

#### BEAD SUBGRANTEE SELECTION

# IN BEAD Subgrantee Selection Webinar

December 18, 2024

# Agenda

Overview & Timeline

**Application Questions** 

**Application Scoring** 

Post-Submission Information

Resources

Q&A

#### Subgrantee Selection Process

- The Indiana Broadband Office will kick off Round 1 on December 30<sup>th</sup> at 9 AM.
- Internet service providers who participated in pre-qualification are the only eligible participants in subgrantee selection.
  - List of eligible organizations available here: <u>in.gov/indianabroadband/individuals,-families,-and-consumers/bead/pre-qualification/</u>
- Pre-qualified providers are not obligated to participate in Round 1, but the IBO does expect the first round to be the most extensive and competitive.

## Challenge Process Review

#### Challenges

• The IBO received 2,467 total challenges, accounting for 799,720 individual locations.

#### Rebuttals

• Of the challenges received, 1,653 were rebutted.

## Community Anchor Institutions

 The Challenge Process identified 110 community anchor institutions as unserved or underserved.

#### **Outcome**

- 144,376 total eligible locations
  - 107,052 unserved locations
  - 37,324 underserved locations

# Address Classification

Unserved Underserved Served

## Provisional Eligible Location Map

An interactive final map will be released on ConnectingIndiana.com after the IBO receive approval from the NTIA.

## Subgrantee Selection Timeline

#### Round 1

- Will open on December 30<sup>th</sup>
- Round will be open for 45 days, closing on February 12<sup>th</sup>
- Expected to be the most robust, extensive round.

#### Round 2

- Expect 3 to 4 weeks between rounds.
- Round 2 will have a different process for project area selection, dependent on the coverage accomplished in Round1.
- Expect Round 2 to be much shorter than Round 1 (a few weeks).

#### Round 3

- Round 3 will take place only if needed after the first two rounds.
- Expect Round 3 to be short (1-2 weeks maximum).

#### Finalize and Submit to NTIA

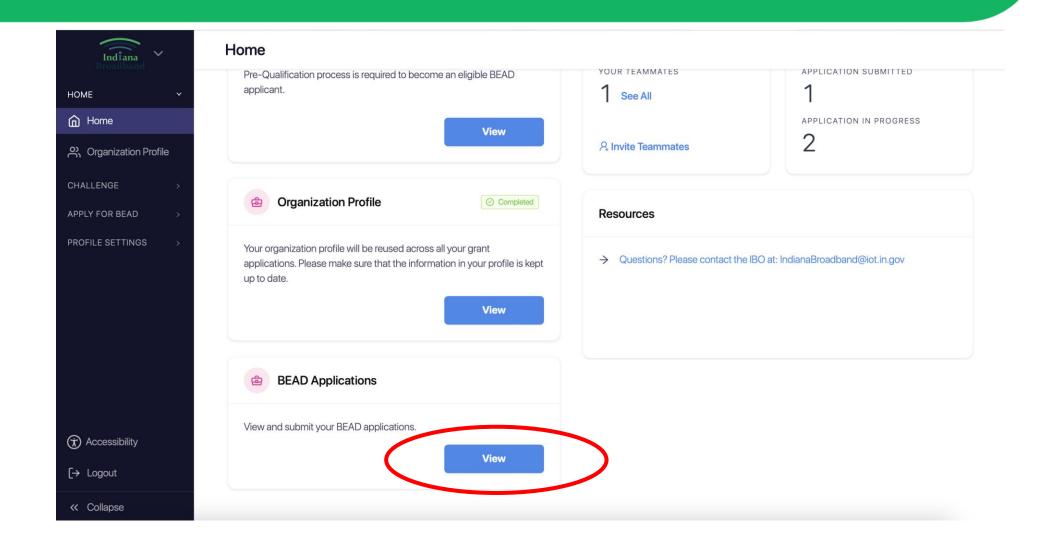
 All selection, documentation, meetings, the Final Proposal, and public comment must be completed and ready to submit to the NTIA by the end of June 2025



