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Oregon emergency radio system running late and \$107 million over budget

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**Brent Walth, The Oregonian**

The price of Oregon's plan to build a statewide emergency radio network has soared \$107 million over budget because of mismanagement, missed deadlines and hidden costs.

Internal state audits and reports released to The Oregonian Tuesday under the state's public records law show state officials also failed to include big-ticket items -- such as a \$10 million operations center needed to help run the radio network -- in the cost estimates they gave to legislators.

To meet deadlines, taxpayers will have to spend at least \$25 million more on contractors to help the project catch up, and millions more to consultants and engineers to finish work state officials can't get done on time.

And managers of the project -- formally called the **Oregon Wireless Interoperability Network** -- never included a contingency to guard against cost overruns, driving costs up by another \$20 million.

The new price tag is \$592 million, according to the consultant that designed the project. That's far beyond the \$485 million cost that state officials were citing only a few months ago.

The project's growing costs come as lawmakers face a \$3.2 billion shortfall in the next two-year budget. Now, even long-time backers of the **OWIN** project doubt it can go forward with the state's budget problems and its growing costs.

"I think it's imperative that the Legislature review this entire project," said Sen. Betsy Johnson, D-Scappoose. "I can't justify cutting essential services while we're paying for radio towers in a project with an uncertain budget and timeline."

The higher cost estimates emerged as officials at the Oregon Department of Transportation, which took over the project this spring, tried to make sense of OWIN's progress to date.

"When you consider how far behind schedule we are and what it will take to get back on schedule, these

More

The Oregonian's continuing coverage of Oregon's emergency radio network.

are the costs of getting the job done," said Tom Lauer, major projects branch manager for transportation department.

"I'm not trying to sugarcoat it. We're behind, and the costs go up. It is what it is."

An outside audit released to The Oregonian provided a stinging critique of the project's management under the previous director, Lindsay Ball, who retired in August. Ball did not respond to a request for an interview.

"Overall, the project's progress has been alarmingly slow, and this appears to be in part because the project is organized in an inefficient and confusing manner," says a Sept. 7 report written by Public Knowledge, the auditor hired by the state to investigate the project's many problems.

While the transportation department has made progress in fixing deep problems, the report says, "There is still confusion around scope, schedule and budget, as well as around decision making responsibility."

Five years ago, lawmakers approved the radio system, which is supposed be switched on by the end of 2012.

That's when the federal government is requiring public safety agencies to switch to new radio systems. Lawmakers also wanted to replace police and public safety radios that were so old it was hard to find parts to fix them.

But the proposed network goes far beyond replacing old radios and the federal requirements. The network's plan calls for about 300 radio towers -- most located on hard-to-reach mountaintops -- that will allow police, fire and public safety officials statewide to talk to each other, and keep talking if other communication systems fail.

OWIN officials have fallen short of their construction goals for the past two summers, when they had hoped to reach many sites that are closed off by snow during the winter and spring.

In February, the Legislature's budget committee froze most funding for the project and pushed to have it placed under the control of the transportation department and out of the hands of the Oregon State Police.

The Oregonian reported in May that internal state records showed that the project had fallen more than a year behind schedule and that officials could not longer guarantee the project would come in on budget.

The newspaper found OWIN officials had only a few sites ready to build and often had failed to do the basic work of building radio towers -- securing the rights and leases for the land where the towers would be built. At the time, Ball denied the project was behind schedule.

OWIN officials also claimed more than \$60 million in savings by sharing radio sites and costs with local agencies.

But the review by Public Knowledge raised doubts about that claim. "Expected cost savings that have been reported are often not supported with credible evidence," the report says.

-- Brent Walth

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