

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
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) 03-31-2012	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 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): 05-10-2012	

Project Indicators (This Quarter)

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

Overall the project is 20% complete. Total project expenditures are \$19,103,284 which includes \$12,919,898 in federal funds. These federal funds have supported a cumulative total of 157 full time equivalent jobs.

Purchase orders have been issued for all 13 planned construction segments and construction has started on 5 routes. By quarter end, 70 miles of conduit and 4 miles of fiber have been installed. Between CMS and the construction vendors, all fiber has been ordered. The construction vendors are beginning to receive fiber from the early orders. Eighty percent of the permits have been received. CMS has filed for the remaining permits and are working with the permitting authority to resolve issues with indemnification language within the agreements.

CMS submitted three route changes to address environmental restrictions, planned road construction and CAI changes.

In January, the sub recipient, Illinois State University (ISU), hired an architectural and engineering firm to complete a structural assessment on locations targeted for wireless towers. ISU expects to release a bid in August for all wireless equipment and installation.

In February, representatives from NTIA conducted a two day site visit. During the visit, NTIA representatives had the opportunity to visit construction activities associated with a lateral connection to a CAI, meet with the construction foreman, and talk with a high school that will be connected via fiber. As a follow-up, CMS submitted an updated CAI list and network mileage.

CMS and the sub recipient have secured commitments from 368 of 380 CAIs.

Work has begun on a video to track the construction progress and highlight the CAIs who will be benefiting from faster broadband speeds. The video will be posted on the project website and used in presentations and exhibits.

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 local match at the end of the quarter is 32.4% while the overall project requirement is a 35.8% local match. The approved project detailed budget identifies \$31M of \$34.4M local match applied to the construction activities. Q1-2012 is the first quarter construction expenditures were reported. The local match proportionality will increase as construction activities progress. CMS has submitted a match proportionality waiver that projects CMS to achieve the target match in 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	20	Baseline target is 42%. Previous PPR set a target of 19%. The actual spend is \$19,103,284. While the project is behind the baseline due to unanticipated delays with the Environmental Assessment and establishing construction contracts, the project is on schedule to be fully completed by the end of year three. In the revised project schedule provided to NTIA, CMS set a target for this quarter of 18%.
2b.	Environmental Assessment	96	Baseline target is 100%. In the revised project schedule provided to NTIA, CMS set a target of 99%. The EA is complete and a FONSI received. CMS has reserved an additional \$22,500 for EA work associated with pending route changes which resulted in a lower percent complete. The targeted spend was \$948,532 and actual spend was \$962,482.
2c.	Network Design	74	Baseline target is 100%. In the revised project schedule provided to NTIA, CMS set a target of 80%. The network design for the outside plant is complete. The sub recipient is working with its vendor on completion of the tower network design and inside plant design. The targeted spend was \$3,898,019 and actual spend was \$3,633,690. CMS forecasted spending an additional \$400,000 for network design associated with route changes. While some initial design work needed for AAR and EA

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			approvals is proceeding, final design work is pending NTIA approval of the requested changes.
2d.	Rights of Way	54	Baseline target is 100%. In the revised project schedule provided to NTIA, CMS set a target of 38%. The targeted spend was \$413,766 and actual spend was \$579,480. The difference is a result of better than anticipated progress made on securing permits this quarter.
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	8	Baseline target is 61%. In the revised project schedule provided to NTIA, CMS set a target of 8%.
2g.	Equipment Procurement	58	Baseline target is 46%. In the revised project schedule provided to NTIA, CMS set a target of 69%. CMS anticipated a cumulative spend of \$8,173,809. Actual spend was \$6,936,014. An additional \$987,489 of equipment was received during the quarter; however, the invoice was not paid until a few days past the end of the quarter.
2h.	Network Build (all components - owned, leased, IRU, etc)	8	Baseline target is 35%. In the revised project schedule provided to NTIA, CMS set a target of 5%. The targeted spend was \$3,360,530 and actual spend was \$6,044,369. Construction activities were ahead of schedule.
2i.	Equipment Deployment	5	Baseline target is 40%. In the revised project schedule provided to NTIA, CMS set a target of 7%. The targeted spend was \$51,864 and actual spend was \$31,527. An additional \$27,116 in work was performed but the invoice was not processed by the end of the quarter.
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	38	Baseline target is 40%. In the revised project schedule provided to NTIA, CMS set a target of 36%. CMS anticipated a cumulative spend of \$585,921. Actual spend was \$607,363. Most of the costs associated with this milestone are based on the number of hours non full-time contractual staff spend working on the project. The difference in projected versus actual is due to difficulties anticipating the exact number of hours that will be worked in a quarter.

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 made progress securing permits (over 80% complete). There are a handful of permits still under negotiation in order to remove indemnification language.

CMS has 3 Award Action Requests for route changes pending with NTIA. These changes are needed to address environmental restrictions, avoid planned road construction, and address CAI changes.