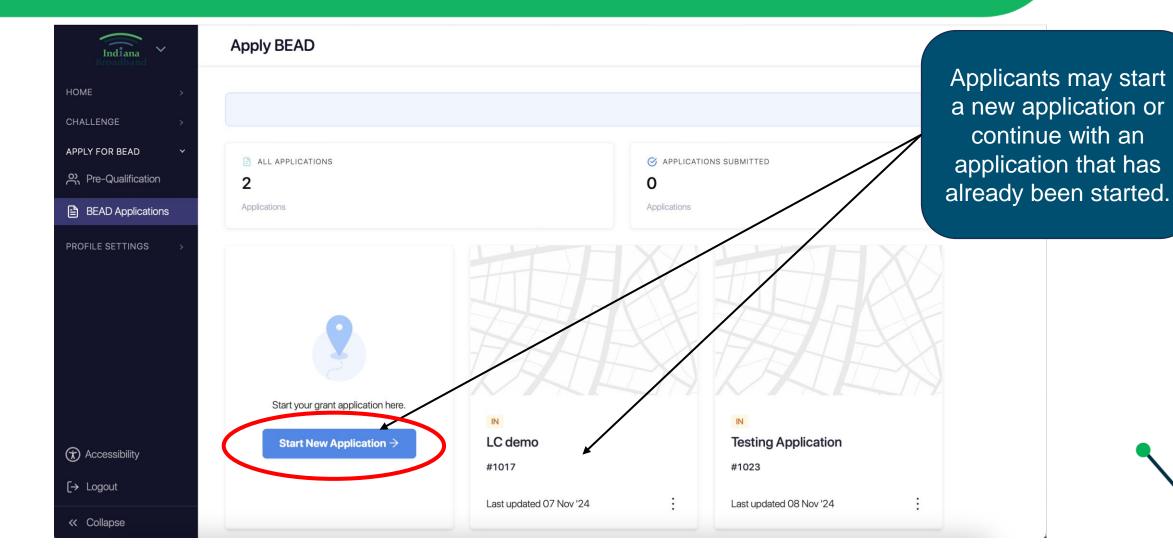
#### BEAD SUBGRANTEE SELECTION

# Filling Out the Subgrantee Selection Application - Round 1

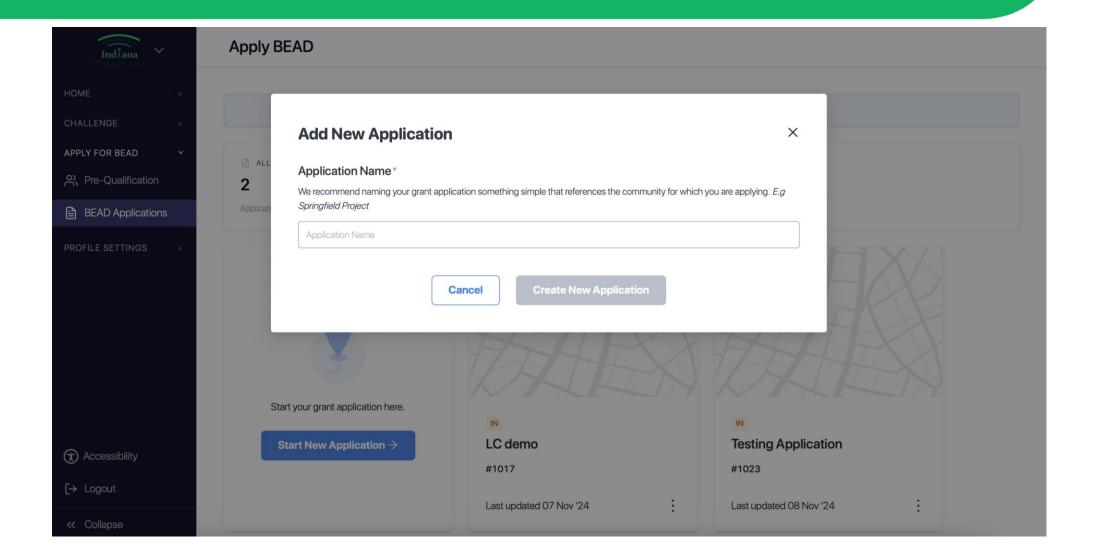
#### Main Dashboard



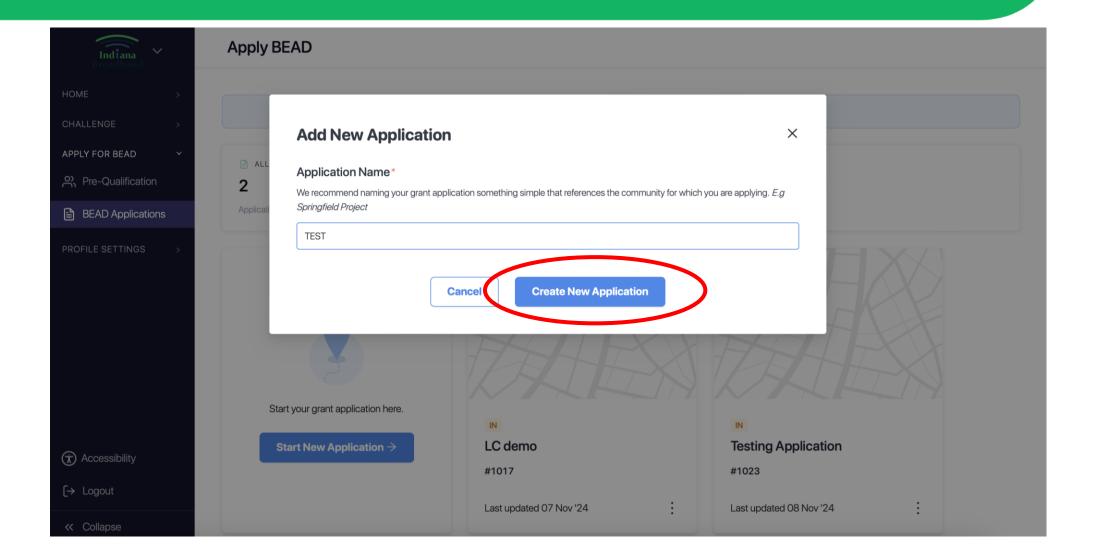
#### Subgrantee Selection Application



#### Subgrantee Selection Application



#### Subgrantee Selection Application





# BEAD SUBGRANTEE SELECTION

**Application Questions** 

## Application Question Sections

Project Area Selection
Project Technical Details
Project Financial Details
Optional Scored Materials
Risk Management Plans
Business and Financial Planning
Technical Capability and Engineering Documents
Adherence to Environmental and Historic Preservation
Workforce Details

#### Project Area Selection

- Applicants will be asked to identify the contiguous Census Blocks (CBs) that comprise their proposed project area.
- When selecting a Census Block, the applicant is committing to reaching all unserved and underserved locations in that Census Block.
- Applicants can also add served locations, up to 20% of the total locations in their project area.
  - Applicants will submit any served locations as a .csv attachment in the portal.

#### Project Area Selection

Applicants can select the CBs they wish to include in their project area in three different ways:

- 1. Clicking on the interactive CB map in the Ready.net portal
- 2. Manually entering CB IDs
- 3. Uploading an Excel or .csv file of CB IDs

#### What is CostQuest?

- To administer the BEAD Program, Indiana was required to enter into a licensing agreement with CostQuest Associates, the owner of the location-level data set used by the FCC Broadband Map
- Because of this agreement, the IBO cannot make this data fully available to pre-qualified ISPs without them receiving their own CostQuest licenses.
- These licenses are why the IBO cannot release a file with both addresses and location IDs tied together.
- All internet service providers are eligible for free CostQuest licenses that are available by request.

