

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration	2. Award Identification Number NT10BIX5570108	3. DUNS Number 957995392
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4. Recipient Organization

 Central Management Services, Illinois Department of 120 W Jefferson St, FL 2, Springfield, IL 62702-5103

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2011	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No
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7. 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.

7a. Typed or Printed Name and Title of Certifying Official Lori Sorenson	7c. Telephone (area code, number and extension) X
	7d. Email Address lori.sorenson@illinois.gov

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-10-2011
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).

The IBOP EC project is tracking as expected at 4% completion as of March 31, 2011. Total project expenditures were \$4.2 million which includes \$2 million in federal funds. These federal funds supported 18.34 full time equivalent jobs.

This quarter represented the first with actual expenditures and while the project reached its overall target, there was some variance within the specific project milestones. A detailed explanation for the variance is provided below. In general we are finding that as the project progresses we have more accurate information to forecast specific costs and the time needed to complete specific tasks. As expected, these variances are generally balancing across the project as reflected in the overall project milestone.

One of the major milestones for the quarter was submission of the draft Environmental Assessment. The report was submitted in January while the project team continued to work with the State Historic Preservation Officer (SHPO). In March, the project received a letter of no effect from the SHPO completing all consultations with the required state and federal agencies.

The project engineering vendor, Globetrotters Engineering Corporation (GEC), is on track to complete detailed design on 25% of the backbone and 25% of the lateral network miles by the end of Year 1 Quarter 4.

In March the project team released a Request For Proposals (RFP) for the fiber materials and construction. Vendor proposals are due April 15.

The project engineering staff participated in a week-long training on the Fujitsu DWDM equipment. The training was led by Fujitsu using the same equipment and configurations that will be deployed on the network.

CMS has purchased 281 of the new leased network miles and transferred another 271 miles of existing leased fiber to the project. A contract has been executed for another 26 miles, although the invoice was not paid by March 31. Three RFPs have been issued for the remaining new leased miles. The project team anticipates a key fiber route running from Collinsville to Chicago to be operational ahead of schedule (possibly by the end of calendar year 2011).

CMS continues to provide a monthly project update via email to community anchor institutions and interested organizations. The updates are also available on the Illinois Century Network website at http://www.illinois.net/IBOP/IBOP_EastCentral/Newsletters/IBOP_EC_Monthly_Update.html.

Project staff presented and exhibited at the Illinois Computing Educators conference. This is the largest K-12 technology related conference in Illinois.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	4	Target was 3%. CMS was able to finalize fiber lease agreements ahead of schedule. By securing these routes ahead of schedule, CMS anticipates lighting a major fiber route (Collinsville to Chicago) sooner than originally anticipated.
2b.	Environmental Assessment	89	Target was 100%. The total amount budgeted for this milestone is \$890,000. The SHPO approval has taken longer than anticipated. CMS submitted the final EA on April 12 and received a FONSI on April 22. Delays in completing the Environment Assessment have not yet impacted the overall project timeline as construction is not scheduled to begin until July.
2c.	Network Design	8	Target was 15% and the total amount budgeted for this milestone is \$4,390,444. This amount has changed from the original budgeted amount of \$4,419,739 and will likely be decreased again to \$3,453,800. The costs for Network Design are looking to be less than anticipated. We are on track to complete detailed design for 25% of the backbone and 25% of the lateral network miles at the end of Year 1 Quarter 4. We anticipate the difference between the budgeted amount and revised projection to be moved to the Network Build milestone in the future.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
	2d. Rights of Way	6	Target was 2%. The budgeted amount for this milestone is \$1,051,729. The engineering firm is making faster than anticipated progress on researching and preparing right of way permits. CMS established conservative targets through Y2Q2 with all Rights of Way permits scheduled to be completed by Y2Q3. As the project is moving forward we have better insight into the time needed for this activity and have adjusted our forecasts accordingly.
	2e. Construction Permits and Other Approvals	0	NA - included in 2h Network Build.
	2f. Site Preparation	1	No variance. The budgeted amount for this milestone is \$3,457,000.
	2g. Equipment Procurement	6	Target was 8%. The budgeted amount for this milestone is \$11,275,418. So far, equipment costs are lower than anticipated. CMS also planned to purchase fiber test equipment during this quarter but experienced delays with the procurement process. CMS received questions from vendors regarding the bid specifications and issued clarifications accordingly. As a result, the due date was extended to allow vendors time to adjust their proposals. Additionally, CMS needed to seek clarifications on vendor proposals prior to award. These two issues combined to delay the award by several weeks. The procurement was awarded March 30. We are in the process of issuing orders to the successful vendor. We anticipate the equipment will be received and paid for by the end of the next reporting period. The delay for the fiber test equipment does not impact the overall project timeline.
	2h. Network Build (all components - owned, leased, IRU, etc)	3	Target was 0%. The budgeted amount for this milestone is \$71,316,055. CMS secured fiber leases for 281 miles ahead of schedule and transferred another 271 miles of existing leased fiber to the project. We are working to secure additional leases along a main fiber route. These efforts will enable CMS to light a major fiber route (Collinsville to Chicago) sooner than originally anticipated.
	2i. Equipment Deployment	0	No variance. The budgeted amount for this milestone is \$1,049,901. This is a slight change from the original amount of \$1,454,000.
	2j. Network Testing	0	NA - using existing staff not charged to project plus contractual resources reported in 2K Other.
	2k. Other (please specify):	5	Target was 6%. The budgeted amount for this milestone is \$2,922,971. This is a slight change from the original amount of \$2,518,872. Costs for office equipment were lower than expected and project staff started later than expected.

