

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) 03-31-2013	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): 05-30-2013
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Project Indicators (This Quarter)

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

Overall the project is 69% complete; total project expenditures are \$66M, with \$34M federal funds and \$32M match funds. The federal funds supported 91.93 full-time equivalent jobs during the past quarter. The local match at the end of the quarter is 48%. CMS has spent 94% of its cash match. The local match percentage will continue to decrease through the remainder of the project as those budget items marked for federal spend are incurred.

By quarter end, 696 miles of conduit (100%) and 895 miles of fiber (86%) have been installed. Construction on four routes is complete:

- P02: Kankakee to Champaign (91 miles)
- P04 Bloomington/Normal (67 miles)
- P05 Champaign to Effingham (100 miles)
- P12 rural communities surrounding Bloomington (28 miles).

Six additional routes are 99% complete:

- P01 Kankakee to Chicago (55 miles) - complete except for a 10 mile re-route that was just approved.
- P03 Bloomington to Champaign (109 miles) - complete except for a 4 mile re-route that is approved and under construction.
- P06 Paris to Olney (93 miles) - on schedule to be finished within the next 30 days.
- P07 Effingham to Collinsville (102 miles) - complete except for a 4 mile lateral.
- P08 Champaign to Springfield (103 miles) - complete except for pulling fiber into the Springfield POP.
- P13 Northern Laterals (15 miles) - complete except for 3 short laterals.

Status for the remaining two routes is:

- P09 Quincy to Springfield (79 miles) - boring under the Illinois River is complete, approximately 70% of the fiber is installed with approximately 2,400 feet of rock left to bore.
- P10 Quincy to Macomb (133 miles) - 52% complete.

Lateral fiber builds to six additional CAI sites where completed this quarter, increasing the total number of CAIs capable of receiving service to 19 of 325. An additional 1,100 CAIs are connected to the 80 miles of BTOP funded operational infrastructure through non BTOP funded connections. As a result, these sites will see their broadband speeds more than double.

The sub recipient's contractor has started construction at the wireless tower locations. The wireless equipment has been received and will be installed next quarter.

This quarter CMS executed one agreement to sell/lease dark fiber and is in negotiations with several wholesale providers. As part of the sales and marketing strategy, CMS issued a Request For Information (RFI) to seek input on plans to engage a partner for the sales and marketing of fiber and services to wholesale providers. Responses were received from eight interested vendors. Information from the RFI responses will assist CMS in developing the Request For Proposals (RFP) that will be released midyear.

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. The sub recipient also has a monthly update available at <http://cirbn.org>.

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	69	Baseline target is 96%. Previous PPR set a target of 72%.
2b.	Environmental Assessment	100	Actual spend is 120% due to higher engineering costs required to complete EA.
2c.	Network Design	89	Baseline target is 100% All design work for the original scope fiber routes is complete and paid. Additional charges will be associated with recently approved route changes. Final spend will be less than originally budgeted.
2d.	Rights of Way	100	Actual spend is 106% due to higher engineering costs required to prepare permits. CMS has secured 99% of the permits. Additional charges will be associated with permit preparation/fees for recently approved route changes.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2e.	Construction Permits and Other Approvals	0	NA - CMS has no spend mapped to this milestone. These expenditures are included in 2h Network Build.
2f.	Site Preparation	44	Baseline target is 100%. Fifty percent of the money budgeted to this milestone category is for an in kind match of network node space contributed by CAI participants. The space value will be reduced due to the timing the space was put into service. The project will make up the difference for the in kind contribution within the Other milestone category.
2g.	Equipment Procurement	84	Baseline target is 100%. CMS will have additional spend for customer premise equipment associated with recently approved route changes; however, we anticipate final costs will be less than budgeted.
2h.	Network Build (all components - owned, leased, IRU, etc)	67	Baseline target is 95%. The difference between actual and the baseline project schedule is due to late starts and costs for the early construction routes coming in below budget. 100% of the conduit and 86% of the fiber is complete.
2i.	Equipment Deployment	3	Baseline target is 100%. CMS is using in house staff to deploy equipment and does not anticipate any additional spend in this category. The money is being reallocated to other expenses.
2j.	Network Testing	0	NA - CMS has no spend mapped to this milestone. CMS is using existing staff not charged to project plus contractual resources reported in 2k Other.
2k.	Other (please specify): Professional Services such as Project Management, Web Design, Project Engineer	54	Baseline target is 81%. Last quarter the PPR reported 72% which was based on the revised forecasted spend for this category. CMS is now accurately reporting milestone completions by calculating them against the most recent approved budget. The approved budgeted amount includes ineligible expenses associated with fiber maintenance costs. Final spend will be less than the approved budgeted amount.

