

RECIPIENT NAME:Clackamas, County of

AWARD NUMBER: NT10BIX5570079

DATE: 08/01/2012

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

### QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

#### General Information

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  NT10BIX5570079	<b>3. DUNS Number</b>  096992656
<b>4. Recipient Organization</b>  Clackamas, County of 2051 Kaen Road, Oregon City, OR 97045-4088		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  06-30-2012	<b>6. Is this the last Report of the Award Period?</b>  <input type="radio"/> Yes <input checked="" type="radio"/> No	
<b>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.</b>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>  David Cummings	<b>7c. Telephone (area code, number and extension)</b>  5036558525	
	<b>7d. Email Address</b>  davidcu@co.clackamas.or.us	
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  08-01-2012	

**Project Indicators (This Quarter)**

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

**Key Milestones**

- Anchor Sites: Our contractor physically connected to 29 anchor sites in Q2 2012. Another 8 anchor sites realized improved broadband service to the other anchor sites. Total anchor sites connected by the end of Q2 2012 is 76.
- Agreements: 3 Service Level Agreements were signed during Q2 2012 bringing the project total to 13 signed SLA's. The 13 SLA's represent 79 anchor sites along with 52 county sites brings the total count to 131 sites that can be connected to the fiber network.
- Permits: We have submitted 99% of the needed pole attachment permit applications and have received 88% of the necessary permits. We have received approval for the amended USFS permit that will allow our contractor to continue construction on the Government Camp spur during the summer months with the exception of a 4 mile section. This 4 mile section is held up due to a relocation project Portland General Electric is performing during the summer and fall of 2012.

**Grant Requirement Activity Detail**

- Baseline: The baseline route is a culmination of the grant application and the 2 approved Award Action Requests. Any future changes will be coordinated with NTIA through the Award Action Request process.
- Environmental Assessment (EA): The environmental assessment is complete for the county fiber network. Continued environmental monitoring by contractor pursuant to procedures established in the Field Manual.
- Outreach: We continue implementing our Outreach and Communications Plan during Q2, 2012 with new interest from new telecom providers. New local organizations are showing interest in the fiber network with the news of the first anchor sites connected.

**Construction Support Detail**

- Proposed Route: Refinement to the design of fiber optic routes continued in Q2 2012. The general route continues to be followed, but field discoveries and denials of reasonable access to RoW require some adjustments. Any variations to the baseline route will be submitted via the Award Action Request process.
- Service Providers: Discussions with potential service providers continue. We have seen a renewed interest in the fiber network from telecom providers as word spreads about the approaching completion date.
- Expenditures: Construction and design expenditures were \$5,973,964 which represents 54% of the overall \$11.1 million project budget. The construction and design expenditures represent 77% of the \$7.8 million dollar grant budget exceeding the 2/3 requirement for substantial completion. Staff time of \$29,288.
- Construction Activities: We completed construction of 18 backbone miles and 14 miles of laterals for a total of 32 miles of fiber placed during Q2 2012.

**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	79	Under projected 82% baseline-The overall project progress should realign with baseline by the end of Q3 2012.
2b.	Environmental Assessment	100	Complete - Continued environmental monitoring by contractor pursuant to procedures established in the Field Manual.
2c.	Network Design	95	Over projected 89% baseline – Network Design is expected to be complete by the end of Q3 2012.
2d.	Rights of Way	78	Under projected 87% baseline. We have Right-of-Way (RoW) authority from 7 of 9 cities. We expect RoW to realign with projected baseline by the end of Q3 2012.
2e.	Construction Permits and Other Approvals	88	Under projected 90% baseline. Municipal permits: 77 of 78 received; Railroad Permits: 10 of 10 received; PGE Permits: 3250 of 3720 received. We expect to realign with projected baseline by the end of Q3 2012.
2f.	Site Preparation	100	Over projected 95% baseline - site prep has been completed for 123 of the projected 123 construction anchor sites.
2g.	Equipment Procurement	0	N/A - Award Action Request approved to remove equipment as matching component, so site equipment is not part of grant.
2h.	Network Build (all components - owned, leased, IRU, etc)	81	Over projected 74% baseline. We have built 32 route miles in Q2 2012 bringing the project total to 135 route miles built out of 167 projected.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2i.	Equipment Deployment	0	N/A - Award Action Request approved to remove equipment as matching component, so site equipment is not part of grant.
2j.	Network Testing	64	Under projected 68% baseline –Due to RoW permitting/franchising issues, we were unable to place fiber as scheduled, hence testing was delayed. We expect network testing to realign with projections in Q3 2012.
2k.	Other (please specify): CAI Connection	46	Under projected 96% baseline – Our Award Action Request that was submitted in March 2012 is approved and our contractor is connecting anchor sites utilizing the approved routes. We do not expect the number of CAIs served to realign with projections until Q2 2013.