3. To the extent not covered above, please describe any challenges or issues faced during this past quarter in achieving planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

CMS experienced delays in securing the State Historic Preservation Officer's (SHPO) approval for the proposed construction. As a result, the project did not receive a FONSI in March as initially projected. SHPO approval was received March 11 and forwarded to NTIA. (CMS received a FONSI on April 22). The delay will not impact the project timeline as the critical path is construction for the new fiber which is not scheduled to begin until July.

The purchase of fiber test equipment was not completed this quarter due to delays in the procurement process. The project team recognizes that the state's procurement process is likely to cause delays and is planning accordingly by starting the process earlier.

March was the first time for the project to draw down federal funding. During the process we learned that a SF270 was needed prior to requesting money in the ASAP system. CMS was able to work with its Program Officer and Grants Specialist for a quick approval of the SF270 minimizing the delay in receiving the federal funds.

4. Please report the following information regarding network build progress. Write "0" in the Total column and "N/A" in the Narrative column if your project does not include this activity. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
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Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	0	No variance.
New network miles leased	281	Target was 0. CMS was able to secure one large fiber lease ahead of schedule. A second lease for 26 miles has been secured but was not paid by March 31.
Existing network miles upgraded	0	No variance.
Existing network miles leased	271	Quarterly target was 0. Because the project is moving faster with other fiber leases, CMS transferred existing leased fiber to the project ahead of schedule so that splicing between the new leased fiber and the existing leased fiber can begin as soon as the FONSI is received. The project team is anticipating lighting a major fiber route, Collinsville to Chicago, sooner than projected - possibly by the end of the calendar year.
Number of miles of new fiber (aerial or underground)	0	No variance.
Number of new wireless links	0	No variance.
Number of new towers	0	No variance.
Number of new and/or upgraded interconnection points	0	No variance.

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your sub recipient, contractor or subcontractor is negotiating or entered into.

5a. If applicable, please provide the following information with regard to agreements with broadband wholesalers and/or last mile providers as a result of your project.

Indicators	
Number of signed agreements with broadband wholesalers or last mile providers	1
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
Average term of signed agreements (in quarters)	80

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: CMS has executed an agreement with the Illinois Rural HealthNet for Ethernet and/or Lambda services.

The project team continues to discuss options with several providers who have expressed an intent to purchases services once available; however, we are waiting to move to the contract negotiation stage until construction begins.

5c. What wholesale services are being provided by this project? Please describe below. As an attachment to this report, please provide pricing plans (in \$ per month) associated with each wholesale service provided by your product (100 words or less). Wholesale services description:

Since construction has yet to begin, there are no services currently being offered. Once operational, the network will offer the following services: Dark Fiber, Lambda/Wave Services, Ethernet Services ranging in speed of 10 Mbps to 10 Gbps, and Internet Services.

5d. If you have designated a third party to operate all or a portion of your network, please provide the name and contact information for this third party, indicate if this entity is a sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this this third party operates (600 words or less).

NA

6. Please provide the data according to the type of subscriber. Write "0" in the Total column and "N/A" in the Narrative column if your project does not pass or serve a particular subscriber type. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (300 words or less).