#### CostQuest License Process

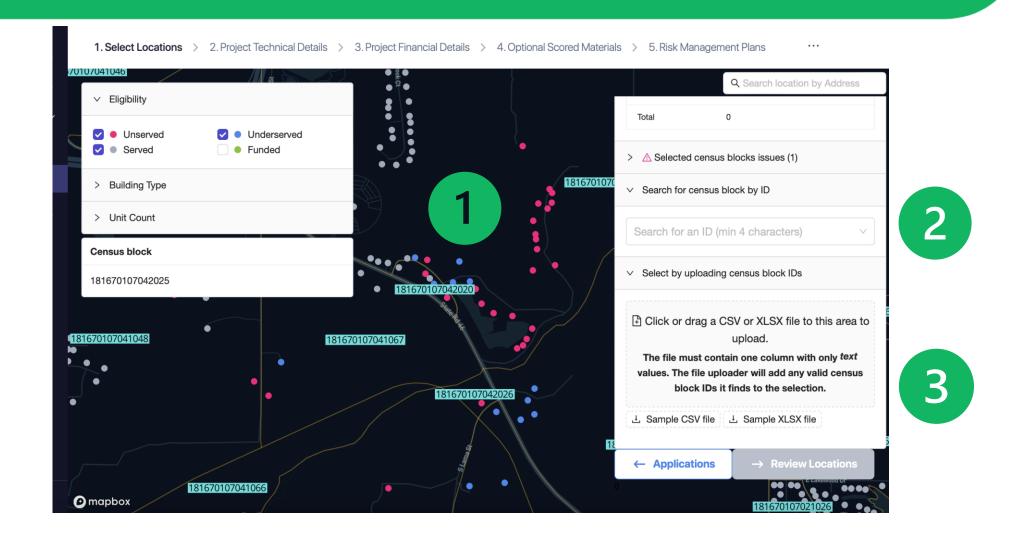
#### Who should get a CostQuest license?

- A CostQuest license is appropriate for internet service providers who have the technical resources to complete data matching.
- A license will be helpful for providers who want to conduct project area analysis outside of the Ready system.

## How do I request a CostQuest license?

- There are two CostQuest license types – ISPs should request a Tier D license.
- Request Tier D at: https://apps.costquest.com/ NTIArequest/

#### Project Area Selection



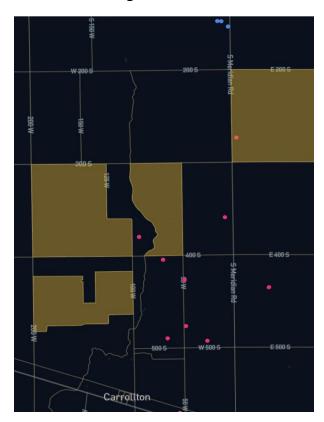
#### Project Area Selection

## **Contiguous Project Area**



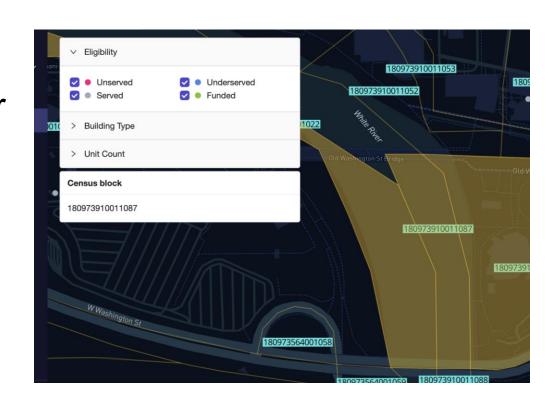


## Non-Contiguous Project Area



# Project Area Selection - Physical Boundaries

- If two census blocks are separated by a physical boundary, such as a river or highway, please click on the boundary to include it in your project area.
- Most geographic/physical boundaries are their own Census Block.
- Doing so will ensure that the Census Blocks are considered contiguous and will prevent an error in the portal.



- Applicants are asked to indicate if they plan to serve all eligible locations in their project area with one technology type or multiple technology types.
- Applicants will be prompted to select which technology type(s) they will be using, using a multi-select option of the following:
  - Fiber-optic
  - Cable modem/hybrid fiber-coaxial
  - Licensed terrestrial fixed wireless
  - Unlicensed terrestrial fixed wireless
  - Low-Earth orbit satellite

- Applicants are asked to disclose the latency of the broadband service to be provided for this bid for each technology type selected.
- If applicants select a non-fiber option, they will be asked to provide the maximum download and upload speeds their network is designed to deliver to the customer.

