## 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**

NT11BIX5570001

**3. DUNS Number**

964743988

**4. Recipient Organization**

Eagle-Net Alliance 830 S Lincoln St, Longmont, CO 80501-6317

**5. Current Reporting Period End Date (MM/DD/YYYY)**

03-31-2011

**6. Is this the last Report of the Award Period?**

◯ Yes   ⦿ No

**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**

John   Bakken

Compliance and Reporting Manager

**7c.  Telephone (area code, number and extension)**

720 210946

**7d.  Email Address**

john.bakken@co-eaglenet.net

**7b.  Signature of Certifying Official**

Submitted Electronically

**7e.  Date Report Submitted (MM/DD/YYYY):**

05-16-2011

## Project Indicators  (This Quarter)

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

In the first quarter of 2011, the grantee substitution process was completed on February 22 to transfer the grant from the Centennial Board of Cooperative Educational Services (CBOCES) to EAGLE-Net Alliance.  While this was our single largest accomplishment, it has to be tempered with the fact that it had been a five month process, a long time frame that neither we nor the NTIA anticipated.  In order to keep the process as clean as possible for both EAGLE-Net and the CBOCES, it was determined that no grant dollars would be spent until after the process was completed.  Ultimately a new grant number was issued and the old grant number was able to be closed with no dollars spent, and all expenditures and project performance goals are now being tracked against the new grant number . The unexpected delay related to the transfer and new grant number issuance put us behind both our baseline milestones as well as our projections on the previous Performance Progress Report.  Once the transfer was complete and we could spend grant funds, accomplishments included:
-starting to hire our core staff; 11 employees were hired in March
-leasing office space to accommodate our current staff as well as future growth
-officially hiring our Environmental Assessment, Project Management and Logical Network Design consultants to begin work
-formalizing and implementing our management process and controls (e.g. change control, risk management,  issues management)
-submitting and receiving approval for 90 day extensions to our Environmental Assessment and Overlap Special Award Conditions
-significant progress in the business development segment to lay the groundwork for upcoming school system contracts

**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 | 8 | The 8% is lower than the baseline completion of 14%, but that number is slightly misleading in that it includes 7% of in-kind match which was booked this quarter.  The actual spending was about 1%, which is less than anticipated because of the delays in funding described in #3 below. |
| 2b. | Environmental Assessment | 0 | There was no spending related to the Environmental Assessment this quarter, although the baseline shows that we should be100% complete. We had not yet received the Environmental Consultant's invoice by March 31, but it will be paid in April and May, so it will be 100% complete in the next quarter. |
| 2c. | Network Design | 3 | The baseline report shows 86% complete by this quarter.  Because of the described delays, the "logical network design" is significantly complete, but the physical design has not yet been started as a design/build firm has not yet been procured. |
| 2d. | Rights of Way | 92 | The baseline number for this quarter is 0% because it anticipated booking an in-kind match in future quarters.  This match was booked during the current quarter which puts us ahead of the baseline report. |
| 2e. | Construction Permits and Other Approvals | 0 | Consistent with baseline target of 0%. |
| 2f. | Site Preparation | 0 | Until the Environmental Assessment is complete and Network Design is underway, we are unable to begin our Site Preparation.  Therefore, we are behind our baseline target of 23% complete. |
| 2g. | Equipment Procurement | 0 | Until our Network Design is well underway, we are unable to begin our Equipment Procurement.  Therefore, we did not achieve our baseline target of 18% complete. |
| 2h. | Network Build (all components - owned, leased, IRU, etc) | 1 | The baseline total was13% for this quarter, which includes project overhead for the build.  As we have not begun the actual build phase of the project yet, the 1% shown is the overhead spending for the overall project through this quarter. |
| 2i. | Equipment Deployment | 0 | Until Equipment Procurement has started and the Network Design is fundamentally complete, we are unable to begin our Equipment Deployment.  Therefore, we did not meet our baseline target of 16% complete. |

| | Milestone | Percent Complete | Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer) |
|---|---|---|---|
| 2j. | Network Testing | 0 | With no Equipment or Network Build, we are unable to begin our Network Testing. Therefore, we did not achieve our baseline target of 9% complete. |
| 2k. | Other (please specify): | 0 | With no equipment purchases, we have not begun leasing or staging our warehouse. Therefore, we have not achieved our baseline target of 13% complete. |

