

Responsible Administrator Overview Report

DOLA EIAF Contract # 6832

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Region 9 Economic Development District

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The purpose of this document is to compile lessons learned, issues, what worked, what could have worked better, and what didn't work from the perspective of the Responsible Administrator that have had an effect on the SW Colorado Council of Government's (SWCCOG) Telecommunication project, the Southwest Colorado Access Network (SCAN).

1. Community Awareness of Telecommunications Issues and Motivation for Activism. Southwest Colorado has a long history of working to improve telecommunication infrastructure and broadband services due to its fundamental basis for economic development in today's world. Many of the key IT staff for some of the governments, and other individuals had worked together on the Beanpole project circa 2000. This prior work assisted the SCAN project in that many of the region's telecommunication issues and problems were known and there had already been extensive effort towards improving the situation, such as what had been done in Cortez and Durango/La Plata County. There was also a history of community involvement in the issues and efforts for improvement.

***Observations/Recommendations** – The crucial needs for telecommunications improvement were already recognized in SW Colorado and this contributed to the motivation and organization to apply for the SCAN project in December 2009. Educating the key stakeholders on the telecommunication issues and challenges is prerequisite to starting the motivation and organization to pursue solutions.*

2. Newly formed SWCCOG. While the process of forming a Southwest Council of Government had been in discussion for several years, it was the prospect of submitting this regional application to DOLA that was the final impetus leading to the formation of the SWCCOG. So in addition to the challenges of getting a newly formed COG up and going just for general purposes, there were the challenges of administering a large telecom grant that was breaking new territory about every step of the way.

***Observations/Recommendations** – Just the observation that in this case, the overall startup organizational demands were in addition to the implementation of the SCAN project, a major project in itself. Knowing the COG was in the early stages of its development, DOLA requested that Ed Morlan, the Region 9 Economic Development District Executive Director, serve as the responsible administrator for the grant. To some extent clear expectations, responsibilities, and authority were not delineated. Relying on a more seasoned organization may be an important success factor for new regional organizations executing complex telecommunications projects. Once an execution partner is selected, both organizations need to insist on well documented roles, responsibilities, expectations, and authority and on a mechanism to review and modify the same as the project develops and needs change. A seasoned organization can contribute significantly to the success of a complex regional telecommunications project if roles, responsibilities, expectations, and authority are clearly understood and agreed upon.*

3. Inter-Governmental Agreement (IGA) among COG members to participate in the Project. An Inter-Governmental Agreement (IGA) was required for participation in the Telecommunications Project.

Observations/Recommendations – Currently all but two IGAs have been returned. The two communities that have not yet returned a signed IGA are Dolores County and the Town of Rico.

4. Procurement of a Project Management/Engineering Firm. The COG developed a Request for Qualifications (RFQ) for a Project Management/Engineering Firm. A copy of the RFQ is in the Appendix as well as a copy of the Project Manager Selection Criteria. Rocky Mountain BidNet was used for advertising the bid. There were eleven (11) firms that submitted Statements of Qualifications. A committee of the SWCCOG conducted interviews and selected Mid-State Consultants, <http://www.mscon.com/>. Mid-State partnered with OHivey (<http://ohivey.com/about.php>), Paul Recanzone for strategic planning and conceptual network design.

Observations/Recommendations – In hindsight, there was a perception on the part of Mid-State, the firm selected, that the members (communities) of the COG were closer to construction ready than was actually the case. Cortez and Durango were construction ready but already had their own engineering. It would have been more effective to focus on the strategic planning and conceptual network design first before procuring the engineering firm.

5. Preliminary Infrastructure Needs Assessment. In preparation of the grant application, a preliminary infrastructure needs assessment and preliminary budget estimate to implement the network in each community was done on a limited time frame and budget with Manweiler and Associates. Then, due to circumstances of a perceived conflict of interest, Manweiler was not considered as a finalist in the selection of a project engineer. So what we had was budget estimates based on one engineer's solution which in many cases included wireless. Subsequently, the SWCCOG hired a different engineering firm with different solutions. It may have been more effective to have used the same engineering firm for both phases.

Observations/Recommendations – The SWCCOG needs assessment was to obtain ballpark numbers to base the grant application on. It would probably be more effective and efficient to spend more time and in depth analysis up front doing the needs assessment and preliminary design. Also it may be preferable to have the same engineering firm that did the preliminary analysis and design, assist with the final network design.

Additionally, a clear change management process should be implemented. Mid-State Consultants (MSC), the engineering firm selected to implement the project, initially understood their role to be one of implementing a fairly complete concept based on the Manweiler report. As MSC recognized the Manweiler report did not represent an agreed upon concept ready for execution, MSC should have created clear scope, schedule and budget baselines based on the Manweiler report and established a change management process that would ensure all stake holders were well informed and appropriately involved in the evolution of the project.

A preliminary study is critical to the success of a complex regional public telecommunications project. Just as critical is a process that keeps stake holders informed as the project matures.