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new access	0	Since construction has yet to begin, there are no subscribers at this time.
	Providers with signed agreements receiving improved access	0	Since construction has yet to begin, there are no subscribers at this time.
	Providers with signed agreements receiving access to dark fiber	0	Since construction has yet to begin, there are no subscribers at this time.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Once operational, the network will offer the following services: Dark Fiber, Lambda/Wave Services, Ethernet Services ranging in speed of 10 Mbps to 10 Gbps, and Internet Services.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Since construction has yet to begin, there are no subscribers at this time.
	Subscribers receiving new access	0	Since construction has yet to begin, there are no subscribers at this time.
	Subscribers receiving improved access	0	Since construction has yet to begin, there are no subscribers at this time.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Once operational, the network will offer the following services: Dark Fiber, Lambda/Wave Services, Ethernet Services ranging in speed of 10 Mbps to 10 Gbps, and Internet Services.
Residential / Households	Entities passed	0	NA - The project is a Comprehensive Community Infrastructure project with no last mile component.
	Total subscribers served	0	NA - The project is a Comprehensive Community Infrastructure project with no last mile component.
	Subscribers receiving new access	0	NA - The project is a Comprehensive Community Infrastructure project with no last mile component.
	Subscribers receiving improved access	0	NA - The project is a Comprehensive Community Infrastructure project with no last mile component.
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA - The project is a Comprehensive Community Infrastructure project with no last mile component.
Businesses	Entities passed	0	Since construction has yet to begin, there are no subscribers at this time.
	Total subscribers served	0	Since construction has yet to begin, there are no subscribers at this time.
	Subscribers receiving new access	0	Since construction has yet to begin, there are no subscribers at this time.
	Subscribers receiving improved access	0	Since construction has yet to begin, there are no subscribers at this time.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Once operational, the network will offer the following services: Dark Fiber, Lambda/Wave Services, Ethernet Services ranging in speed of 10 Mbps to 10 Gbps, and Internet Services.

7. Please describe any special offerings you may provide (600 words or less).

NA

8a. Have your network management practices changed over the last quarter? Yes No

8b. If so, please describe the changes (300 words or less).

NA

9. Community Anchor Institutions:

Using the table below, please provide a list by service area of the community anchor institutions (including Government institutions) connected to your network as a result of BTOP funds. Figures should be reported for the most recent reporting quarter only (NOT

cumulatively). Also indicate whether your organization is currently providing broadband service to the anchor institution. Finally, provide a short narrative description with examples of how institutions are using BTOP-funded infrastructure (300 words or less).

Institution Name	Service Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
None at this time.	None at this time.	None at this time.	None at this time.	None at this time.

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 By the end of next quarter the project team is anticipating 8% overall project completion which will keep the project slightly ahead of schedule (original target was 6%).

Specific activities for the next quarter include:

Completing the Environmental Assessment and securing a FONSI.

Beginning to splice 307 miles of new leased fiber (281 miles paid for plus the 26 miles contracted but not yet paid) with 271 miles of existing leased fiber (all backbone miles) and finalizing agreements for approximately 97 miles of new leased network miles (all lateral miles) for a total of approximately 404 new leased miles.

Rebidding the fiber construction procurement (see #3 below for more details).

Completing the detailed design and construction specifications for 25% of the backbone and 25% of the lateral network miles.

Conducting archeological surveys required by State Historical Preservation Officer (SHPO).

Securing permits for 10% of the backbone spans.

Upgrading the environmentals and power at 50% of the Point of Presence (POP) sites in order to support the operational needs of the optical equipment.

Completing the review and updates to the customer service agreement forms.

Procuring equipment to support customer connections.

Continuing to send monthly updates to community anchor institutions and other interested organizations.

Continuing to present and exhibit at conferences and events targeting community anchor institutions.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Planned Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the next reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	8	Target 6%. CMS anticipates being slightly ahead of schedule as a result of faster than anticipated progress with leased fiber IRUs and Rights of Way. Last quarter CMS secured one leased fiber IRU ahead of schedule and has signed a second that will be recorded as an expenditure in the next quarter. The engineering firm is progressing faster than expected on researching and preparing Rights of Way permits. More details on these two activities are covered below.
2b.	Environmental Assessment	92	Target 100%. The final environmental assessment report was submitted in April and a FONSI received was received April 22. We are anticipating the final costs for the environmental report and analysis will be about \$70,000 lower than budgeted; however, SHPO has requested unanticipated archeological surveys in select areas. The remaining Environmental Assessment funds plus cost savings from other areas will be needed for the surveys. We are awaiting a final cost estimate before re-budgeting.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2c.	Network Design	32	Target 35%. The costs for Network Design are looking to be less than anticipated which is reflected in the 3% difference between the targeted amount in the project baseline and the new projection for the next quarter. We anticipate the difference between the budgeted amount and revised projection to be used for the archeological surveys. We are on track to complete detailed design on 25% of the backbone and 25% of the lateral network miles.
2d.	Rights of Way	15	Target 2%. The project baseline included conservative targets during the first year as we were unsure of the time needed for this milestone. The engineering firm is making better progress than anticipated in researching and preparing right of way/easement requests.
2e.	Construction Permits and Other Approvals	0	NA
2f.	Site Preparation	11	Target 11%. Most of the effort for this milestone is focused on preparing network Point of Presence (POP) sites to support the optical equipment.
2g.	Equipment Procurement	25	Target 26%. The variance is due to equipment costs coming in slightly lower then expected.
2h.	Network Build (all components - owned, leased, IRU, etc.)	3	Target 0%. CMS has secured new fiber lease agreements sooner then anticipated. This will allow us to light a major route between Collinsville to Chicago sooner then projected.
2i.	Equipment Deployment	0	Target 0%
2j.	Network Testing	0	NA
2k.	Other (please specify):	9	Target 10%. Costs for office equipment were lower then expected and project staff started later then expected.