**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).**

Our main challenge was the extensive time taken to complete the Grantee Substitution process from the Centennial Board of Cooperative Educational Services to EAGLE-Net. We had anticipated that this process would be completed in January, but it was not officially signed until February 22nd. In fact, part of the process was to actually award us an entirely new grant number, which we did not expect. As a result, there were technical difficulties setting us up in the ASAP (Automated Standard Application for Payment) system, and we were not able to actually draw grant funds until the end of March, which was the end of this quarter. These factors prevented us from spending much money during the quarter, and put us behind in trying to make up time toward our baseline milestones as well as our prior Performance Progress Report expectations for this quarter.

**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 | 0 | Due to the previously described delays in the Network Design, no new network miles were deployed. Therefore, we have not achieved our baseline target of 272 new deployed miles. |
| New network miles leased | 0 | Due to the previously described delays in the Network Design, no new network miles were leased. Therefore, we have not achieved our baseline target of 345 new leased miles. |
| Existing network miles upgraded | 0 | Due to the previously described delays in the Network Design, no existing network miles were upgraded. Therefore, we have not achieved our baseline target of 44 upgraded network miles. |
| Existing network miles leased | 0 | n/a. Consistent with baseline report |
| Number of miles of new fiber (aerial or underground) | 0 | Due to the previously described delays in the Network Design, no new fiber miles were deployed. Therefore, we have not achieved our baseline target of 237 new fiber miles. |
| Number of new wireless links | 0 | Due to the previously described delays in the Network Design, no wireless links were deployed. Therefore, we have not achieved our baseline target of 22 wireless links. |
| Number of new towers | 0 | Due to the previously described delays in the Network Design, no towers were constructed. Therefore, we have not achieved our baseline target of 23 new towers. |
| Number of new and/or upgraded interconnection points | 0 | Due to the previously described delays in the Network Design, no new or upgraded interconnection points were completed. Therefore, we have not achieved our baseline target of 26 new interconnection points. |

**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 | 0 |
| Number of agreements currently being negotiated with broadband wholesalers or last mile providers | 0 |

| Indicators | |
|---|---|
| **Average term of signed agreements (in quarters)** | 0 |

**5b.  Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:**
n/a.  There are no agreements signed through this quarter, which is consistent with the baseline report.

**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:**
n/a.  As no build has yet been completed, no services were being provided by this project in this quarter.  Therefore, there is no pricing list attached.

**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).**
n/a.  No build has yet been completed, so there is no network operation in this quarter.

**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** | 0 | Due to the previously described delays in the Network Design, there are no signed agreements for new access.  Therefore, we have not achieved our baseline target of 2 signed agreements. |
| | **Providers with signed agreements receiving improved access** | 0 | n/a.  Consistent with baseline report. |
| | **Providers with signed agreements receiving access to dark fiber** | 0 | n/a.  Consistent with baseline report. |
| | **Please identify the speed tiers that are available and the number of subscribers for each** | 0 | n/a. |
| **Community Anchor Institutions (including Government institutions)** | **Total subscribers served** | 0 | Due to the previously described delays in the Network Design, no subscribers were being served in this quarter. Therefore, we are behind our baseline target of 331 subscribers.  However, as soon as the FONSI is received, we will have 345 subscribers with new and/or improved service. |
| | **Subscribers receiving new access** | 0 | Due to the previously described delays in the Network Design, no subscribers receiving access in this quarter. Therefore, we are behind our baseline target of 126 subscribers receiving new access. |
| | **Subscribers receiving improved access** | 0 | Due to the previously described delays in the Network Design, no subscribers were receiving improved access in this quarter. Therefore, we are behind our baseline target of 205 subscribers receiving improved access. |
| | **Please identify the speed tiers that are available and the number or subscribers for each** | 0 | n/a. |
| **Residential / Households** | **Entities passed** | 0 | n/a.  We are a BTOP project with no last mile component. |
| | **Total subscribers served** | 0 | n/a.  We are a BTOP project with no last mile component. |
| | **Subscribers receiving new access** | 0 | n/a.  We are a BTOP project with no last mile component. |

