

South Dakota Network, LLC (SDN) seeks to add the State of South Dakota (State) as a first tier sub-recipient to its ARRA BTOP Grant

SDN was awarded grant NT10BIX5570003 through the Broadband Opportunity Technology Program (BTOP) of the American Recovery and Reinvestment Act (ARRA). The grant will be enhanced by adding the State as a sub-recipient. The State meets the criteria to be a sub-recipient because it will be working to accomplish the public purpose authorized by the grant award to extend broadband connectivity to unserved and underserved areas of South Dakota.

SDN's project provides fiber based connectivity to over 300 new community anchoring institutions (CAI) within South Dakota. Many of these sites are schools and state government office locations that will be connected to the State's broadband network core.

After submitting its ARRA application in the summer of 2009, SDN realized in consultation with State officials that the best utilization of the fiber assets being deployed through the grant required the State to upgrade its core broadband network routers to provide the routing capacity for all of the additional data traffic.

The State seeks to replace its aging core network routing equipment placed into service in 1998 (13 years ago) with new routers. The State will follow its normal procurement process and purchase equipment negotiated through the WSCA (Western States Contract Alliance). The use of WSCA allows the State to obtain volume pricing discounts it could not obtain on its own. The State has a history of purchasing Cisco and Juniper routers for its network core. The State has trained staff, network management systems, spares and maintenance contracts with Cisco and Juniper and will seek to obtain Juniper or Cisco equipment as part of this core network upgrade.

As a first tier sub-recipient the State understands that it must maintain current registration in CCR and have a DUNS number. The State's DUNS ID is (b) (4) SDN's selection of the State as a sub-recipient is sole source. The State by virtue of its sovereignty and the authority authorized by the South Dakota State Legislature owns and operates the only ubiquitous broadband network serving schools and various state and local governmental agencies throughout South Dakota. Competitive selection of a sub-recipient is infeasible as the State is the only sub-recipient available in this instance. The State's procurements will be in excess of \$100,000. SDN will provide the necessary ARRA reporting and auditing.

The estimated cost of the network items identified by the State is outlined on the following page totaling an estimated \$497,140. The State will provide the 20% matching funds equaling \$99,428 and seek reimbursement through SDN's BTOP grant for the 80% balance estimated to be \$397,712. This equipment was not part of SDN's initial project budget, however, SDN anticipates a small adjustment to all budget categories and will be filing an updated budget after the 2011 construction concludes.

This opportunity to use Federal funds allows the State to upgrade its core network routers to match the capabilities of the fiber assets being placed through this project

Without core equipment upgrades, the State’s network will be adversely impacted by and may fail under the burden of the additional network traffic brought on by the enhanced capacity of the fiber networks.

These funds will not replace State funds in the State’s budget. The State is constitutionally required to balance its budget and was not able to fit this project into its FY2011 or FY2012 budgets. The purchase of the noted equipment would not happen without the use of the Federal funds.

The State of South Dakota seeks to add the following equipment to its core network;

	Item Specifics	Vendor:Company	Cost	Quantity	Ext Price
Core Communications	Juniper MX80 routers to replace State hub A-B and GovPR A-B	Juniper Networks	\$ 31,000.00	5	\$ 155,000.00
Core Communications	Replace end of life Cisco video router	Juniper Networks	\$ 31,000.00	1	\$ 31,000.00
Security	Upgrade/Replace IDS system. SF 3D4500 2 FO QPC, 8 ports total, 2Gbps SF 3D6500 IPS 6x1Gbps Copper, 4x1Gbps Fiber, 10 Ports total, 4Gbps SF 3D4500 2 FO QPC, 8 ports total, 2Gbps DC3000 WL 365 GB Disk Exp Kit, RPSRNA Host Licenses	Source Fire	\$ 187,240.00	1	\$ 187,240.00
Core Communications	Traffic Shaper infrastructure - Cisco SCE 1000	Cisco	\$ 17,700.00	7	\$ 123,900.00

\$ 497,140.00