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 has received approval for two pending route changes. One change is associated with a 10 mile re-route from the south side of Chicago to downtown. CMS is working with the Illinois Department of Transportation, Chicago Transit Authority and City of Chicago to work through easement and permit issues. CMS plans to seek a no-cost extension through September 30, 2013 to complete this route change. The second approved route change is to connect additional CAIs with the remaining grant 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)
New network miles deployed	895	Revised target is 1,035. Fiber construction is behind due EA delays, delayed starts, and route changes.
New network miles leased	399	Revised target is 459. CMS is working on the 2 remaining lease agreements with other state/governmental entities.
Existing network miles upgraded	3	Revised target is 6.
Existing network miles leased	282	Revised target is 282.
Number of miles of new fiber (aerial or underground)	1,294	Revised target is 1,494. Fiber construction is behind due to EA delays, delayed starts, and route changes.
Number of new wireless links	0	Baseline target is 7. Completion of the tower design and construction specifications were delayed. Construction has started and is forecasted to be completed next quarter.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of new towers	0	Baseline target is 3. Completion of the tower design and construction specifications were delayed. Construction has started and is forecasted to be completed next quarter.
Number of new and/or upgraded interconnection points	412	Baseline target is 320. There will be more interconnection points than originally planned due to miscalculations in the Baseline.

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	2
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	12
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: Illinois Rural HealthNet and PEG Bandwidth

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:

Dark Fiber, Lambda/Wave Services, Ethernet Services ranging in speeds 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)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new access	1	Illinois Rural HealthNet is receiving a portion of the contracted services. The full contracted services will not be available until the remainder of the network is complete.
	Providers with signed agreements receiving improved access	0	Since only a small portion of the network is operational, there are no providers receiving new service at this time.
	Providers with signed agreements receiving access to dark fiber	1	PEG Bandwidth has purchased dark fiber along a route still under construction.
	Please identify the speed tiers that are available and the number of subscribers for each	1	CMS and ISU will sell Ethernet services at any speed between 10 Mbps and 10 Gbps including dark fiber and wave services. Current subscribers: 10 Gbps (1 subscriber) Dark Fiber (1 subscriber).
Community Anchor Institutions (including Government institutions)	Total subscribers served	19	Since only a small portion of the network (322 of 1,900 miles) is operational, the new service offerings are available in a limited area only. Once fully deployed, these CAIs will realize a significant increase in broadband speeds as they move from a range of 3-5 Mbps to a range of 50-100 Mbps.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Subscribers receiving new access	0	All 19 connected CAIs previously had some level of broadband connectivity.
	Subscribers receiving improved access	19	4 of the 19 subscribers are receiving lit service as of the end of the quarter.
	Please identify the speed tiers that are available and the number or subscribers for each	19	CMS and ISU will sell Ethernet services at any speed between 10 Mbps and 10 Gbps including dark fiber and wave services. Current subscribers: 50 Mbps (3 subscribers) 11 Mbps (1 subscriber). The remaining 15 CAIs are not receiving service at this time and are undecided on the speed tier.
Residential / Households	Entities passed	0	NA - The project is a CCI project with no last mile component.
	Total subscribers served	0	NA - The project is a CCI project with no last mile component.
	Subscribers receiving new access	0	NA - The project is a CCI project with no last mile component.
	Subscribers receiving improved access	0	NA - The project is a CCI 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 CCI project with no last mile component.
Businesses	Entities passed	164,913	This represents the businesses near the operational fiber.
	Total subscribers served	0	CMS is selling wholesale services. ISU, the sub recipient will sell directly to businesses when their portion of the fiber is operational.
	Subscribers receiving new access	0	CMS is selling wholesale services. ISU, the sub recipient will sell directly to businesses when their portion of the fiber is operational.
	Subscribers receiving improved access	0	CMS is selling wholesale services. ISU, the sub recipient will sell directly to businesses when their portion of the fiber is operational.
	Please identify the speed tiers that are available and the number of subscribers for each	0	ISU will offer: dark fiber, Ethernet services ranging in speeds of 1 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
College of DuPage	DuPage County	Community College	Yes	The site has been physically connected but has not migrated to the new service offerings.
College of Lake County	Lake County	Community College	Yes	The site has been physically connected but has not migrated to the new service offerings.

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
Lake County High School Technology Center	Lake County	K12	Yes	The site has been physically connected but has not migrated to the new service offerings.
Oakton Community College	Cook County	Community College	Yes	The site has been physically connected but has not migrated to the new service offerings.
University Center of Lake County	Lake County	Other Higher Education	Yes	The site has been physically connected but has not migrated to the new service offerings.
Oakton Community College Police	Cook County	Public Safety	Yes	The site has been physically connected but has not migrated to the new service offerings.

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).

The cumulative spend estimated for next quarter is \$77M which is 80% of the total project spend. The Baseline projected a cumulative spend of \$96M or 100%. The difference between the Baseline and the PPR projection is approximately \$19M which is a result of costs coming in below budget for construction and delays early in the project starting construction, inside plant and final equipment purchases. CMS has received approval to add additional routes/CAIs and will be working on those routes through the remainder of the project.

