Oconee wants 100% broadband guarantee

BY CARLOS GALARZA
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WALHALLA — Oconee County added a new twist to its ongoing saga of trying to launch a $14.3 million broadband project.

County Administrator Scott Moulder said this week he now is requiring that the contractor fully guarantee its work.

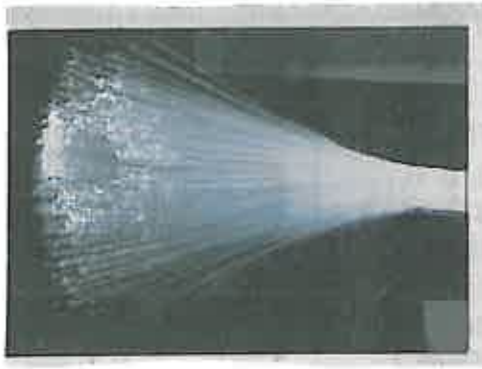
Moulder said he would not accept 50 percent performance bonding from Southern Pipeline & Utility, Inc. of Young Harris, Ga. The company was picked earlier this month to put 270 miles of fiber into the ground.

No contract has been signed.

"We're waiting for the company's insurance application to be approved," Moulder said.

Oconee County Council awarded SP&U an $8.2

SEE COUNTY, PAGE A6



Oconee County is now requiring a Georgia company to fully insure its $8.2 million job of installing fiber for a broadband project.

COUNTY: Seeks full guarantee

FROM PAGE A1

million contract at a meeting March 1. Councilman Wayne McCall voted against it.

At the time, McCall said he did not feel comfortable deviating from the county's usual practice of 100 percent bonding to guarantee the work.

Moulder initially defended his decision to accept reduced bonding from SP&U because the company submitted a substantially lower bid. The second lowest bid would have cost the county $4.6 million more to do the job.

With such a big difference in price, Moulder felt he could live with allowing the company 50 percent bonding, while at the same time limiting any liability by having SP&U do the work in stages. He said that would have given the county the opportunity to thoroughly check the work at each stage before the company was allowed to proceed to the next.

The broadband project is anchored by a $9.6 million grant from the National Telecommunications and Information Administration that was awarded to Oconee last summer.

The grant was made possible through federal stimulus money and is in keeping with a national initiative to spread broadband capacity to rural and underserved areas.

Oconee submitted its latest report on the status of the project to NTIA last month.

Oconee reported that it was slightly behind schedule in securing rights of way, construction permits and other approvals. The report said the county fell behind schedule because of its decision to rebid the installation contract.

"We should be on target by the end of the first quarter of 2011," the report added.

When completed, the project would establish a broadband trunk line that Internet service providers could tap into for a fee. These providers would establish "final mile" connections to homes and businesses that currently don't have broadband service, or would like to have better service, at competitive prices.

The report stated Oconee is negotiating with providers, but has yet to sign any contracts.

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