| Subscriber Type | Access Type | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) |
|---|---|---|---|
| | Subscribers receiving improved access | 0 | n/a. We are a BTOP project with no last mile component. |
| | Please identify the speed tiers that are available and the number of subscribers for each | 0 | n/a. |
| Businesses | Entities passed | 0 | n/a. We are a BTOP project with no last mile component. |
| | Total subscribers served | 0 | n/a. We are a BTOP project with no last mile component. |
| | Subscribers receiving new access | 0 | n/a. We are a BTOP project with no last mile component. |
| | Subscribers receiving improved access | 0 | n/a. We are a BTOP project with no last mile component. |
| | Please identify the speed tiers that are available and the number of subscribers for each | 0 | n/a. |

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

n/a. No services being provided yet.

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

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

n/a.

**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 |
|---|---|---|---|---|
| n/a | n/a | n/a | n/a | **n/a. No community anchor institutions are connected yet. However, as soon as the FONSI is received, we will connect 345 community anchor institutions with new and/or improved service.** |

**Project Indicators (Next Quarter)**

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

The next quarter will be very important to catch up to many of the Baseline milestones. Activities will include:
 -Hiring of additional personnel to reach anticipated staff levels shown on the organizational chart
 -Submission of the Environmental Assessment Special Award Condition draft and anticipated approval within the quarter
 -Submission of the Overlap Special Award Condition paperwork and anticipated approval within the quarter
 -Submission of a re-programming Award Action Request to re-apportion match contributions and purchase the EAGLE-Net "legacy" network from the Centennial Board of Cooperative Educational Services
 -Transfer of accounting structure and historical data from the CBOCES to our financial management system
 -Completion of a Grants file structure in Google-Docs to allow easy online access along with secured access and authorizations
 -Completion of documentation and approval sheets for all required federal reporting
 -Completed contracts with school districts and other Community Anchor Institutions for new and upgraded services
 -Completion of the procurement process to obtain and sign a contract with a design/build firm to begin detailed design activity
 -Completion of the procurement process to begin purchase of network equipment based on the logical network design
 -Continuing outreach programs including a new edition of the EAGLE-Net newsletter, upgrades to the EAGLE-Net website, creating a "leave behind" brochure for local community visits, and establishing market triggers for who, what and when timing to make outreach/sales contacts.

**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 | 10 | While this percentage looks high for a pre-FONSI amount, it includes the in-kind match of $8.9 million booked in March.  It is still below our baseline projection of 27%. |
| 2b. | Environmental Assessment | 100 | We fully expect the Environmental Assessment to be complete and anticipate approval during this quarter, with a FONSI received by the end of June.  This is in line with the baseline completion of 100%. |
| 2c. | Network Design | 10 | The logical network design should be complete, but with the design/build firm hired late in the quarter, The network design will remain behind the baseline projection of 100%. |
| 2d. | Rights of Way | 92 | This is the same percentage complete as for the first quarter of 2011.  It is double the baseline projection of 46%. |
| 2e. | Construction Permits and Other Approvals | 0 | We anticipate that the design/build firm that we engage will complete all permitting, so until that procurement is complete, permitting costs will remain at 0%.  This is below the baseline target of 11%. |
| 2f. | Site Preparation | 0 | We anticipate that the design/build firm that we engage will complete all site preparation, so until that procurement is complete, site preparation costs will remain at 0%.  This is below the baseline target of 35%. |
| 2g. | Equipment Procurement | 0 | There will be a small spend this quarter, but not enough to reach 1%.  The equipment RFP will be complete and possibly a bid selection made, but the dollars won't actually be spent until the next quarter.  We will not make the baseline target of 29%. |
| 2h. | Network Build (all components - owned, leased, IRU, etc.) | 4 | The 4% includes project network overhead, which is included in this category.  However the actual Network Build won't begin until after the FONSI has been obtained.  This is below the baseline target of 23%. |
| 2i. | Equipment Deployment | 0 | As we don't anticipate having our FONSI until the very end of the quarter, we won't be able to deploy any of our purchased equipment during this quarter or meet our baseline goal of 26%. However, once the FONSI is received we will deploy equipment to connect 345 community anchor institutions. |
| 2j. | Network Testing | 0 | We will not meet our baseline goal of 18% as we will not have network components to start testing yet. |
| 2k. | Other (please specify): | 0 | With no equipment ready for deployment this quarter, we won't have the need to lease warehouse space.  Thus, we will not meet our baseline projection of 23%. |