CMS anticipates completing 99% of the activity associated with the project next quarter; however, invoices will continue to be received and paid in the following quarter. Fiber installations, fiber leases and wireless links will be complete except work associated with the two recently approved route changes and a lateral build to one community college that may require an additional route change. CMS will be requesting an extension to complete the recently approved Chicago reroute.

By the end of next quarter, CMS anticipates 300 CAIs will be connected and capable of receiving services. Many K-12 CAIs will wait until July 1 to transition service in order to utilize E-rate funds to off-set the ongoing service costs.

Key performance indicators for next quarter (cumulative):

- Total Miles - 1,764 of 1,782
- New Network Miles Deployed - 1,020 of 1,035
- New Leased Miles - 459 of 459
- Upgraded Miles - 3 of 6
- Existing Leased Miles - 282 of 282
- Total CAIs Connected - 300 of 325
- Signed Agreements with Wholesalers and Last Mile Providers - 5

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	80	Baseline target is 100%. The difference between the Baseline and the PPR projection is approximately \$19M which is a result of costs coming in below budget for construction and delays early in the project starting construction, inside plant and final equipment purchases. CMS has received approval to add additional routes and will be working on those routes/CAIs through the remainder of the project.
2b.	Environmental Assessment	100	Actual spend is 120% due to higher engineering costs required to complete the EA.
2c.	Network Design	90	Baseline target is 100%. All design work for the original scope is complete and paid. Any additional spend for this category will be associated with design work for the recently approved route changes.
2d.	Rights of Way	100	Actual spend is 107% due to higher engineering costs required to complete permits. Additional charges will be associated with permit preparation/fees for the recently approved route changes.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2e.	Construction Permits and Other Approvals	0	NA - CMS has no spend mapped to this milestone. These expenditures are included in 2h Network Build.
2f.	Site Preparation	52	Baseline target is 100%. Fifty percent of the money budgeted to this milestone category is for an in kind match of network node space contributed by CAI participants. The space value will be reduced due to the timing the space was put into service. The project will make up the difference for the in kind contribution within the Other milestone category.
2g.	Equipment Procurement	95	Baseline target is 100%. CMS will have additional spend for customer premise equipment associated with recently approved route changes/CAI additions; however, we anticipate final costs will be less than budgeted.
2h.	Network Build (all components - owned, leased, IRU, etc.)	84	Baseline target is 100%. By the end of the quarter CMS is forecasting to have 99% of the fiber installed; however, vendor payments will continue into the third quarter of 2013. CMS will be requesting an extension to complete the recently approved Chicago reroute and to continue with the approved expansion routes/CAIs.
2i.	Equipment Deployment	3	Baseline target is 100%. CMS is using in house staff to deploy equipment and does not anticipate any additional spend in this category. The money is being reallocated to other expenses.
2j.	Network Testing	0	NA - CMS has no spend mapped to this milestone. CMS is using existing staff not charged to project plus contractual resources reported in 2k Other.
2k.	Other (please specify): Professional Services such as Project Management, Web Design, Project Engineer	59	Baseline target is 100%. The original projections included ineligible expenses associated with fiber maintenance costs. Final spend will be less than originally budgeted.

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).

CMS plans to seek a no-cost extension through September 30, 2013 to complete the 10 mile route change for the path from the south side of Chicago to downtown and to continue work on the recently approved route/CAI expansions.

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	\$2,261,752	\$498,915	\$1,762,837	\$2,391,273	\$561,507	\$1,829,766
b. Land, structures, right-of-ways, appraisals, etc.	\$1,862,000	\$1,512,000	\$350,000	\$642,650	\$642,650	\$0	\$642,650	\$642,650	\$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	\$5,833,613	\$0	\$5,833,613	\$6,018,481	\$0	\$6,018,481
e. Other architectural and engineering fees	\$600,000	\$0	\$600,000	\$41,696	\$0	\$41,696	\$41,696	\$0	\$41,696
f. Project inspection fees	\$124,800	\$0	\$124,800	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$1,050,000	\$0	\$1,050,000	\$531,803	\$0	\$531,803	\$571,988	\$0	\$571,988
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$63,338,112	\$30,000,000	\$33,338,112	\$44,115,588	\$29,032,368	\$15,083,220	\$52,449,030	\$29,032,369	\$23,416,661
j. Equipment	\$11,275,418	\$538,950	\$10,736,468	\$9,451,186	\$179,372	\$9,271,814	\$10,991,410	\$522,150	\$10,469,260
k. Miscellaneous	\$10,436,569	\$2,213,159	\$8,223,410	\$3,245,539	\$2,227,638	\$1,017,901	\$4,334,164	\$2,227,638	\$2,106,526
l. SUBTOTAL (add a through k)	\$96,382,028	\$34,486,746	\$61,895,282	\$66,123,827	\$32,580,943	\$33,542,884	\$77,440,692	\$32,986,314	\$44,454,378
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	\$66,123,827	\$32,580,943	\$33,542,884	\$77,440,692	\$32,986,314	\$44,454,378

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: \$538,950	b. Program Income to Date: \$630,807
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