



State of Delaware  
800 MHz Next Generation Meeting Minutes  
June 13, 2005

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**Attendees:**

Baker, Bryant – DTI	Ingram, Frank – DOE
Bower, Ronald – DOC	Oettel, William – DOC
Bryson, Charles – RCC	Patterson, Greg – Governor's Office
Cubbage, James – DVFA	Pedersen, Robert – DivComm
Dempsey, Richard – Kent County	Scoglietti, Bert - Budget
Domorod, James – Public Health	Seifert, Sharon – DTI
Dudlek, Joseph – DOC	Steele, Tom – Homeland Security
Gates, Robert – DivComm	Wessels, Joe – DEMA
Hersey-Miller, Lynn – DTI	

**Welcome – Greg Patterson**

**Goals:**

- Project Review
- Change Order Status
- NG Action, Consideration of CO-000, CO-028

**Agenda:**

- |                            |                |
|----------------------------|----------------|
| ▪ Status                   | Bryant Baker   |
| ○ Sites Giving Us Pause    |                |
| ○ AG Office Situation      |                |
| ▪ Change Order "000"       | Bryant Baker   |
| ▪ Summary and Next Meeting | Greg Patterson |

**Project Status**

- Overall – Stage 1 within budget, schedule slippage
  - DDR can be signed today; this is "CO-000"
  - Schedule to be repositioned for Stage 1; overall length of project will still not be effected
- Detailed Design Review (DDR)
  - Contractual issues with private tower owners, presently at a stand-still
  - Motorola submitted a change order (031) to approve DDR and provide an incentive of ~\$300K if all outstanding COs were approved, as-is
  - Of the \$15.4M budgeted FY05\*
  - Funding Expended to date: \$7.3M (no change from last report)
  - Total Remaining Funding Committed FY05: \$7.4M\*

- Project Contingency FY05: \$800K
- Above does not include Dover PD grant work

\*Does not consider Wilmington Grant amounts

### **VRS Project Activities:**

- 5 “Standard Installs” defined
  - Some Fire companies have mistook this to mean that there will only be 5 installations for the entire County
  - Bob Gates will be meeting with the Fire Chiefs, this Thursday, June 16 at Delmar to explain
- Installations need scheduling, including training and reprogramming
  - FCC licenses for the 6 VRS frequencies have NOT yet been approved
  - Meeting scheduled at SUSCOM on June 20, 2005 to define schedule

### **Wilmington**

- Change orders approved for Wilmington:
  - CO-021, Wilmington Dispatch equipment changes, approved (\$7K):
    - Eliminates Mixed Mode
    - Replace CRTs with flat-panel monitors
    - System Management terminal
  - Equipment room quote of \$130K still on hold
  - Landscaping for Rodney?
    - Committee may want to consider landscaping requested by Civic Association to smooth the path for zoning change
- DDR approval is next step

### **Wrangle Hill**

- Project team is recommending the State integrates this site:
  - Packaged with Laurel, Milford – State could save \$1M between these three sites
  - Quote from JG being prepared; they provided lowest-cost compliant proposal during RFP
  - Will require an emergency directive per State’s procurement law from Agency Head (or Governor)
  - Will request Motorola provide CO to eliminate civil work and non-radio/microwave equipment from this site and the other two
- DeIDOT MOA under review back at DeIDOT; project team unsure of their review status; effects all DeIDOT sites

Question, Greg Patterson: What is the risk of exposure if we award the contract to JG? Bryant replied that the greatest risk lies in the timing of this contract to fit into the scheduling of the overall project. We need to get the quote from JG and receive the change order from Motorola, before a decision can be considered.

Comment, Bob Pedersen: This could send a message to Motorola. This is above the contract price and we still have stages two and three to go.

### **Middletown**

- SHPO requested site location justification (to head off an FCC appeal) complete; Has been submitted to SHPO

### **North Talleyville**

- Clear Channel has changed their lease format

- They are presently modifying it to include the transfer of tower equipment
- Hopefully will also modify to remove the indemnification and insurance requirements per verbal agreement

### **Iron Hill**

- Cingular is requiring new foundation study due to added tower load.
  - Cingular could not handle a direct PO from the State to them for the engineering firm to do this work
  - Motorola is working on an ETA with them, no progress on the agreement to date
- Cingular lease still in review by their legal; one review cycle has been executed since previous meeting
  - they put the indemnification clause “to the maximum extent allowable by law” back in, and
  - per DAG direction, we took it out and resubmitted

### **Hockessin**

- Insurance Office has engaged underwriter and agent
  - IO has not been successful in getting the quote from the agent to date

### **Winterthur**

- On hold due to Global Signal situation
- Meeting with Museum went well
  - Several options exist/explored
  - Museum has asked us not to contact Global Signal about these options until the Museum does

### **RECOM**

- CO-005A is still at \$409K
- Incentive to reduce back down to \$380K wrapped into the site-by-site payment incentive
- Motorola’s “CO-031” will be revised

### **Christiana Towers**

- Critical path with UD is with insurance – underwriter quote for premium still outstanding

### **Kent**

- Milford (Stage 1)
  - Zoning approval obtained
  - This site is recommended to be integrated by the State to provide substantial savings to the project
- Dover (stage 2 and 4)
  - MOU between Dover and State executed when CO is approved
  - Seeking Committee approval for CO-028
    - CO value is \$557,264
    - All federal funds, relieves some Stage 4 funding burden

