

Guidelines for Preparing a Cost Estimate

Introduction

The purpose of this document is to provide 800 MHz incumbent licensees with guidelines for preparing the Cost Estimate that you must submit to Sprint to request reconfiguration funding. The Cost Estimate defines in detail all costs required to reconfigure your system. The 800 MHz Transition Administrator, LLC (TA) requires that a Cost Estimate be prepared prior to beginning negotiations of a Frequency Reconfiguration Agreement (FRA) with Sprint. After you have completed your FRA negotiations, the agreed-upon Cost Estimate and associated Statement(s) of Work should be attached as Schedule C to the FRA.

This document sets forth the minimum level of detail for the applicable tasks and costs that should be provided in your initial Cost Estimate requesting reconfiguration funding. Providing this level of detail should supply the TA with the information that it needs to effectively review Schedule C of your FRA and to verify if it contains reasonable and prudent expenses directly related to the retuning of an 800 MHz system, as required by the Federal Communications Commission (FCC). Licensees are required to certify that the expenses are the “minimum necessary” to provide facilities comparable to those presently in use.

Prior to negotiating an FRA with Sprint, identify all of the tasks required to accomplish the reconfiguration of your system, obtain cost estimate(s) from your vendor(s), and assemble any other costs you may incur internally during reconfiguration. The first step is to identify all of the tasks required to accomplish the reconfiguration. After obtaining cost estimates from any vendors and assembling your internal costs, categorize and itemize your costs according to the guidance provided in this document. Enter this data into the Cost Estimate and use it in your discussions and negotiations with Sprint.

Because the tasks listed below are not applicable to all reconfigurations, licensees are not likely to have costs for all categories of tasks in the Cost Estimate and it is not necessary to include costs for each item listed below. The costs proposed in the Cost Estimate must be negotiated with Sprint. You should discuss during negotiations why the tasks are necessary. During these negotiations Sprint may request additional detail. Once an agreement is reached, a licensee is required to certify in the FRA that the costs are the minimum necessary to provide facilities comparable to those presently in use.

After you reach an agreement with Sprint, the FRA is submitted to the TA for review and approval. For each reconfiguration task and associated cost, the TA will review the details provided to determine whether the tasks identified and the associated costs are reasonable and prudent and required to provide comparable facilities. For each reconfiguration task and subtask with associated costs, the TA requests cost detail to include:

- A clear description of goods and services
- Level of effort by type of resource (typically person hours. For example, 1 person for 4 hours per site)
- Labor rate by type of resource (typically \$/hour)
- Per unit costs, if appropriate (typically \$/radio retuned)
- Payee (incumbent or vendor name)

Prepare a Cost Estimate based on the detailed instructions provided below. The TA has provided a Cost Estimate template available on the TA's website at [http://www.800TA.org/content/resources/Cost_Estimate_\(Schedule_C\)_Form.doc](http://www.800TA.org/content/resources/Cost_Estimate_(Schedule_C)_Form.doc).

Reconfiguration Overview

1. System Description

Describe your 800 MHz radio system including manufacturer(s) and type of infrastructure. Describe any aspects of the system or operating environment that require special rebanding techniques. For example, if you will require temporary or loaned equipment, describe the reasons why this is necessary.

In addition, summarize the major system elements.

	Total In System	Total Included in FRA
Base station frequencies		
- Voice channels		
- Home/Control channels		
Repeater sites		
Other sites (remote receiver, BDA)		
Subscriber units retuned		
Subscriber units reprogrammed		
Subscriber units replaced		
Entities operating on the system		

2. Reconfiguration Milestones

Identify the anticipated start date of the overall reconfiguration of your system (Project Start). Then, for each major reconfiguration milestone listed in the table below, provide (1) the anticipated number of days after project start date required to begin execution of the task identified, and (2) the estimated duration in number of days required to complete the task identified. If your system is large or complex, requiring reconfiguration in phases, you are encouraged to submit a more detailed schedule or Gantt chart.

As an FRA is negotiated, it is not always possible to know an actual start date for specific reconfiguration tasks. In such a case, it is acceptable to forecast an estimated start date from execution of the FRA (*i.e.*, "contract execution + xx days") and estimate the duration of each task.



