



From the desk of County Manager Ryan Barrett

Connie Rivera, State Broadband Office Infrastructure and Finance Manager
Washington State Department of Commerce, Broadband Office
connie.rivera@commerce.wa.gov

April 5, 2024

Subject: Request for Additional Funding for Winlock FTTP Project

Dear Connie Rivera,

I am writing to formally request additional funding for the Winlock Fiber-to-the-Premises (FTTP) project in Lewis County, in accordance with section 6.14 of the Washington State Broadband Office (WSBO) Infrastructure Acceleration Grants Handbook regarding Additional Funding Needs for Projects.

Our project, like many others initiated in the past four years, has encountered unforeseen escalations in material and associated labor costs. During the application process, engineering and construction budgets were built based on similar projects in terms of size, scope, and geography. However, since then, our industry has struggled with unprecedented challenges, leading to higher inflationary pressures. These pressures stem from various factors, including increased costs for fiber optic cable and other construction materials such as handholes, pedestals, and splice cases, driven by supply chain disruptions and heightened broadband investments linked to large carrier 5G wireless buildouts, FCC auctions, state grant programs, and pandemic-related funding (CARES, etc.). Compounding these challenges is a severe labor shortage, significantly impacting the construction industry nationwide.

To ensure the fulfillment of our original contract's scope of work and to effectively serve the residents of Lewis County, additional funding is imperative.

In support of our request, I have enclosed all necessary documentation, including construction bid tabulations, material estimates, engineering costs, and the finalized construction contract amount for Phase 2 of the project. It's worth noting that the bids exceeded the initial estimates outlined in our grant application, as the original budget was developed in late 2021. At that time, costs were calculated based on labor and material expenses from recent projects prior to 2021.

Although ToledoTel accounted for annual cost increases in our projections, the unforeseen double-digit inflation since the budget's creation underscores the need for additional support.

In accordance with the provisions outlined in the WSBO Infrastructure Acceleration Grants Handbook, we are requesting additional funding. The revised project total, including the most recent bid for the final phase, is estimated at \$29,802,912, reflecting an increase of \$3,952,912 from our original projection of \$25,850,000.

We respectfully request an additional \$3,593,556 in grant funds from the State Broadband Office to ensure the successful completion of this critical project in our community. ToledoTel is committed to adjusting its matching contribution from \$2,350,000 to \$2,709,355 to align with the program's requirements.

We remain committed to upholding the agreed-upon scope of work outlined in our original contract.

Thank you for your attention to this matter and your consideration for additional funding. Should further documentation be required, please do not hesitate to contact me at 360-740-2697 or ryan.barrett@lewiscountywa.gov or the Broadband Project Coordinator, Becky Butler at 360-740-1198 or becky.butler@lewiscountywa.gov.

Best regards,

A handwritten signature in blue ink, appearing to read "R Barrett", with a stylized flourish at the end.

Ryan Barrett
County Manager
Lewis County, Washington

Cost Category	Original Project Amount Per Grant Contract	Revised Total Project Amount	Amount Requested	Comments
Site Acquisition	0			
Architecture, Engineering, Permits	\$3,500,000.00	3,200,000.00	(300,000.00)	Total amount of VPS contract
Design contingency	\$50,000.00	-	(50,000.00)	Included in VPS Contract
Construction	\$18,950,000.00	24,292,912.00	5,342,912.00	Includes both RBC Contract Amounts
Construction contingency	\$1,000,000.00	-	(1,000,000.00)	
Construction Management	2,245,000.00	2,245,000.00	-	Includes LC & ToledoTel Technical Oversight and Cultural Resources Monitoring
Indirect Costs 10% MTDC	65,000.00	65,000.00	-	
Permits	\$40,000.00	-	(40,000.00)	Included in the VPS Contract
Other:				
TOTAL PROJECT COSTS	25,850,000.00	29,802,912.00	3,952,912.00	

15.29%

Funding:	Existing Grant Amount	Requested Total Revised Amount	Requested Increase
Washington Department of Commerce	23,500,000.00	27,093,556.36	3,593,556.36
Local Revenue	2,350,000.00	2,709,355.64	359,355.64
Total Funding	25,850,000.00	29,802,912.00	3,952,912.00