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	4	Baseline target is 114. In the revised project schedule provided to NTIA, CMS set a target of 24. During this quarter good progress was made on conduit installation (70 of 520 miles) while waiting for fiber deliveries. A small amount of fiber has been received from the early orders. The first delivery for the large fiber order is scheduled for April.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles leased	307	Baseline is 535. In the revised project schedule provided to NTIA, CMS set a target of 316. The overall number of leased project miles was reduced and the anticipated new build miles was increased. CMS has identified vendors for the remaining leases and is the the process of finalizing two contracts representing 35 miles and in negotiations with two additional vendors for 52 miles.
Existing network miles upgraded	0	Baseline target is 0. In the revised project schedule provided to NTIA, CMS set a target of 0.
Existing network miles leased	271	Baseline target is 441. In the revised project schedule provided to NTIA, CMS set a target of 271. The total existing leased miles has been recalculated to 297. 250 miles of existing, non-CMS, state fiber has been re-classified as new lease.
Number of miles of new fiber (aerial or underground)	4	Baseline target is 1,088. The baseline number included leased and new build. Per NTIA instructions, only new construction miles are being reported here.
Number of new wireless links	0	Baseline target is 0. The revised project schedule target is 0.
Number of new towers	0	Baseline target is 0. The revised project schedule target is 0.
Number of new and/or upgraded interconnection points	95	Baseline target is 61. The revised project schedule target is 95. The leased fiber includes more interconnection points then originally anticipated.

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	1
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
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

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	0	Since only a small portion of the network is operational, there are no subscribers at this time.
	Providers with signed agreements receiving improved access	0	Since only a small portion of the network is operational, there are no subscribers at this time.
	Providers with signed agreements receiving access to dark fiber	0	Since only a small portion of the network is operational, there are no subscribers at this time.
Community Anchor Institutions (including Government institutions)	Please identify the speed tiers that are available and the number of subscribers for each	0	Dark Fiber, Lambda/Wave Services, Ethernet Services ranging in speeds of 10 Mbps to 10 Gbps and Internet Services.
	Total subscribers served	7	The new leased fiber lit in 2011 positions these CAIs to connect at speeds up to 100 Mbps. Since only a small portion of the network (80 of 2,000 miles) is operational, the new service offerings are not available. Once fully deployed, these CAIs will realize a significant increase in broadband speeds as they move from 3-5 Mbps to 50-100 Mbps.
	Subscribers receiving new access	0	Since only a small portion of the network (80 of 2,000 miles) is operational, there are no subscribers at this time.
	Subscribers receiving improved access	7	Since only a small portion of the network (80 of 2,000 miles) is operational, there are no subscribers at this time.
Residential / Households	Please identify the speed tiers that are available and the number of subscribers for each	0	Dark Fiber, Lambda/Wave Services, Ethernet Services ranging in speeds of 10 Mbps to 10 Gbps and Internet Services.
	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.
Businesses	Please identify the speed tiers that are available and the number of subscribers for each	0	Dark Fiber, Lambda/Wave Services, Ethernet Services ranging in speeds of 10 Mbps to 10 Gbps and Internet Services.
	Entities passed	19,767	This represents the businesses near the leased fiber that is operational.
	Total subscribers served	0	Since only a small portion of the network (80 of 2,000 miles) is operational, there are no subscribers at this time.
	Subscribers receiving new access	0	Since only a small portion of the network (80 of 2,000 miles) is operational, there are no subscribers at this time.
	Subscribers receiving improved access	0	Since only a small portion of the network (80 of 2,000 miles) is operational, there are no subscribers at this time.

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
IL Dept of Transportation	Madison County	Other Govt	Yes	The site has been physically connected but has not migrated to the new service offerings.
IL State Police	Madison County	Other Govt	Yes	The site has been physically connected but has not migrated to the new service offerings.
IL Dept of Central Mgmt Services	Madison County	Other Govt	Yes	The site has been physically connected but has not migrated to the new service offerings.
IL Workers Compensation Commission	Sangamon County	Other Govt	Yes	The site has been physically connected but has not migrated to the new service offerings.
IL Dept of Human Services	Sangamon County	Other Govt	Yes	The site has been physically connected but has not migrated to the new service offerings.
IL Dept of Central Mgmt Services	Sangamon County	Other Govt	Yes	The site has been physically connected but has not migrated to the new service offerings.
IL State Board of Education	Sangamon County	Other Govt	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 \$31,003,984 which is 32% of the total project spend. The baseline projected a cumulative spend of \$65,597,477 or 68%. The revised project schedule submitted to NTIA has a target of \$31,547,045 or 33%. The difference between the baseline and revised project schedule are due to unanticipated time for the Environmental Assessment, delays in securing construction contracts, and fiber delivery delays. With contracts and orders in place for construction, over 80% of the permits secured, and a schedule for fiber deliveries the revised targets are realistic and align with completing the project by the end of year 3.

During the next quarter, construction will have started on all 13 planned segments. We anticipated securing most if not all of the permits and we will start to take delivery of fiber from the bulk fiber order.

CMS is working with the existing construction vendors on specifications for inside plant work and expects to place orders by the end of the quarter. The sub recipient plans to issue a bid for inside plant and award a contract by the end of the quarter.