### **The motion was made and the committee voted to approve Change Order 028.**

- COPS grant for Stage 2 work in progress

### **Sussex**

- Laurel
  - Cost benefit by being integrated by State
  - Options (all three sites)
    - Motorola integrates, CO total value of \$2,262,187
    - State integrates, savings of \$500K - \$1M (TBD)
    - Private partnership with SBA
    - Lease tower space at WBOC at \$8K/month (Laurel only)

- Partnership and WBOC options will cost the State more in the long run, assuming 3% annual escalation:
  - Lease Year 1 -10 sub total: \$1,100,913
  - Lease Year 11 - 20 sub total: \$1,479,552
  - Lease Year 21 - 30 sub total: \$1,987,620
- Laurel Lease Total: \$4,568,085
- Similar Business Case can be made for Milford, Wrangle Hill

Comment, Bob Pedersen: The ideal locations of these three sites make the sites a good option for cellular companies to lease.

### **Attorney Requirements**

Attorney General's Office participation is back in the critical path.

- Additional resource assigned, however no improvement in lease signing "record."
- Activities had "restarted," just before the previous meeting; at this time there are still outstanding deliverables
  - UD – review of lease
  - Conectiv – implementing Insurance language into lease
  - American Tower (Pike Creek) – determine if new lease is needed

Question, Jim Cabbage: Do we have a direct name to call? Bryant: Larry Lewis was actively communicating.

Comment, Greg Patterson: He was on the phone with the AG's office again this morning and hopefully they will improve their participation. If participation from the AG's office does not improve, the Committee may have to proceed without their guidance.

- Project team has requested that the AG work directly with the private site owner attorneys to resolve indemnification, insurance language issues:
  - Business issues regarding these leases have been agreed-to (e.g., lease amounts, up-front payments for site improvement, etc.)
  - Legal issues have not been settled.
  - Previous attempt to hire a private firm for lease execution resisted by Attorney General's Office
  - DTI cannot represent the State's legal issues
  - Attorney-attorney interface without DTI as go-between:
    - increases communications,
    - allows for quick negotiations and resolution,
    - allows for project team to focus on project issues
- Uncertain that the AG is receptive to not continue using the project team as go-between

### **Change Orders**

CO-000 (DDR signing) up for recommendation from Committee

- Zero-additional-value CO, incorporates all DDR changes as part of Contract.
- To date, the State has not approved the Detailed Design Review due to the risk that any one of these sites will not be deployed.
  - If a site "falls through" due to the lack of a contract and the State has approved the DDR, Motorola is off the hook to meet system design specifications for Stage 1, e.g., with coverage, link budgets, etc.

- Every effort will be made to find alternative sites in lieu of the approved design; however this will set the project schedule back significantly.
- In addition to the aforementioned risk, the lack of progress on these sites' lease contracts has caused schedule delays in the implementation of Stage 1.
  - UD, for example, has indicated that we accomplish our construction during the summer to minimize student exposure.
  - As time passes, risk increases to police, fire, EMS personnel, event-by-event, without the in-building coverage.
- Frequency risk abated with RCC study showing level of impingement on adjacent regions
  - Our system design complies with FCC contour level requirements
  - Region 20 has had our request for a letter of concurrence; 15 June will be the 60<sup>th</sup> day they have had this request
- Motorola intends to charge us at a rate of \$8K/day for delays
  - Motorola claim effective date of 15 January per original contract schedule for DDR approval, total claim to be in excess of \$650K
  - More work for the AG's office to review their claim and interface with Motorola regarding this "settlement."
  - Approval of DDR will change the schedule, potentially nullifying their claim.
- Committee Consideration for CO-000
  - Project Team recommends approval
    - Risks of "staying put" until risk-free is greater than moving forward
- Allows Motorola to place equipment orders, takes 30 days
  - With considerable focus and cooperation, we will be able to get sites nailed down within this time, considerably reducing the risks we face today.

Question, Richard Dempsey: Is there a cut-off date for negotiations on tower sites? Bryant: No. The AG's Office needs to interface to resolve tower site issues.

Question, Joe Wessels: Am I correct in understanding that we should have signed DDR on Jan 15? Bryant: Yes. Motorola has threatened to charge the State \$8,000 a day.

Comment, Charles Bryson: Motorola has contributed to the delay process, but we do need to move ahead.

➤ **Action item: Tom Steele asked Bryant to forward him the due dates.**

Question, Joe Wessels: Bryant, in your opinion what has been the top three (3) reasons for delay. Bryant: 1) getting through the DDR, 2) site acquisition, 3) Motorola's MOA for DDR-to-roll in site by site payment for CO's. They keep submitting change orders.

Question, Joe Wessels: Will the equipment technology be the same for future stages? Bryant: The equipment will be the same in Stage 2 and 3. Keep in mind that a DDR will need to be done for both stages.

Question, Joe Wessels: How have all the delays affected the project? Bryant: Stage 1 will be delayed, but the overall project is still on track.

Comments, Bob Pedersen: He sees three (3) main issues. 1) No FCC licenses in New Castle County, 2) No Leases. The lawyers need to agree, or we go the plan B and build the tower, which is expensive, 3) The legal issues in the MOU. We need to break the cycle of

going back and forth on legal issues. Maybe the best way to break the cycle is to approve Change Order 000.

Question, Joe Wessels: Does the change order include the three (3) sites? Bryant: Yes, the sites are a separate change order.

**Jim Cabbage made the motion and the committee voted to approve Change Order 000.**

- **Next Meeting: Tuesday, July 12, 2005, 10:00 am, Governor's Conference Room, Tatnall**