

RECIPIENT NAME:Charlotte, City of
AWARD NUMBER: NT10BIX5570088
DATE: 10/26/2011

OMB CONTROL NUMBER: 0660-0037
EXPIRATION DATE: 12/31/2013

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 NT10BIX5570088	3. DUNS Number 071064166
4. Recipient Organization Charlotte, City of 600 East Fourth Street , Charlotte, NC 28202-2816		
5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2011	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> 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 Nelson Baker Project Manager	7c. Telephone (area code, number and extension) 7043364435	
	7d. Email Address Nelson.Baker@MecklenburgCountyNC.gov	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 10-26-2011	

Project Indicators (This Quarter)

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

Towards the end of last quarter, Charlotte had received proposals from broadband vendors who were encouraged to submit proposals with multiple options to deliver/deploy their broadband solutions and provide solutions for Charlotte to meet its grant matching challenges.

Upon the review of these submitted proposals during this quarter, Charlotte invited two vendors in for bid presentations. After these presentations were given, Charlotte requested both vendors to prepare best and final offers on two deployment strategies. One strategy, where Charlotte owned the entire network including the systems core components (Own Solution) and the other strategy where the Core would be owned, operated and hosted by the vendor (Hosted Solution).

With assistance from Charlotte's Technical Advisor, a Broadband Business Plan was formulated which included an analysis of these offers and strategies. Also with assistance from NTIA, Charlotte completed its analysis of the vendor's proposed match solution strategies. Upon the completion of this analysis, Charlotte began contract negotiations with both vendors on the Hosted Solution strategy.

Charlotte completed its negotiations process and recommended Alcatel-Lucent as the Wireless Broadband Deployment vendor to Charlotte City Council. The Council voted on September 26, 2011 to approve a contact with Alcatel-Lucent and an agreement was signed by both parties on September 28th .

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	1	Not 20%. Just hire implementation vendor at end of this quarter. Charlotte is about 4 months behind baseline milestones.
2b.	Environmental Assessment	90	Not 100%. At 90% because EA was submitted on original design. New design will require additional effort to complete.
2c.	Network Design	0	Not 100%. Design is expected to be completed by end of next quarter
2d.	Rights of Way	1	Not 0%. Hired Technical Consultant to assist project which was not part of original plan.
2e.	Construction Permits and Other Approvals	0	No Variance
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	0	Not 5%. Delayed by reissuance of 2nd BTOP RFP
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No Variance
2i.	Equipment Deployment	0	No Variance
2j.	Network Testing	0	No Variance
2k.	Other (please specify): a. Admin. & Legal, d. Arch & Engr.	84	Not 41%. Due to additional staff effort needed to re-issue 2nd RFP, evaluation & negotiations processes for a BTOP vendor. Includes Contracted Legal Council

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).

Charlotte was able complete the Contract Award milestone as stated in last quarters report. However, Charlotte was unable to accomplish Project Kickoff, System Design Studies, Final Network Design and Begin Equipment Manufacturing as stated in the original Baseline. Charlotte appreciates the assistance received from NTIA in reviewing the vendor's match proposals and attending the vendors proposal presentations. The evaluation and due diligence needed to complete the procurement process required longer than expected/planned. This was realized through the complexity of the proposals and Charlotte's need to recognized a solution that can lead to a sustainable network solution.

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	No Variance
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)	0	N/A
Number of new wireless links	0	No Variance
Number of new towers	0	N/A
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	0
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
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

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

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

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	N/A
	Providers with signed agreements receiving improved 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)
	Providers with signed agreements receiving access to dark fiber	0	N/A
	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	No Variance
	Subscribers receiving new access	0	No Variance
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number or subscribers for each	0	Network not operational at this time.
Residential / Households	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
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).

N/A

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	Narrative description of how anchor institutions are using BTOP-funded infrastructure

			institution? (Yes / No)	
N/A	N/A	N/A	N/A	N/A

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 Charlotte will be submitting an Award Action Request for (new budget & route modification) next quarter. Additionally, now with a vendor contract signed, Charlotte intends to complete the following baseline milestones for next quarter; Project Kick Off, Design Studies, Finalize Network Design, and any Environmental Assessments and Studies required.

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	11	Not 21%. Charlotte will be about 3 months behind baseline milestones.
2b.	Environmental Assessment	100	No Variance - Charlotte will be seeking a categorical exclusion in this quarter.
2c.	Network Design	100	No Variance
2d.	Rights of Way	1	Not 14%. Charlotte has not yet recognized tower space opportunity cost and original budget erroneously budget space that was not compliant with OMB.
2e.	Construction Permits and Other Approvals	0	No Variance
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	0	Not 5%. The re issuance of a 2nd RFP put Charlotte behind schedule.
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	No Variance
2i.	Equipment Deployment	0	No Variance
2j.	Network Testing	0	No Variance
2k.	a. Admin. & Other (please specify): Legal, d. Arch & Engr.	100	Not. 50%. Due to additional staff effort needed to re-issue 2nd RFP, evaluation & negotiations processes or a BTOP contractor.

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 preliminary new design from Alcatel-Lucent indicates that 1 new tower is be required to be built. All other deployments are on existing Crown Castle or Charlotte owned towers. Technical assistance will be sought to assist/define what Environmental Assessments needs are required with this new deployment design. Aside from this one identified new tower, Charlotte is hopeful that the relatively small deployment on 38 existing towers under a hosted core solution will allow the completion of this project with the grant performance period.

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	\$37,291	\$37,291	\$0	\$100,754	\$100,754	\$0	\$171,633	\$171,633	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$4,077,000	\$4,077,000	\$0	\$44,774	\$44,774	\$0	\$119,227	\$119,227	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$275,662	\$275,662	\$0	\$162,343	\$162,343	\$0	\$192,343	\$192,343	\$0
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	\$286,500	\$0	\$286,500	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$1,176,000	\$0	\$1,176,000	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$15,239,990	\$0	\$15,239,990	\$0	\$0	\$0	\$1,906,642	\$0	\$1,906,642
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$21,092,443	\$4,389,953	\$16,702,490	\$307,871	\$307,871	\$0	\$2,389,845	\$483,203	\$1,906,642
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$21,092,443	\$4,389,953	\$16,702,490	\$307,871	\$307,871	\$0	\$2,389,845	\$483,203	\$1,906,642

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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