



Cost Metrics for Licensee Planning Funding

To assist those Public Safety licensees that still require Planning Funding with the preparation of planning cost estimates, and to expedite the process of negotiating Planning Funding Agreements with Sprint Nextel, the 800 MHz Transition Administrator, LLC (TA) is making available a set of cost metrics that identify typical licensee planning costs and rates based on system size. These metrics were gathered from 563 Planning Funding Agreements (PFAs) approved as of June 30, 2013 (including amendments where applicable) and include:

- Typical incumbent and vendor costs, expressed as medians and percentiles for the five major categories of work found in all PFAs: Frequency Analysis, System Inventory, Engineering & Implementation Planning, Legal Support and Project Management;
- Typical incumbent and vendor labor rates for these five work categories; and
- Typical distributions of incumbent and vendor costs across all work categories.

The TA expects that this information should prove beneficial to stakeholders in expediting the preparation and negotiation of Planning Funding requests. This data is provided for information purposes only. Licensee costs can and do vary according to a number of factors. The TA reviews all licensee cost estimates and will approve any reasonable and prudent expenses directly related to the reconfiguration of the licensee's 800 MHz system. Licensees must certify that all of their costs reflect the "minimum necessary" to provide facilities comparable to those presently in use. For additional information, visit the TA website www.800TA.org or contact the TA via phone at 1-888-800-8220 or via email at comments@800TA.org.

Section I: Median Costs and Percentiles by Planning Cost Category

Median licensee costs and percentiles are provided in four tables below for each of the five major categories of work found in all Planning Funding Agreements: Frequency Analysis, System Inventory, Engineering & Implementation Planning, Legal Support and Project Management. These costs are further segregated by system size expressed as the approximate number of subscriber units in the system, determined per the guidelines provided in the TA's Fast Track guidance published June 15, 2006. Six ranges of system size are provided; for each range, the median value – that is, the value that is precisely in the middle of the set of costs reviewed and approved by the TA – the 25th percentile and the 75th percentile are provided for each category of planning work. The 25th and 75th percentiles identify the range around the median within which 50% of the population falls. Thus, 25% of the population had a value less than the 25th percentile and 25% had a value greater than the 75th percentile. Note that in some cases the median value is zero, meaning that more than half of the licensees in that range did not request funding in that particular category. Separate tables for total planning costs, incumbent labor costs (i.e., work performed directly by licensee staff) and vendor costs are provided.

Table 1.a: Median Planning Costs and Cost Ranges By Number Of Units In The System

# of Units	# of PFAs	# of Amendments since 6/30/2013	Planning Costs		
			25th Percentile	Median	75th Percentile
1-500	105	0	\$24,489	\$37,412	\$57,103
501-1000	114	2	\$44,818	\$68,140	\$98,385
1001-2000	136	8	\$67,474	\$100,591	\$137,101
2001-4000	103	7	\$113,813	\$178,727	\$249,165
4001-6000	34	1	\$182,185	\$225,599	\$349,314
6001-10000	39	2	\$213,541	\$356,525	\$505,244
>10000	32	4	\$472,988	\$863,620	\$1,257,643

Table 1. b: Median Incumbent Costs and Cost Ranges By Planning Cost Category

# of Units	Incumbent Frequency Analysis			Incumbent System Inventory			Incumbent Engineering & Implementation		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
1-500	\$0	\$0	\$167	\$0	\$304	\$1,211	\$0	\$280	\$1,500
501-1000	\$0	\$0	\$265	\$267	\$1,420	\$3,139	\$0	\$1,213	\$2,774
1001-2000	\$0	\$178	\$595	\$592	\$2,013	\$4,854	\$0	\$2,164	\$4,877
2001-4000	\$0	\$360	\$1,345	\$1,680	\$4,211	\$8,120	\$1,132	\$5,104	\$9,785
4001-6000	\$0	\$765	\$2,233	\$2,268	\$7,280	\$14,456	\$3,230	\$8,258	\$15,493
6001-10000	\$120	\$1,400	\$3,069	\$2,215	\$10,720	\$29,645	\$955	\$9,953	\$26,981
>10000	\$1,025	\$6,121	\$13,039	\$12,360	\$29,374	\$58,734	\$12,892	\$32,792	\$107,448
# of Units	Incumbent Legal			Incumbent Project Management			Incumbent Other		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
1-500	\$0	\$495	\$1,769	\$0	\$958	\$2,210	\$0	\$0	\$0
501-1000	\$56	\$1,481	\$2,651	\$743	\$2,156	\$4,149	\$0	\$0	\$220
1001-2000	\$0	\$1,008	\$3,049	\$815	\$3,122	\$6,932	\$0	\$0	\$1,463
2001-4000	\$172	\$1,900	\$3,455	\$1,952	\$4,953	\$10,383	\$0	\$0	\$521
4001-6000	\$706	\$2,391	\$5,950	\$3,785	\$6,980	\$11,338	\$0	\$0	\$0
6001-10000	\$0	\$1,671	\$4,655	\$2,249	\$11,715	\$24,075	\$0	\$0	\$2,657
>10000	\$1,259	\$4,718	\$17,250	\$9,358	\$22,229	\$92,662	\$0	\$0	\$4,881