Reconfiguration Task	Start Date	# of Days After Project Start Date for Start of Task	Estimated Duration in # of Days
Project Start			
Reconfiguration Planning			
Reconfigure Subscriber Equipment			
Reconfigure Infrastructure Equipment			
System Acceptance			

All reconfiguration implementations must be completed by June 26, 2008 in order to fall within the 36-month schedule established by the FCC's 800 MHz Report and Order, as may be amended from time to time. Refer to the latest version of the Reconfiguration Handbook (available on the TA's website) for additional guidance related to specific completion dates for reconfiguration implementation for each Wave and Stage. If you propose a completion date past the deadline for your specific Wave and Stage, you must provide the justification for the requested schedule extension.

3. Implementation Plan

If a Planning Funding Agreement (PFA) was entered into with Sprint, attach the Implementation Plan and associated deliverables that describe the reconfiguration implementation plan resulting from funds expended under the PFA. If you did not enter into PFA, this information is not required.

4. Cost Estimate

There are several categories of tasks for which licensees may want to include costs in the Cost Estimate: Subscriber Equipment Reconfiguration, Infrastructure Equipment Reconfiguration, Engineering and Verification, Contracts and Legal, and Other Costs. Additional detail about these categories appears below.

If certain reconfiguration tasks are subject to substantial uncertainty, the licensee may request and negotiate contingency funding with Sprint. If contingency funding is agreed upon, the amount of the contingency should be identified as a line-item and the potential uncertainty associated with the contingency funding should be described on the Schedule C. In order to receive payment of contingency funds, the licensee will need to submit appropriate supporting documentation to Sprint.

I. Subscriber Equipment Reconfiguration

List the tasks and itemize the costs required to reconfigure subscriber equipment. Provide hours and labor rates or unit costs (e.g., \$/radio). Review the TA's Incumbent Labor Reimbursement Policy for guidance regarding how internal labor costs will be reimbursed:

http://www.800TA.org/content/resources/Incumbent_Labor_Reimbursement_Policy.pdf.

A. Subscriber Equipment Reconfiguration

Describe the tasks and itemize the costs for reconfiguring subscriber and related equipment. For each equipment model, indicate the reconfiguration method (e.g., retune, reprogram, or replace) and the cost.

If radio replacement is proposed, specify the model requiring replacement as well as the model of the proposed replacement.

If subscriber reconfiguration requires uninstalling and/or reinstalling mobile equipment in vehicles, itemize the installation-related costs.

In the subscriber equipment section, include fixed dispatch consoles, call boxes, SCADA terminals, and any other special equipment, as appropriate.

If reconfiguring subscriber equipment requires touching units more than once, describe why this approach is necessary to provide comparable facilities.

B. Project Management

Describe the specific tasks and itemize the costs, if any, associated with managing and administering the reconfiguration of subscriber equipment.

C. Travel Costs

Travel costs are often included in the per unit cost to reconfigure subscriber equipment. If you propose to itemize travel costs separately, please identify the mode of travel and estimate the number of trips, average mileage, time per trip, labor rate and the likely number of units reconfigured per trip. If the job requires air travel, then estimate airfare, hotel expenses, and per diem.

Please note that vendor travel costs can only be itemized if this business practice existed previously between the licensee and this vendor.

II. Infrastructure Equipment Reconfiguration

Describe the tasks and itemize the costs required to reconfigure fixed network equipment and associated facilities.

A. Central Site Infrastructure

Describe the tasks and itemize the costs, if any, associated with reconfiguring central site equipment including control systems and network management systems, as appropriate. Please explain any special rebanding requirements that are unique to your system.

B. Repeater Site Infrastructure

Describe the tasks and itemize the costs associated with reconfiguring each repeater site. Identify any infrastructure equipment requiring replacement, including model numbers, and



describe why replacement is necessary to provide comparable facilities. Examples of tasks in this category include:

- Pre-retune and post-retune site verification and test
- Installation and removal of loaner or replacement equipment
- Reconfiguration of trunking controllers
- Reconfiguration of repeaters and auxiliary receivers
- Reconfiguration of transmit combiners, receive multicouplers, tower top amplifiers, antennas, and feedline elements
- Reconfiguration of bi-directional amplifiers
- Other repeater or distributed infrastructure components

C. Miscellaneous Components

Describe miscellaneous components and parts required to support infrastructure reconfiguration including quantities and costs:

- Channel elements & code plugs
- Cables
- Other components

D. Project Management

Describe the specific tasks and costs, if any, associated with managing and administering the reconfiguration of infrastructure equipment.