 Applicants are asked to provide a narrative on how they will increase their organization's capacity to provide high-speed broadband as new customers are added for the project area in this bid.

- Applicants are asked to provide their planned deployment timeline in months for this bid.
  - Timelines are <u>not</u> allowed to span more than 48 months from the date of signing the Subaward Agreement.

- Applicants must certify their acknowledgment, via checkbox, that potential penalties exist if their project extends beyond the planned timeline without formal extension request and approval.
- Applicants must certify their acknowledgment, via checkbox, that the final subgrant agreement will include enforceable penalties for non-performance of final commitments.

#### Project Financial Details

- Applicants must enter the following dollar amounts:
  - The total amount of BEAD subsidy funds requested for the project area
  - The total amount of matching funds the organization will provide for the project area
- As required by the BEAD Notice of Funding, providers must contribute at minimum 25% of the total project costs.

#### Project Financial Details

- Applicants are asked to provide a detailed budget and accompanying narrative document explaining the planning and financial needs that might arise during the implementation of a project area. The detailed budget should include line items such as:
  - Administrative and legal expenses, structure, permitting, planning, maintenance, engineering, project inspection, site work, employees, equipment, miscellaneous expenses

#### Project Financial Details

- Applicants are required to submit their planned total monthly cost to the consumer, inclusive of all taxes, fees, and charges.
  - If the applicant is submitting a fully fiber (priority) project, then the monthly cost should be based on a gigabit symmetrical plan.
  - If the applicant is submitting a project with another technology (non-priority), then the monthly cost should be for a 100/20 Mbps plan.

#### **Optional Scored Materials**

- Applicants are asked to upload any letters of support from their local governments. These are optional.
  - Applicants will indicate whether they have a letter of support, and if they do, they will upload it as an attachment.
- The Indiana Broadband Office has conducted outreach to local governments, explaining the importance of letters of support and the elements they should include in potential letters.

County Commissioners,
County Council
Members, Auditors,
Mayors, and City
Council Members are
eligible to write a letter of
support.

#### **Optional Scored Materials**

- Optionally, applicants can upload an additional narrative about their commitment to use a highly qualified workforce for the project area.
  - This is a separate narrative from the NTIA's requirement about having an appropriately skilled workforce.
  - Utilizing a highly qualified workforce is committing to training and partnerships above and beyond the minimum qualifications for a role.
  - Examples of qualification, as listed in Volume 2, include: apprenticeship programs, specific training programs, partnerships with community partners like Ivy Tech, etc.

#### Risk Management Plans

- If not submitted during pre-qualification, applicants will be required to upload the following documents:
  - Cybersecurity risk management plan; and
  - Supply chain risk management plan.

#### Business and Financial Planning

- As required by the NTIA, all applicants must submit business plans and related analyses to substantiate the sustainability of the proposed project area.
  - Documents can include a pro forma statement or other analyses, but must include cash flow and balance sheet projections and at least three years of operating cost and cash flow projects post-completion of the project

#### Business and Financial Planning

- Applicants must submit a letter of credit or a letter guaranteeing a performance bond.
  - The letter of credit must be at least 25% of the subsidy amount.

#### OR

- The performance bond must be at least 100% of the subsidy amount.
- An example letter of credit is available for applicants on the IBO website.
- The NTIA has also established letter of credit waiver guidance (available here). If your organization has interest in pursuing any waiver options, you must discuss with the Indiana Broadband Office in advance of your application submission.

#### **Technical Capability**

- Applicants will submit the following documents:
  - A network design and diagram
  - Detailed project costs
  - Build-out timeline and milestones for project implementation
  - A capital investment schedule evidencing complete build-out within four years.
- All of the above materials must be certified by a professional engineer who states that the proposed network can deliver broadband service that meets all performance needs to all locations in the project area.

