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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 March 31, 2015

Date: February 27, 2015

To Whom It May Concern:

GovNET Inc. requests a no-cost period of performance extension until June 30, 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 March 31, 2015. 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 (FONSI) to actually 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, hired 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 each quarter for approval to continue. As such, GovNET received a three (3) month extension on December 26, 2014 to continue to March 31, 2015. Now, GovNET is requesting an additional three (3) month extension to June 30, 2015, as directed by NTIA/NOAA management, to complete additional project goals.



During the first quarter (Q1) of 2015, GovNET needed to transition awarded network construction services from one main vendor to three (3) different new contracted construction firms. During the first two months of Q1, the new construction firms were educated on the project process and purchase orders were issued. Several delays occurred at multiple project sites due to current contractor need to re-work tower site construction activity performed by previous vendor in order to progress current work. Equipment delivery and firmware issues identified during the previous extension period and have been resolved but some additional programming and debugging challenges caused minor delays as field deployment occurred. Heavy snow storms and rains hit Arizona at the beginning of January delaying site tower work. Scheduling challenges occurred while trying to balance winter mountain top snow conditions and access to tower site work while complying with USF&WS mitigation windows restricting activity effective from March 1 – September 1. Most major procurement for the project is complete.

This past quarter, three (3) additional sites cleared environmental compliance approval process and released by State Historic Preservation Office. All of the sites projected to be constructed in this extension, with the exception of one colocation awaiting approval, presently have received both federal and state environmental and historic approvals. One large new tower site achieved right-of-way clearance from the BLM. One new tower site is awaiting final approval from USFS anticipated in early Q2 allowing time for construction.

Overall, GovNET has made solid progress in network site completion as thirty-one (31) major backbone sites are on track to have power on and data flowing by the end of March 2015. Network services are currently operational in both NE and SE rural Arizona and five (5) active CAIs currently are receiving high-speed broadband services and supplying revenue under E-Rate contracts, with three (3) additional CAIs finalizing service contracts. Sixteen (16) Backbone sites are planned to be active in the requested three (3) month period [thirteen (13) new sites + three (3) permanent builds replacing temporary facilities previously installed for customer need] enabling GovNET to supply high-speed broadband services to additional rural CAIs in great need of connectivity. Forty-four (44) total Backbone sites are forecasted for operation by June 30, 2015.

To date, GovNET has thirty-eight (38) CAI installations, with 5 in active network service and 33 ready for service in two days from order. An additional thirty-four (34) CAI installations are projected by end of March 2015, totaling seventy-two (72) sites. For the requested extension period, an additional 128 CAIs will have installations to reach a cumulative 200 CAIs. Seventy (70) CAIs are anticipated to be active with full installations and 130 partial installations by June 30, 2015. Work will also recommence on the Network Operation Center (NOC) with a planned completion date by June 30, 2015. Contractor has been awarded and building permit received.

GovNET has prepared a project plan and extension budget to complete these additional network sites by June 30, 2015. With multiple construction firms available to split up the project work, GovNET feels confident it will be able to complete the projected new sixteen (16) Backbone sites and turning up active network services to many 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 March 31, 2015, a breakdown of planned expended award funding** (table below)

Funding Period	Planned Federal Amount	Planned Match Amount
Actual Funding Spent to Date and Planned <u>Expended</u> Funding to March 31, 2015	\$32,132,553	\$12,089,559
Planned Funding Needed Beyond March 31, 2015	\$6,212,477	\$547,699

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.