E. Travel Costs

Describe the travel costs, if any, required for the reconfiguration of infrastructure equipment. Identify the mode of travel and estimate the number of trips, average mileage, time per trip, and labor rates. If the job requires air travel, then estimate airfare, hotel expenses, and per diem.

III. Engineering and Verification

Describe the tasks and itemize the costs, if any, associated with system-wide planning, engineering and verification.

A. Planning Costs, If Required

You may include planning costs in the FRA instead of negotiating a separate PFA with Sprint. If planning costs are included in the FRA, describe the tasks and itemize all costs for planning work at a level of detail consistent with the instructions for the Request for Planning Funding Form. Forms and Instructions for completing an RFPF are available on the TA's web site at http://www.800TA.org/content/resources/RFPF_Form.doc and http://www.800TA.org/content/resources/RFPF_Instructions.pdf.



A1. Frequency Analysis

For the Frequency Analysis section of the Cost Estimate, refer to Section 2.0 of the RFPF instructions for guidance regarding the tasks and costs to itemize.

A2. System Inventory

For the System Inventory section of the Cost Estimate, refer to Section 3.0 of the RFPF instructions for guidance regarding the tasks and costs to itemize.

A3. Implementation Plan

For the Implementation Plan section of the Cost Estimate, refer to Section 2.0 of the RFPF instructions for guidance regarding the tasks and costs to itemize.

B. System Verification

Describe the tasks and itemize the costs, if any, associated with system benchmarking and acceptance testing. Describe the coverage testing methodology to be performed pursuant to TA guidance. A fact sheet regarding coverage testing is available on the TA's website at: http://www.800TA.org/content/resources/Coverage_Testing_Fact_Sheet.pdf.

IV. Contracts and Legal

A. Legal Fees to Negotiate FRA

Describe the specific tasks, resources, and costs associated with FRA contract development and negotiations. Costs associated with mediation should be listed separately under "Other Legal Fees."

B. FCC Licensing Work

Describe the tasks associated with FCC licensing and other regulatory requirements and filings, if any.

C. Other Legal Fees

Describe the specific tasks and costs for any other legal fees.

V. Other Costs

Describe the tasks and itemize the costs for any other items required to provide comparable facilities.

A. Other Project Management

Describe the tasks and itemize the costs associated with overall project management and administration not directly associated with Subscriber or Infrastructure Equipment Reconfiguration.

For travel associated with this category of costs, the description should include at a minimum *for each trip*, the *type of resource traveling* (i.e., Project Manager, System Engineer, System Technologist, etc.), the *purpose* of the trip(s), and a summary level *description of tasks* expected to be performed on the trip.

B. Taxes

If applicable, describe taxes associated with reconfiguration work and equipment and itemize the costs.

The TA reminds licensees that representations made to the TA are held to the same requirement of truth and candor as representations made to the FCC.

About the 800 MHz Transition Administrator

800 MHz Transition Administrator, LLC ("TA LLC") is the Transition Administrator ("TA") for the reconfiguration of the 800 MHz band mandated by the Federal Communications Commission ("FCC"). TA LLC has contracted with Deloitte Consulting LLP, Squire Sanders (US) LLP, and Baseline Wireless Services, LLC, to perform the duties of the TA. Among its duties, the TA establishes reconfiguration guidelines, specifies replacement channels, reviews reconfiguration cost estimates, monitors payment of reconfiguration costs, manages the relocation schedule, facilitates issue resolution and administers the alternative dispute resolution process. TA LLC uses information it receives solely for the purposes of administering the 800 MHz reconfiguration process and may disclose such information to the FCC or other authorized parties pursuant to the requirements of the 800 MHz Order or other applicable laws.