3. Please describe any challenges or issues anticipated during the next quarter that may impact planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

We have experienced a delay with the fiber construction RFP that may impact the June target for completion. The Request for Proposals (RFP) was issued in March with proposals due April 15. After completing the administrative review the decision was made to cancel the procurement, in part, because more than half of the vendor responses received were disqualified for administrative or procedural errors. It was determined to be in the best interests of the State to cancel the solicitation and issue a new solicitation that is substantially similar. We estimate this will cause a four week delay to beginning construction activities. This will cause the project to miss some near-term milestones with regards to construction; however, we are confident we will make up the time over a couple of quarters as the project baseline reflected a conservative schedule for construction progress. We are also moving ahead of schedule with the leased miles which will allow the network engineering staff to focus on turning up the new construction miles as they are built.

The SHPO's letter of no effect identified areas that will need to be avoided and areas where a site survey will need to take place prior to construction. Globetrotters is working with the archeologist to reroute fiber to avoid identified areas of concern and conduct site surveys where needed to ensure the fiber placement within the right of way does not impact archeological concerns. Based on conversations between Globetrotters, SHPO, and the archeologist we do not anticipate any delays with construction; however, there is always the potential that the site surveys will identify an unknown archeological concern that will require the fiber to be rerouted. The cost for the site surveys was not included in the budget. We anticipate we will use savings from other areas to pay for the added cost.

Infrastructure Budget Execution Details

Activity Based Expenditures (Infrastructure)

1. Please provide details below on your total budget, cumulative actual expenditures (for the period ending the current quarter), and cumulative anticipated expenditures (for the period ending next quarter) for each line item, including detailed disbursements of both matching funds and federal funds from project inception through end of this quarter (actual) or next quarter (anticipated). Actual and anticipated figures should be reported cumulatively from award inception to the end of the applicable reporting quarter.

Budget for Entire Project				Actuals from Project Inception through End of Current Reporting Period			Anticipated Actuals from Project Inception through End of Next Reporting Period		
Cost Classification	Total Cost (plan)	Matching Funds (plan)	Federal Funds (plan)	Total Cost	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Administrative and legal expenses	\$2,428,175	\$222,637	\$2,205,538	\$187,615	\$46,199	\$141,416	\$370,993	\$0	\$370,993
b. Land, structures, right-of-ways, appraisals, etc.	\$1,862,000	\$1,512,000	\$350,000	\$0	\$0	\$0	\$0	\$0	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$5,266,954	\$0	\$5,266,954	\$1,133,512	\$0	\$1,133,512	\$2,240,678	\$0	\$2,240,678
e. Other architectural and engineering fees	\$600,000	\$0	\$600,000	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$124,800	\$0	\$124,800	\$0	\$0	\$0	\$29,952	\$0	\$29,952
g. Site work	\$1,050,000	\$0	\$1,050,000	\$41,160	\$0	\$41,160	\$391,160	\$0	\$391,160
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$63,338,112	\$30,000,000	\$33,338,112	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$11,275,418	\$538,950	\$10,736,468	\$696,413	\$0	\$696,413	\$2,797,247	\$0	\$2,797,247
k. Miscellaneous	\$10,436,569	\$2,213,159	\$8,223,410	\$2,145,272	\$2,113,326	\$31,946	\$2,250,512	\$2,218,566	\$31,946
l. SUBTOTAL (add a through k)	\$96,382,028	\$34,486,746	\$61,895,282	\$4,203,972	\$2,159,525	\$2,044,447	\$8,080,542	\$2,218,566	\$5,861,976
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$96,382,028	\$34,486,746	\$61,895,282	\$4,203,972	\$2,159,525	\$2,044,447	\$8,080,542	\$2,218,566	\$5,861,976

2. Program Income: Please provide the program income you listed in your application budget and actuals to date through the end of the reporting period.

a. Application Budget Program Income: \$0	b. Program Income to Date: \$0
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