**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).**

**1. RoW Issues**

We have encountered RoW permitting challenges. Negotiations continue; however, we are working on an alternate route around if efforts are not successful in addressing this issue in a manner that doesn't threaten sustainability. This re-route would require NTIA review and approval via an Award Action Request (AAR).

**2. Highway 26-Mt Hood**

The last 10 miles of this route segment is off-road and in difficult terrain that rises from 1,400 to 4,000 feet. The electric utility recently informed us that there is a 3.7 mile stretch where they will be relocating their poles by the end of 2012, and another 2.3 mile stretch where we cannot attach to the poles. We are working with USFS to determine the best route through this 2.3 mile stretch that will not negatively impact the surrounding environment. We expect a solution to this segment by the end of Q3 2012 and then we will submit an Award Action Request for this route change.

**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	135	Over projected baseline of 117 miles.
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	135	Over projected baseline of 117 miles.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	3	Meeting baseline of 3 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	9
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:**

No Service Agreements yet, but there are 9 Non-Disclosure agreements currently in place. We are engaged in multiple, ongoing discussions with local and regional service providers.

**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:**

This project only provides dark fiber. No lit services will be provided. No service agreements have been signed. The project anticipates pricing plan of dark fiber pairs at \$250/month for government agencies and non-profits, and \$1000/month for commercial entities.

**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 third party operates (600 words or less).**

Overall Management of the network will remain with Clackamas County.

**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	Consistent with Baseline
	Providers with signed agreements receiving improved access	0	Behind Baseline estimate of 3 due to additional route engineering in dense area. Agreements are in process with Clackamas Educational Service District & SandyNet and expected to be signed by the end of Q2 2012.
	Providers with signed agreements receiving access to dark fiber	0	Behind Baseline estimate of 3 due to additional route engineering in dense area. Agreements are in process with Clackamas Educational Service District & SandyNet and expected to be signed by the end of Q2 2012.
	Please identify the speed tiers that are available and the number of subscribers for each	2	1 GBPS - Standard for all providers (0 currently) 10 GBPS - Available if electronics upgraded (0 currently)
Community Anchor Institutions (including Government institutions)	Total subscribers served	76	Under projected 154 baseline. Due to RoW permitting/franchising issues, route changes and related design changes, we now project a total of 166 CAIs to be served by the end of Q3 2013. This adjustment is reflected in the Award Action Request we submitted in February 2012.
	Subscribers receiving new access	0	Consistent with Baseline
	Subscribers receiving improved access	76	Under projected 154 baseline. Due to RoW permitting/franchising issues, route changes and related design changes, we now project a total of 166 CAIs to be served by the end of Q3 2013. This adjustment is reflected in the Award Action Request we submitted in February 2012.
	Please identify the speed tiers that are available and the number or subscribers for each	0	1 GBPS - Standard for all providers (0 currently) 10 GBPS - Available if electronics upgraded (0 currently)
Residential / Households	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A

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
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Businesses	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	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).**

The project does not offer any services, only dark fiber at published pricing.

**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
See Note	N/A	N/A	N	NOTE : See Attachment for list of added CAIs

**Project Indicators (Next Quarter)**

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

Key activities expected summary:

Construct 23 new route miles bringing the total fiber built to 158 miles with the 4 miles of the Portland General Electric reliability project and 5 miles in Canby left to complete. Total backbone constructed to 120 of 125 miles (96%), and 38 out of 42 lateral miles (90%). Connect another 69 anchor sites bringing the total to 145. Expect to have 4 SLA's signed bringing the total to 17.

Key Milestones:

1. New Network Miles Deployed: Expect to construct an additional 23 route miles.
  2. New Network Miles Leased: None
  3. Total CAI Subscribers Served: Expect to have 4 signed Service Level Agreements returned.
  4. Number of signed agreements with broadband wholesalers or last mile providers: Expect to have 4 signed agreements with last mile providers.
- Network Design: The network design will be complete with the exception of the 4 mile Portland General Electric reliability project.
  - Rights of Way: Our goal is to complete negotiations with 1 additional city on RoW permitting/franchising, bringing the total to 8.
  - Permits: Amend US Forest Service and Oregon Department of Transportation permits for the Mt. Hood spur through the National Forest.
  - Procurement: All fiber required for this project has been received.
  - Network Testing: All fiber for this network will be tested with the exception of the fiber east of the Portland General Electric

reliability project on Mt Hood and the fiber in the City of Canby.