The sub recipient's wireless A&E firm will continue their assessment of the tower location and will have bid documents prepared in mid August.

Key Performance Indicators for next quarter include:

New Network Miles Deployed - 90
 New Network Miles Leased - 340
 Total CAIs Connected - 8
 Signed Agreements with Wholesalers and/or Last Mile Providers - 1

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	32	Baseline target is 68%. The revised project schedule set a target of 33%. Fiber deployment is behind for a variety of reasons including unanticipated time needed for the Environmental Assessment, delays finalizing construction contracts, and fiber delivery delays. CMS has developed a revised project

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
			schedule considering all these factors. The revised schedule demonstrates completion by year three. The forecast for next quarter is \$543,988 less then the revised forecast which is less then 1%.
2b.	Environmental Assessment	98	Baseline target is 100%. The revised project schedule set a target of 99%. The forecasted cumulative spend is \$984,883 of \$1,007,144. The EA is complete and a FONSI received. Any additional spend in this milestone category will be associated with route changes.
2c.	Network Design	77	Baseline target is 100%. The revised project schedule set a target of 94%. The forecasted cumulative spend is \$3,756,690 of \$4,904,937. The network design for outside plant is complete. Spend for two of the three pending route changes is expected to be less then anticipated.
2d.	Rights of Way	54	Baseline target is 100%. The revised project schedule set a target of 88%. The forecasted cumulative spend is \$586,449 of \$1,076,929. The revised project schedule forecasted spend included \$200,000 for A/E on site observations which should have been mapped to the Network Build milestone. Based on this correction, the revised project scheduled target for this quarter is 69%. This leaves a difference of \$156,693. Costs for the remaining permit preparation is coming in at a cost lower then expected as are overall permit fees.
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	8	Baseline target is 61%. The revised project schedule set a target of 8%. Forecasted cumulative spend is \$308,362 of \$3,797,000.
2g.	Equipment Procurement	68	Baseline target is 46%. The revised project schedule set a target of 71%. Forecasted cumulative spend is \$8,041,408 of \$11,881,943. The variance is \$412,401 and attributable to optical cards that require fiber characterizations for pending fiber leases before ordering.
2h.	Network Build (all components - owned, leased, IRU, etc.)	23	Baseline target is 70%. The revised project schedule set a target of 22%. The forecasted cumulative spend is \$16,486,416 of \$71,400,252. CMS is expecting construction activities to meet or exceed the forecasted target.
2i.	Equipment Deployment	7	Baseline target is 60%. The revised project schedule set a target of 7%. Forecasted cumulative spend is \$51,864 of \$699,901.
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	49	Baseline target is 46%. The revised project schedule set a target of 49%. Forecasted cumulative spend is \$789,042 of \$1,613,923.

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).

Delays with fiber delivery have the greatest potential to impact projections for next quarter. CMS has received the first shipment from the fiber bulk order on schedule and the vendor has provided dates and quantities for the remaining shipments. CMS is working closely with the four contractors to maximize productivity by focusing on conduit installations and direct the early fiber deliveries to those locations scheduled for direct bury.

We are close to resolving issues with the indemnification language within remaining permits. However, if the negotiations linger the construction schedule could be affected.

CMS would like approval of the three route change requests by the end of the quarter in order for the construction crews to complete the work while working in the area.

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	\$1,144,170	\$216,428	\$927,742	\$1,230,761	\$222,637	\$1,008,124
b. Land, structures, right-of-ways, appraisals, etc.	\$1,862,000	\$1,512,000	\$350,000	\$0	\$0	\$0	\$0	\$0	\$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	\$4,599,436	\$0	\$4,599,436	\$4,962,251	\$0	\$4,962,251
e. Other architectural and engineering fees	\$600,000	\$0	\$600,000	\$31,527	\$0	\$31,527	\$51,864	\$0	\$51,864
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	\$308,362	\$0	\$308,362	\$308,362	\$0	\$308,362
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$63,338,112	\$30,000,000	\$33,338,112	\$3,793,811	\$3,739,320	\$54,491	\$14,018,447	\$12,463,956	\$1,554,491
j. Equipment	\$11,275,418	\$538,950	\$10,736,468	\$6,936,014	\$0	\$6,936,014	\$8,041,408	\$0	\$8,041,408
k. Miscellaneous	\$10,436,569	\$2,213,159	\$8,223,410	\$2,289,964	\$2,227,638	\$62,326	\$2,389,964	\$2,227,638	\$162,326
l. SUBTOTAL (add a through k)	\$96,382,028	\$34,486,746	\$61,895,282	\$19,103,284	\$6,183,386	\$12,919,898	\$31,003,057	\$14,914,231	\$16,088,826
m. Contingencies									
n. TOTALS (sum of l and m)	\$96,382,028	\$34,486,746	\$61,895,282	\$19,103,284	\$6,183,386	\$12,919,898	\$31,003,057	\$14,914,231	\$16,088,826

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: \$237,368
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