturbance activities.

#### Project Construction Activities:

Construction is not expected to begin until Feb-March 2011 depending on final build contractor schedule and NEPA approval. The main activity will be final design of the route and anchor site connections. Pre-ordering of materials, especially fiber may occur.

#### Challenges: There are several challenges for the project in the next quarter:

Route Design: Given the long build contractor procurement process, the final design of the route may require several months to complete which potentially impacts Environmental Assessment, permitting and final anchor site determination. Work has already begun and will be completed by the build contractor as soon as possible.

Anchor Site List / Outreach: Given the large number of anchor sites (160+), route issues, political issues and budget constraints, the final list of planned anchor sites is in constant flux. The list will be frozen for baseline and change requests will be filled as required.

Local Cable Companies: Several of the smaller Cable COOP / Companies have filled several complaints and letters, and continue to oppose the project. The County will continue its outreach efforts to find ways to use the project to the benefit of these companies and have several proposals in the works. We are hoping for progress, however we expect some level of continued opposition.

Matching Funds: The grant's in-kind match was based on 160 anchor sites using required electronic to connect the fiber, however given the budget situation, many sites are forced to use current in place equipment as part of the match. This forces a depreciation Value to be used thus reducing potential match. The County is looking at other sources of match to make up the expected shortfall.

Environmental Assessment: Given the limited time allotted, delayed procurement of a build contractor and changing route/anchor Sites – the EA is currently a high priority but will be a challenge to complete required studies and reviews before draft EA is due. The Section 106 / 7 consultants, County and Build contractor will be working to obtain all required information / permits before Jan 2011.

#### 5. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.

5a. Typed or Printed Name and Title of Authorized Certifying Official  Dave DeVore, Clackamas County Deputy Chief Information Officer	5c. Telephone ( <i>area code, number and extension</i> ) 503-655-8322
5b. Signature of Authorized Certifying Official <b>Dave DeVore</b>	5d. Email Address daviddev@clackamas.us  5e. Date Report Submitted ( <i>Month, Day, Year</i> ) <b>October 16, 2010</b>

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