**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).**

The biggest challenge in the next quarter will be accelerating our progress to meet our baseline milestones.  Regarding areas of assistance, our Environmental Assessment draft will be submitted in early May, so a quick response to review it and return it for modifications so that it can be approved as soon as possible would be a huge help to our timeline.  Receiving our FONSI will be key to us making rapid progress to catch up to our baseline milestones.  It will allow us to deploy equipment and immediately connect 345 community anchor institutions with new and/or improved service, as well as to begin the other build phases of our project.

A second challenge will be the procurement of our design/build contractor.  As of the end of the quarter, we are currently writing the requirements for this hire, but because of the size and complexity of this portion of the project, this hire may not be completed during the next quarter.  However, we are working hard to coordinate the contracting of the design/build contractor with the receipt of the FONSI.  Once the FONSI has been received and this contract is complete, we are confident that running concurrent activities in different parts of the state (the capability to do this will be one of the requirements of any contractor hired) will allow us to catch up to the baseline build milestones.

A third challenge for the next quarter will involve the the completion of the procurement of network equipment purchases.  The RFP is currently being developed, but whether the entire procurement process can be completed by the end of the quarter is in question.  This along with the challenges described above will determine the amount of grant funds that will be spent during the next quarter.  However, if they are not completed in the quarter ending June 30th, spending in the following quarter will be accelerated as these three activities will be completed by then.

## 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.

| Cost Classification | 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 | | |
|---|---|---|---|---|---|---|---|---|---|
| | 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 | $252,000 | $0 | $252,000 | $0 | $0 | $0 | $60,000 | $0 | $60,000 |
| b. Land, structures, right-of-ways, appraisals, etc. | $24,832,866 | $11,912,238 | $12,920,628 | $8,918,958 | $8,918,958 | $0 | $9,452,958 | $8,918,958 | $534,000 |
| c. Relocation expenses and payments | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| d. Architectural and engineering fees | $16,755,059 | $4,687,000 | $12,068,059 | $1,396,723 | $0 | $1,396,723 | $3,808,862 | $0 | $3,808,862 |
| e. Other architectural and engineering fees | $232,848 | $0 | $232,848 | $0 | $0 | $0 | $0 | $0 | $0 |
| f. Project inspection fees | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| g. Site work | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| h. Demolition and removal | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| i. Construction | $93,228,004 | $18,066,349 | $75,161,655 | $0 | $0 | $0 | $0 | $0 | $0 |
| j. Equipment | $0 | $0 | $0 | $0 | $0 | $0 | $100,000 | $0 | $100,000 |
| k. Miscellaneous | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| l. SUBTOTAL (add a through k) | $135,300,777 | $34,665,587 | $100,635,190 | $10,315,681 | $8,918,958 | $1,396,723 | $13,421,820 | $8,918,958 | $4,502,862 |
| m. Contingencies | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| n. TOTALS (sum of l and m) | $135,300,777 | $34,665,587 | $100,635,190 | $10,315,681 | $8,918,958 | $1,396,723 | $13,421,820 | $8,918,958 | $4,502,862 |

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 |
|---|---|