6. Identifying Community Anchor Institutions (CAI). A major first step in the project was to identify which community anchor institutions (CAI) could potentially be connected to the network; their locations, and an estimate of their bandwidth needs. This involved producing maps of each community with the location of the community anchor institutions. An example of the Community Anchor Institutions (CAI) list and an example map is included in the Appendix.

Observations/Recommendations – *There was significant time spent on providing the preliminary draft maps to key stakeholders, getting feedback and going back and updating the maps. Using Google Earth has advantages to easily display each community.*

7. Identifying Contacts for Community Anchor Institutions. In addition to the physical location of the CAI, it is necessary to identify a person and their contact information for each CAI.

Observations/Recommendations – *Copies of the databases for the forms and information collected are available. This went relatively well in the project.*

8. Usage Surveys. Once the physical CAIs were identified and a key contact for each CAI was established, the next step was to conduct a Usage Survey. A survey form was developed and Survey Monkey was used to collect the information. The survey also included telecommunication costs.

Observations/Recommendations – *Copies of the survey forms and information collected are available. In some cases it took significant follow up to get the survey responses back. In some of the larger entities, it was a challenge to pull together all the telecommunication costs because they were spread out through many different departments. It would have been preferable to conduct a more in depth cost/benefit analysis of the project related to telecommunication costs but there were insufficient resources and expertise to the cost analysis.*

9. Diversity of Readiness among SWCCOG members. Cortez and Durango were ready to go with their projects but the other communities were in a much different place not knowing what they wanted to do specifically. The range of readiness and motivation for the project was a challenge.

Observations/Recommendations – *In any region, the range of readiness may vary greatly. Those communities that are more prepared than others to execute the project are typically always more ready. Larger communities are frequently called on to shoulder the burden of transportation, housing, conservation, and other regional projects. They must be prepared to take a lead role in the regional telecommunications project or willing to follow the lead of other communities in the region. Absent a willingness to work together to resolve the issues associated with the described readiness gap, regions should consider the less effective and efficient solution of several small community projects spread through time instead of a single regional project. Regional cooperation lends itself to efficient and effective telecommunications projects so long as communities cooperate through their differences in readiness for the project. Absent a willingness to cooperate, regions should develop a series of individual projects instead of a single regional project.*

10. Memorandum of Understanding (MOU) for participation in the Project. In addition to the COG member governments, other public institutions like schools, libraries, fire districts, etc., are possible customers of the network. The intent of this document was to introduce the concept to those potential customers and ask if they would like to participate. A copy of the MOU is included in the Appendix.

Observations/Recommendations – *This was a valuable tool to introduce the project although it was difficult to explain what services the network would offer and at what costs because it was so early in the process. The MOU really doesn't commit them to anything, just that they are interested.*

11. Regulatory Issues and Challenges. During the course of the project to date, the issues of SB 152 and other regulatory issues have demanded significant time and funds. The cost of an attorney opinion of entering into an agreement with EAGLE-Net which included addressing SB 152 and other regulations was significant. Early in the project, there was much discussion among the COG Board and staff about

the policies and serving which potential customers and how. There was also much COG Board and individual COG members time and effort spent on participating in both State and Federal legislative dialogue. The response time required keeping up with legislative hearings and testimony was a challenge.

Observations/Recommendations – *The legislature should reconsider the municipal telecommunications preemption policies implemented through SB 152. Municipal telecommunications projects may not be the right economic development and quality of life enhancing tools for every community or region. But some regions may consider them necessary. The state should be involved in providing the best tools to help each region develop as it sees fit. SB 152 simply takes tools away.*

Local projects must understand the law will not change without state legislative action; they are going to have to work within its constraints. Communities and regions should enter telecommunications projects with a clear and agreed upon understanding of what the law means to their project. A legal review should be a substantial component of the region's feasibility study.

12. Individual Community Design. As previously mentioned, the range of diversity of readiness, motivation, and circumstances among the communities was a challenge. It was attempted to establish a key community contact in each community for the telecom projects. Mostly these key contacts were the town or county managers with elected officials in some cases. This was more successful in some communities than others. Paul Recanzone with OHlvey, a sub-contractor to Mid-State Consultants, worked with each community to establish specific community objectives and to complete designs taking into consideration unique local circumstances. There were a number of meetings with Paul and local representatives to go over the designs and changes were made. However, when the specific routes were staked by Mid-State Consultants, in several cases the public works or local representative were unaware of the final routes or had concerns over the routes.

Observations/Recommendations – *Developing public telecommunications plans can be a tedious process. Most communities do not have the time and resources to involve their staff through every step of the process. The representatives selected to participate in the process must either have mechanisms in place to inform and collect the opinions of other concerned individuals or the authority to make decisions that will hold even if they are not unanimously consented to. The staking of the routes should have the full participation of local public work officials, the key community contact, and the personnel from the engineering firm staking the routes.*

13. Challenges of Group Procurement. The original concept had been that several communities could join together for procurement in installing the network. This had challenges due to the timing, different per unit bids in different communities.