# Adherence to Environmental and Historic Preservation

- Applicants are asked to provide brief narrative responses about their organization's plan to adhere to the following federal programs:
  - Build America, Buy America (BABA)
    - If you believe your organization has an exemption for this project, please detail the exemption in your narrative.
    - More information can be found here: <a href="https://www.commerce.gov/oam/build-america-buy-america">https://www.commerce.gov/oam/build-america-buy-america</a>
  - Environmental and Historic Preservation (EHP)
    - More information can be found here: <u>https://broadbandusa.ntia.gov/sites/default/files/2022-12/EHP\_Fact\_Sheet\_2022.pdf</u>

# Adherence to Environmental and Historic Preservation

- When awarded, subgrantees are required to conduct a National Environmental Policy Act analysis. Applicants must certify their understanding of this requirement when submitting an application.
- Items that may be required for a NEPA analysis include, but are not limited to:
  - Clean water and air protection
  - Farmland protection
  - Environmental justice
  - Floodplains and wetlands protection
  - Toxic substances use

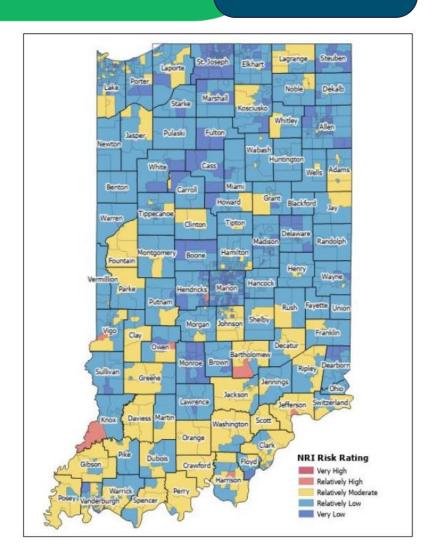
More information can be found from the NTIA:

https://broadbandusa.ntia.gov/sites/default/files/2024-04/Guidance\_on\_NTIA\_NEPA\_Compliance\_April\_2024.pdf https://broadbandusa.ntia.doc.gov/sites/default/files/2022-08/Climate-EHP-NEPA-Webinar-FINAL.pdf

#### **NRI** Rating

## Adherence to Environmental and Historic Preservation

- Applicants are required to assess whether their project areas fall into a Census tract with a National Risk Index (NRI) ratings of relatively moderate or higher.
- Applicants should use <u>this link</u> to determine their project area rating.
- If any part of the project area is in a Census tract with ratings of relatively moderate or above, applicants are asked to describe their climate resilience and mitigation measures for the project area.



### Workforce Details

 Applicants must upload several narratives about the project area's planned workforce. These include:

Workforce Details	Subcontractor Information	Union Information
Must include details on your organization's plan to ensure all workers are appropriately skilled and credentialed.	If your organization plans to use any subcontractors you must provide details about the subcontractor, including resumes	<ul> <li>Applicants will be asked if their workforce is unionized. If not, applicants must provide several details:</li> <li>Job titles and size of full-time employee workforce.</li> </ul>
Applicants should provide details about required training programs, credentials, certifications, etc.	of key personnel and their role and capacity on the BEAD build out.  Applicants must indicate if	<ul> <li>For every job title, description of safety training, certification, and licensure requirements</li> <li>Information on the professional</li> </ul>
If you detail an internal-only program, you must provide details about how this program produces appropriately skilled workers.	subcontractor organizations are minority or women-owned businesses.	certifications required



## BEAD SUBGRANTEE SELECTION

Application Scoring

## **Project Types**



#### **Priority Broadband Projects**

The BEAD program prefers fiber technology. Projects that provide service via end-to-end fiber optic are considered priority projects.



#### **Other Last Mile Broadband Projects**

While fiber is preferred, other technologies are eligible for BEAD. Projects that use fiber and another technology type **OR** utilize entirely non-fiber technology are considered other last mile broadband projects.

