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To: Department of Commerce
National Telecommunications and Information Administration (NTIA)

From: GovNET Inc.

Subject: Broadband Technology Opportunities Program (BTOP) Extension Request, GovNET, Inc./"SACCNet"- Arizona Critical Middle Mile (Award ID: NT10BIX5570136) for Award Period from September 1, 2010 to December 31, 2014

Date: November 26, 2014

To Whom It May Concern:

GovNET Inc. requests a no-cost period of performance extension until March 31, 2015 to continue the successful implementation of our Broadband Technology Opportunities Program (BTOP) award. Below please find our request for extension along with supporting documentation as attachments to the Award Action Request (AAR).

- 1) **Reason(s) for Extension Request:** GovNET Inc. has experienced circumstances that caused the need for an extension beyond the award end date of December 31, 2014. The narrative below provides an explanation of how the project-specific circumstances resulted in the need for a period of performance extension; our proposed plan for addressing any outstanding issues; and the project benefits that will be delivered during the extension period.

GovNET Inc. requires additional time to construct and further implement the grant project as envisioned. GovNET was initially awarded a BTOP grant in September 2010 for a three (3) year project period. A fifteen (15) month project suspension occurred in May 2012, only six (6) months after achieving federal environmental approval to start project construction. Upon project resumption in September 2013, a thirteen (13) month extension was granted to September 30, 2014. Re-starting the project took significantly longer than anticipated as several major procurements had to be re-let, new contracts issued, equipment orders had to be re-instated and re-scheduled for production, and almost entirely new project staff had to be sourced and brought up to speed on a complex multi-faceted statewide project. A three (3) month extension (to December 31, 2014) was officially approved on October 14, 2014, and further extension requests were required to be submitted quarterly. As such, GovNET is requesting an additional three (3) month extension to March 31, 2015, as directed by NTIA/NOAA management, to complete additional project goals.

Vendor equipment delivery delays, some as great as six (6) months, and product firmware issues significantly affected timing of network installation and pushed back scheduled customer/CAI 'turn-on' for services. Critical network components deliveries were delayed by vendors causing schedule degradation. Equipment firmware issues were identified during the extension period and have been, or will be, resolved but causing further delays. Staffing issues at our major construction contracting firm also impacted crew availability and decreased anticipated production over the past extension period.

Overall, GovNET has made significant progress in network site completion as roughly thirty (30) major backbone sites are on track to have power on and data flowing by the end of December 2014. Network services are currently operational in SE rural Arizona and two active CAIs currently receiving high-speed broadband services and supplying revenue under E-Rate contracts. All major procurement for the project is complete and through a new competitive Request For Proposal (RFP) bid process for Network Deployment Services, several new construction firm contracts have been issued and have recently been put in place to support additional construction activity to mitigate the risk of reliance on one major construction contracting firm. Seventeen (17) additional Backbone sites are planned to be active in the requested three (3) month extension period enabling GovNET to supply high-speed broadband services to additional rural CAIs in great need of connectivity.

GovNET has prepared a project plan and extension budget to complete these additional network sites by March 31, 2015. With multiple construction firms available to split up the project work, GovNET feels confident it will be able to complete the projected seventeen (17) Backbone sites and turning up active network services to CAIs, the project is well on its way to achieving the goals and objectives originally described. This extension will allow more of the planned network to be completed and bring the envisioned award benefits to the citizens of Arizona.

2) **Supporting Documentation:** GovNET Inc. submits the following documentation to assist NTIA with the review of this extension request. The attached materials have been updated according to revised project plans for an extended award period and reflect the narrative provided above.

- **Revised SF-424C Budget and associated narrative** (documentation of how remaining Federal and match funds in each SF-424C category will be used)
- **Project Plan** (updated timeline/milestones needed to achieve benefits within the extension period)
- **Revised Performance Projections** (table below)

Revised Performance Projections

Performance Indicator	Revised Project Goals
New Network Miles Deployed	2,500
New Network Miles Leased	0
Existing Network Miles Upgraded	0
Existing Network Miles Leased	0
CAIs Receiving New Access	0
CAIs Receiving Improved Access	200

- For recipients requesting an extension beyond December 31, 2014, a breakdown of planned expended award funding (table below)

Funding Period	Planned Federal Amount	Planned Match Amount
Actual Funding Spent to Date and Planned Expended Funding to December 31, 2014	\$28,169,084	\$11,363,278
Planned Funding Needed Beyond December 31, 2014	\$9,863,064	\$1,018,344

GovNET Inc. understands that it must continue to comply with all statutory and programmatic requirements and that this is a no-cost period of performance extension request only (i.e., no additional BTOP funding will be provided under this extension request).

Sincerely,



Craig Ford
Grant General Manager
GovNET, Inc.

Recipients are encouraged to work with their Federal Program Officer (FPO) prior to submitting the extension request. Upon submission of the extension request and supporting documentation as an AAR, the FPO will forward to the Grants Office. The Grants Office reviews the request and communicates the decision to the recipient.