Table 1. c: Median Vendor Costs and Cost Ranges By Planning Cost Category

# of Units	Vendor Frequency Analysis			Vendor System Inventory			Vendor Engineering & Implementation		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
1-500	\$780	\$1,750	\$2,896	\$1,429	\$3,070	\$4,651	\$7,175	\$11,550	\$17,547
501-1000	\$1,925	\$2,975	\$4,709	\$3,821	\$7,033	\$9,557	\$11,484	\$19,006	\$28,734
1001-2000	\$2,450	\$4,375	\$8,626	\$6,789	\$9,483	\$15,557	\$16,756	\$28,201	\$40,312
2001-4000	\$4,758	\$8,575	\$14,452	\$13,214	\$20,664	\$30,243	\$31,720	\$48,736	\$75,055
4001-6000	\$8,849	\$12,800	\$19,398	\$26,116	\$34,458	\$59,172	\$41,408	\$65,592	\$85,760
6001-10000	\$11,200	\$15,750	\$22,975	\$25,634	\$39,896	\$64,931	\$64,693	\$99,409	\$157,388
>10000	\$16,564	\$42,988	\$99,671	\$45,998	\$94,864	\$138,855	\$108,413	\$175,200	\$316,067
# of Units	Vendor Legal			Vendor Project Management			Vendor Other		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
1-500	\$0	\$2,100	\$7,875	\$7,875	\$11,200	\$17,538	\$0	\$0	\$0
501-1000	\$0	\$3,075	\$9,900	\$11,577	\$20,060	\$31,500	\$0	\$0	\$4,980
1001-2000	\$0	\$7,350	\$17,000	\$14,090	\$27,066	\$39,422	\$0	\$0	\$6,365
2001-4000	\$0	\$10,350	\$22,900	\$27,178	\$44,150	\$64,739	\$0	\$0	\$9,088
4001-6000	\$9,930	\$16,613	\$22,375	\$34,481	\$46,910	\$88,044	\$0	\$4,288	\$28,126
6001-10000	\$2,000	\$18,460	\$40,021	\$44,238	\$65,902	\$97,691	\$0	\$0	\$34,163
>10000	\$3,969	\$24,393	\$53,910	\$46,331	\$117,234	\$239,117	\$0	\$9,650	\$29,083

The following Table 1.d provides Median, 25th and 75th percentiles for total combined Incumbent and Vendor costs for the same cost categories as Tables 1.b and 1.c above.

Table 1. d: Median Incumbent & Vendor Costs and Cost Ranges By Planning Cost Category

# of Units	Vendor & Incumbent Frequency Analysis			Vendor & Incumbent System Inventory			Vendor & Incumbent Engineering & Implementation		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
1-500	\$1,050	\$1,925	\$3,120	\$1,773	\$3,427	\$5,756	\$7,652	\$12,171	\$19,020
501-1000	\$2,025	\$3,235	\$5,075	\$5,386	\$8,546	\$12,221	\$13,967	\$20,618	\$32,194
1001-2000	\$2,600	\$4,639	\$9,559	\$8,812	\$13,508	\$20,367	\$19,033	\$30,512	\$47,381
2001-4000	\$5,163	\$9,450	\$14,937	\$16,040	\$25,857	\$39,683	\$37,518	\$54,606	\$86,995
4001-6000	\$10,299	\$13,735	\$24,159	\$33,136	\$48,436	\$70,421	\$52,980	\$72,170	\$101,089
6001-10000	\$14,175	\$19,345	\$28,140	\$33,256	\$58,415	\$91,907	\$69,305	\$114,862	\$202,824
>10000	\$27,129	\$55,868	\$104,021	\$68,732	\$135,717	\$183,650	\$154,795	\$256,185	\$399,149
# of Units	Vendor & Incumbent Legal			Vendor & Incumbent Project Management			Vendor & Incumbent Other		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
1-500	\$980	\$2,500	\$8,400	\$8,550	\$12,738	\$19,728	\$0	\$0	\$0
501-1000	\$2,028	\$5,239	\$10,869	\$13,948	\$22,126	\$36,308	\$0	\$0	\$6,339
1001-2000	\$3,371	\$9,164	\$19,885	\$15,869	\$31,084	\$47,477	\$0	\$0	\$7,398
2001-4000	\$4,480	\$12,250	\$25,438	\$32,384	\$50,790	\$74,681	\$0	\$0	\$13,388
4001-6000	\$12,689	\$18,225	\$27,219	\$44,855	\$53,830	\$100,230	\$0	\$4,918	\$28,126
6001-10000	\$8,779	\$24,549	\$40,622	\$57,739	\$85,393	\$123,370	\$0	\$1,050	\$36,246
>10000	\$15,746	\$42,860	\$61,569	\$82,155	\$193,633	\$342,405	\$0	\$12,112	\$47,888

Section II: Median Labor Rates by Planning Work Category Median incumbent and vendor labor rates are provided in the table below for each of the five planning work categories.

Table 2: Median Incumbent and Vendor Rates (Hourly) By Planning Cost Category

	Frequency Analysis	System Inventory	Engineering & Implementation	Legal	Project Management
Median Incumbent Rate	\$53	\$49	\$54	\$100	\$53
Median Vendor Rate	\$175	\$165	\$175	\$384	\$175

Section III: Distribution of Costs by Planning Work Category for Incumbent and Vendor The distribution of incumbent and vendor costs across planning work categories is provided in the table below, both as a percentage of the total costs in a Planning Funding Agreement and as a percentage of the incumbent's or vendor's total costs. Note that on average, vendors tend to account for roughly 82% of Planning Funding costs, whereas incumbents tend to account for 18%.

Planning Cost Category	Incumbent Costs as % of Total Costs	Vendor Costs as % of Total Costs	Incumbent Costs as % of Total Incumbent Costs	Vendor Costs as % of Total Vendor Costs
FA	0.8%	5.6%	4.4%	6.9%
SI	4.4%	12.2%	23.7%	14.9%
E&I	5.0%	27.4%	27.3%	33.6%
Legal	1.7%	7.6%	9.2%	9.4%
PM	5.6%	23.8%	30.1%	29.2%
Other	1.0%	4.9%	5.3%	6.1%
Total	18.5%	81.5%	100.0%	100.0%