**Grant Requirement Activity Detail:**

- Environmental Assessment: Continued environmental monitoring by contractor pursuant to procedures established in the Field Manual.
- Outreach: We will continue implementing our Outreach and Communications Plans, which includes updating the project web site, distributing a newsletter, and communicating with communications providers.

**Construction Support Detail**

- Route: The fiber network will be fully designed by the end of Q3, 2012.
- Budget: We are continuously working with our contractor to ensure the project is on budget.
- Expenditures: Construction and design expenditures expected to be about \$1,200,000.00 (\$400,000 of billings per month) and staff time of about \$30,000.00.
- Construction Activities: Projected placement of 23 additional miles of fiber. Completion of the Highway 26 spur to Government Camp has been pushed out to the spring of 2013 due to a Portland General Electric project to replace power poles over a 4 mile stretch along Highway 26 at the end of 2012. Once the PGE project has been completed, we will be able to install our final middle mile fiber to Government Camp. We plan to complete installation of the final 4 miles during Q2 2013.

**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	93	Meeting projected 93% baseline.
2b.	Environmental Assessment	100	Complete
2c.	Network Design	97	Over projected 95% baseline. All phases will be designed with the exception of the 4 miles for the Portland General Electric relocation project located on Mt Hood.
2d.	Rights of Way	89	Under projected 94% baseline – Rights of Way still need to be approved for 2 other cities. We expect Rights of Way to realign with projected baseline by the end of Q4 2012.
2e.	Construction Permits and Other Approvals	98	Continue to stay on target with projected 98% baseline.
2f.	Site Preparation	100	Complete
2g.	Equipment Procurement	0	N/A - Award Action Request approved to remove equipment as matching component, so site equipment is not part of grant.
2h.	Network Build (all components - owned, leased, IRU, etc.)	95	Over projected 87% Baseline – total of 158 miles completed by the end of Q3 2012 out of 167 total project miles.
2i.	Equipment Deployment	0	N/A - Award Action Request approved to remove equipment as matching component, so site equipment is not part of grant.
2j.	Network Testing	93	Over projected 84% baseline.
2k.	Other (please specify):	89	Under projected 100% baseline - Due to the anticipated delay of constructing the Highway 26 spur to Government Camp, we will be unable to connect the final CAI sites until Q2 2013.

**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 issues we are having have been documented above and should be resolved to the point where we expect to make rapid progress and catch up with the original baseline and milestones and metrics in the next two quarters. We have arranged for up to 4 construction crews to work simultaneously in this regard.

### 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	\$416,498	\$309,498	\$107,000	\$298,412	\$250,989	\$47,423	\$328,412	\$265,989	\$62,423
b. Land, structures, right-of-ways, appraisals, etc.	\$2,516,082	\$2,516,082	\$0	\$2,568,309	\$2,568,309	\$0	\$2,568,309	\$2,568,309	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,183,084	\$0	\$1,183,084	\$884,137	\$0	\$884,137	\$964,223	\$0	\$964,223
e. Other architectural and engineering fees	\$0	\$0	\$0	\$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	\$7,033,166	\$519,069	\$6,514,097	\$5,097,328	\$0	\$5,097,328	\$6,463,243	\$0	\$6,463,243
j. Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>l. SUBTOTAL (add a through k)</b>	<b>\$11,148,830</b>	<b>\$3,344,649</b>	<b>\$7,804,181</b>	<b>\$8,848,186</b>	<b>\$2,819,298</b>	<b>\$6,028,888</b>	<b>\$10,324,187</b>	<b>\$2,834,298</b>	<b>\$7,489,889</b>
m. Contingencies									
<b>n. TOTALS (sum of l and m)</b>	<b>\$11,148,830</b>	<b>\$3,344,649</b>	<b>\$7,804,181</b>	<b>\$8,848,186</b>	<b>\$2,819,298</b>	<b>\$6,028,888</b>	<b>\$10,324,187</b>	<b>\$2,834,298</b>	<b>\$7,489,889</b>

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: \$3,750
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