#### Priority Projects

## Scoring Breakdown by Section

Category	Total Possible Points
Minimum BEAD Program Outlay	45
Affordability	20
Fair Labor Practices	15
Service Levels in Project Area	12
Local Coordination	5
Speed to Deployment	3
TOTAL	100

#### Other Last-Mile Projects

## Scoring Breakdown by Section

Category	Total Possible Points
Minimum BEAD Program Outlay	45
Affordability	20
Fair Labor Practices	15
Service Levels in Project Area	12
Local Coordination	5
Speed to Deployment	1.5
Speed of Network and Other Technical Capabilities	1.5
TOTAL	100

# Minimum BEAD Program Outlay BEAD Outlay Per BSL (40 points)

40 of the 45 points for minimum BEAD outlay are awarded based on the BEAD outlay per eligible location. This calculation only includes unserved and underserved locations as eligible. The scoring process is as follows:

$$\frac{\textit{Total BEAD Dollars Requested}}{\textit{Eligible Locations in Project Area}} = \textit{BEAD Outlay Per Passing}$$

$$\left(\frac{Lowest\ BEAD\ Outlay\ for\ Project\ Area}{Respondent's\ BEAD\ Outlay\ for\ Project\ Area}\right) \times\ 40 = BEAD\ Outlay\ Score$$

## BEAD Outlay Per BSL Example

#### **Example Outlays:**

Applicant A has a BEAD outlay of \$4,000 per eligible location. Applicant B has a BEAD outlay of \$4,500 per eligible location. Applicant C has a BEAD outlay of \$3,400 per eligible location.

#### **Scores:**

- Applicant A receives  $(3,400/4,000) \times 40 = 34$  points.
- Applicant B receives  $(3,400/4,500) \times 40 = 30$  points.
- Applicant C receives  $(3,400/3,400) \times 40 = 40$  points.

# Minimum BEAD Program Outlay Provider Match (5 points)

5 points for minimum BEAD outlay are awarded based on the applicant's match percentage. A minimum of 25% is required, but the scoring is as follows:

% Funded by Applicant	Score
>25-30%	1
>30-40%	2
>40-50%	3
>50-60%	4
60%+	5

## Affordability (20 points)

#### **Scoring for Priority Projects:**

- Full 20 points: Service package for 1 Gbps/1 Gbps is \$100 or less per month, including all taxes, fees, and charges.
- Applicants with more expensive total costs to the customer will lose 1 point for every 5% higher than \$100 a month.

#### **Scoring for Other Projects:**

- Full 20 points: Service package for 100/20 Mbps is \$70 or less per month, including all taxes, fees, and charges.
- Applicants with more expensive total costs to the customer will lose 1 point for every 5% higher than \$70 a month.

## Affordability Example

#### **Example:**

The applicant's total monthly cost to the consumer for gigabit symmetrical service is \$150

- Cost is \$50 above \$100 scoring threshold, or 50% over.
- 50% divided by 5% increment = 10, or reduction by 10 points
- The applicant will receive a score of 10 for affordability.

## Fair Labor Practices (15 points)

**Scoring**: Points will be awarded based on three categories. The two categories below are pulled from materials submitted during prequalification:

- Five points are awarded to each applicant based on their narrative response that displays compliance with federal labor and employment laws and their plans to continue to comply with these laws.
- Five points are awarded to all applicants with no OSHA violations in the past three years.

## Fair Labor Practices (15 points)

**Scoring**: Points will be awarded based on three categories. The final category is based on an *optional* narrative submitted during the Subgrantee Selection process.

- Applicants will be awarded 5 points if they submit a narrative with details about their plan to utilize a highly qualified workforce. A qualified workforce can include many methods of qualification, including using registered apprenticeships or other training programs, using a directly employed workforce, preventing the misclassification of workers, partnerships with community partners like Ivy Tech Community College, etc.
- This narrative should include training above and beyond the minimum required for being appropriately credentialed.

# Service Levels in Project Area Unserved Percentage (10 points)

 The unserved percentage category provides points based on the % of the project area that is unserved rather than underserved. The calculation is as follows:

 $\frac{\textit{Number of Unserved Locations in Project Area}}{\textit{Total Number of Unserved and Underserved Locations in Project Area}} = \textit{Unserved Percentage}$ 

- For every 10% of the project area that is unserved, applicants receive 1 point.
- If 80% of the project area is unserved, the applicant receives 8 points

# Service Levels in Project Area Served Locations (2 points)

 The served locations category scores applicants on the percentage of total project locations that are served.