Observations/Recommendations – *Either a regional procurement policy should be agreed to before the project begins or less effective and efficient individual community projects should be favored over a regional solution.*

14. Challenges of allocating Regional administration and construction costs. The DOLA contract essentially had two line items; Administration and Construction. In some cases the costs could be clearly allocated to a specific community but in some cases the costs were regional in nature and could not be allocated to a specific community. An allocation formula based on the percentage of what each community was budgeted to receive of the total grant. Also as the project progressed, it became

apparent that there was a need to establish an operational chart of accounts separate from the implementation part of the project.

Observations/Recommendations – *There were a number of challenges to the accounting. The allocation of regional costs to each community was to some extent unknown and made it difficult for local communities to budget for and some COG members resented the costs out of their control, especially Cortez and Durango that did not need the regional assistance as much as the smaller communities did. Project Approval forms were used to identify what costs were being requested to be reimbursed from the grant. Example in the Appendix.*

15. EAGLE-Net. In the early stages of the project there was an assumption that the SCAN project (Last Mile) would be able to partner with EAGLE-Net (Middle Mile) in the installation of the networks, sharing trenching and fiber installs. As the project progressed, none of the original assumptions came to fruition. The Responsible Administrator, Paul Recanzone and Dr. Rick Smith, SCAN General Manager as well as other COG member IT staff spent many hours trying to coordinate design and implementation with EAGLE-Net and its engineering contractor, G4S, to little added value to the SCAN project. For example, after months of discussion, EAGLE-Net eventually took the position that due to the requirements of their NTIA grant, they could not even share trenching, let alone sharing of conduit. There was significant loss of synergy and cost savings by not being able to work with EAGLE-Net. There was a Master Service Agreement signed between the COG and EAGLE-Net but this has not been used to date.

Observations/Recommendations – *Regional cooperation between multiple public and private projects can result in the most efficient deployment of telecommunications capital improvements eliminating much of the waste of duplicated efforts. The SCAN made some significant in-roads towards cooperating not only with the EAGLE-Net project but also with regional private network owners like FastTrack and USA Communications while the SCAN had a unified regional voice. When policy shifted (see the next point) and other regional telecommunications providers began to see the SCAN not as a single project but rather as several loosely integrated projects in the region, the SCAN lost much of its bargaining strength and mutually beneficial cooperation began to wane.*

Regional cooperation between multiple public and private projects can result in the most effective and efficient telecommunications deployment. If the regional project is taking the lead to coordinate cooperation, the regional project must first have a clear understanding of its own structure and objectives.

16. Evolving Policy. There was much time and effort put into developing policy alternatives for the operation and level of service offered. There were differing opinions of what exactly the policies were or should be.

Observations/Recommendations – *The SCAN's policy evolution is a direct result of the newly formed COG organization without history to build on. Regions engaging in complex telecommunications projects should clearly define and document their objectives with an understanding of the ramifications of these objectives.*

17. Relationships with Telecom Service Providers. During the course of the project, the relationship with different Telecom providers has evolved. FastTrack, for example, has come from the point of not considering any open access network connections to doing a partnership with the Town of Bayfield sharing fiber builds on any open access network basis. USA Communications has entered into a partnership with Pagosa Springs and Archuleta County to share network expansion costs.

Observations/Recommendations – *While there is still much work to be done, there has been progress with some vendors. It is important to keep working on these vendor relationships to improve communications and understanding. Centurylink has expressed some interest in network maintenance of the SCAN network.*

Appendix

- 1. Example of Inter-Governmental Agreement (IGA) among COG members participating in the Project**
 - *SWCCOG IGA 5-27-10.doc*
- 2. Request for Qualifications (RFQ) for a Project Management/Engineering Firm**
 - *RFQ FIBER NETWORK PROJECT MANAGER.doc*
- 3. Project Manager Selection Criteria**
 - *Proposal Criteria 7-6-2010.doc*
- 4. Example of Community Anchor Institution List**
 - *Telecom Consortium Contacts.xls*
- 5. Example of Community Google Earth Map & Summary**
 - *20120925 Bayfield.pdf n& Community Broadband Profile Durango .pdf*
- 6. Example of Community Anchor Institution Usage Survey Form**
 - *telecom usage survey.pdf*
- 7. Example of Memorandum of Understanding (MOU) for potential network participants**
 - *MOU template.DOC*
- 8. Example of Project Approval Form**
 - *SCAN Project Approval Form.doc*
- 9. Example of Cost Allocation Spreadsheet**
 - *Community Budgets – Revised WS 10-31-12.xls*
- 10. Copy of Master Service Agreement with EAGLE-Net**
 - *BUS CON Mutual Master Service Agreement (revised 4-18-12).doc*

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