800 MHz Reconfiguration Program: Planning and Reconfiguration Costs

The Federal Communications Commission (FCC) has charged Sprint Corporation (Sprint) with funding 800 MHz band reconfiguration costs for affected licensees. You will be paid according to the terms of your Planning Funding Agreement (PFA) or Frequency Reconfiguration Agreement (FRA) with Sprint. This Fact Sheet provides information about preparing a Request for Planning Funding and a Cost Estimate during the Planning and Negotiation Phase of the reconfiguration process.

For further guidance on reconfiguration, please visit the TA’s website (www.800TA.org).

### Planning Costs – Request for Planning Funding

If you require funding for activities associated with planning for reconfiguration, you should submit a Request for Planning Funding (RFPF) Form to the TA, including a formal Statement of Work (SOW) in support of the request, and negotiate and enter into a Planning Funding Agreement with Sprint. The TA encourages licensees to submit RFPFs, if necessary, as early as possible. U.S.-Mexico border licensees that intend to negotiate a PFA were required to submit an RFPF on or before August 23, 2013.

Specific planning activities required may be performed by internal or external resources, and will vary based on the size and scope of your existing system. The TA believes many licensees will have minimal or no planning costs and can include their planning costs with reconfiguration costs in their Cost Estimate for an FRA, if agreed to by Sprint. For additional guidance for determining whether or not you need to submit an RFPF, please review page 48 of the Reconfiguration Handbook at http://www.800ta.org/content/resources/Reconfiguration_Handbook.pdf.

The recommended tasks for requesting planning funding include:

1. Select vendors to assist with planning activities and obtain firm bids and quotes.
2. Estimate the time and associated cost your internal personnel will spend on planning.
3. Complete a Request for Planning Funding and a supporting Statement of Work. Sample forms and associated guidance can be found on the TA’s website at http://www.800ta.org/content/resources/processes.asp#rfpf. Information on the PFA Fast Track Option is available on the TA’s website at http://www.800ta.org/content/resources/PFA_Fast_Track_Fact_Sheet.pdf.
4. Submit the RFPF to the TA via fax to 888-701-4380 or via email to Comments@800TA.org.
5. The TA or the TA Mediator will forward the RFPF to Sprint to begin negotiation of a PFA.
6. Negotiate a PFA with Sprint.
7. Once an agreement is reached, sign a PFA with Sprint authorizing planning funding.

Planning costs may include:
- Legal fees associated with negotiating contract with Sprint
- Analysis of proposed new frequencies
- Inventorying subscriber equipment and infrastructure facilities
- Interoperability planning, if applicable
- Engineering and implementation planning
- Project management required in the Planning & Negotiation Phase

Planning costs should not include:
- Costs associated with actual reconfiguration
To obtain funding for your actual reconfiguration, you should submit a Cost Estimate to Sprint. Agreed-upon Cost Estimates become a part of your final Frequency Reconfiguration Agreement with Sprint.

Specific tasks and level of detail will vary based on the size and scope of your system. If you have a complex system, you should also prepare a separate Statement of Work (SOW) to accompany the Cost Estimate. The SOW will define the scope and description of planned activities, schedule, milestones and deliverables as well as required resources. The recommended tasks for preparing a Cost Estimate include:

1. Select vendors to assist with reconfiguration and obtain firm bids and quotes.
2. Estimate time and associated cost your internal personnel will spend on reconfiguration. For more information on internal labor rates, please refer to the Incumbent Labor Reimbursement Policy, available on the TA’s website.
3. Prepare a Statement of Work for complex systems. (This SOW is separate from any prepared in support of a Request for Planning Funding or a Planning Funding Agreement.)
4. Prepare a Cost Estimate.
5. Submit the Cost Estimate and SOW (if prepared) to Sprint.
6. Negotiate and sign a Frequency Reconfiguration Agreement with Sprint authorizing funding for your reconfiguration.

The TA reviews each Cost Estimate submitted as part of a PFA or FRA to determine if the costs are reasonable and prudent expenses directly related to the reconfiguration of the licensee’s 800 MHz system. To facilitate timely and efficient review of your Cost Estimate, it is critical that you provide an appropriate level of detail (i.e., number of hours, hourly rates, etc.) for each task and subtask. Licensees must document all their costs and services and certify that their costs are the “minimum necessary” to provide reconfigured facilities comparable to those presently in use in a manner that is reasonable, prudent, and timely.

Cost Estimates should define:
- Equipment costs
- Engineering, consulting, and legal fees
- Internal labor costs
- Vendor costs
- All other costs required to reconfigure your system
- Task/subtask details provided by number of hours and rate per hour

Cost Estimates may include:
- Planning costs where an RFPF was not required (due to the minimal nature of the needed funds, if mutually agreed to with Sprint).
- Transactional costs (expenses associated with relocation, but that do not fall within the definition of a hard cost, - e.g., labor associated with negotiation of agreements and analysis of "comparable facilities" proposals) should not be excessive or unreasonable. The TA will take a particularly hard look at transactional costs that exceed 2% of hard costs (actual costs associated with providing a replacement system - e.g., equipment and engineering expenses). For more information on hard and transactional costs, please refer to the Cost Classification Policy, available on the TA’s website.

For further guidance on reconfiguration, please visit our website (www.800TA.org).