$$\frac{Served\ Locations\ in\ Project\ Area}{Total\ Locations\ in\ Project\ Area} = Served\ Percentage$$

• The served percentage will then be scored on the following scale:

Served %	Score
>10-20%	0
>5-10%	1
0-5%	2

## **Local Coordination** Letter of Support (5 points)

- Letters of support are optional
- Basic Support: A general letter with no specific details. (1 point)
- Details on Meetings and Correspondence: The letter includes evidence and details about meetings or communication between the applicant and the local government official.
  - (+2 points, 3 total points)
- Justification for Support: The letter must include the criteria above and a well-reasoned justification for supporting the applicant.
  - (+2 points, 5 total points)

## Speed to Deployment

#### **Priority Projects**

<b>Years to Deployment</b>	Score
2 years or less	3
2-3 years	2
3- less than 4 years	1

#### **Last-Mile Projects**

<b>Years to Deployment</b>	Score
2 years or less	1.5
2-3 years	1
3- less than 4 years	0.5

## Speed of Network (1.5 points)

#### **Other Last-Mile Projects Only**

Maximum Downstream/ Upstream Speed (Mbps)	Score
1000/500	1.5
400/200	1
300/150	0.5

Applicants will be scored based on the lower-scoring speed, either downstream or upstream speed

#### Priority Projects

## Scoring Breakdown by Section

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## BEAD SUBGRANTEE SELECTION

Post-Submission Information

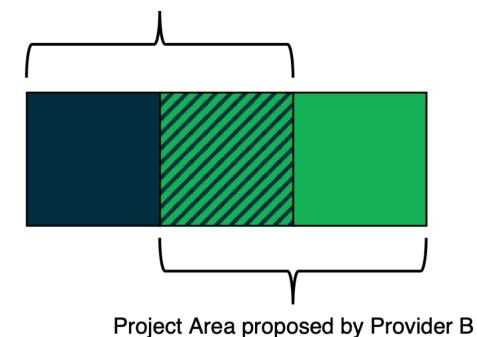
## Deconfliction of Project Areas

- Deconfliction occurs when two non-identical project areas are submitted by two or more applicants that include the same Census Block covered by the same technology type.
- The IBO will only deconflict when the project areas use the same technology type. Preference is given to priority projects in the case that two applications for the same CB are submitted, where one is "priority" and the other is "other last mile".
- If identical project areas are submitted by two or more applicants, then the full scoring rubric will be used to award the project area.

## Deconfliction of Project Areas

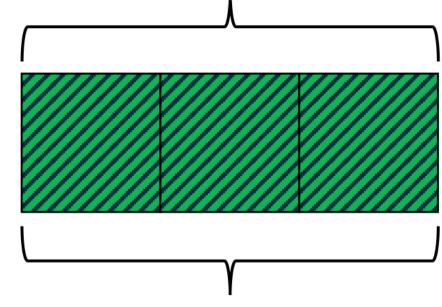
## **Deconfliction will take place** for the striped Census Block:

Project Area proposed by Provider A



## Full rubric will be used for project area:

Project Area proposed by Provider A



Project Area proposed by Provider B

## Deconfliction of Project Areas

• To deconflict, the IBO will utilize the following formula:

```
\frac{\textit{Total BEAD Dollars Requested}}{\textit{Eligible Locations in Project Area}} = \textit{BEAD Outlay Per Passing}
```

- The proposal with the lowest BEAD outlay per passing will be awarded the conflicting Census Block.
- If the proposed project areas have the same BEAD outlay per passing, the IBO will then consider the provider match percentage for each project area.
- Providers will be contacted before preliminary awards if a portion of their project area has been deconflicted

## Extremely High-Cost Threshold

- The Extremely High-Cost Threshold (EHCT) provides a perlocation dollar amount at which the Indiana Broadband Office can prioritize other last-mile broadband projects over fiber deployments
- The NTIA mandates this threshold to be as high as possible to so that fiber can be deployed as far as possible, while still ensuring funds to reach all eligible locations
- Once project applications have been received in the first round, the IBO will utilize the project data to help set a reasonable EHCT that will then be used for all rounds

## EHCT vs High-Cost Area (HCA)

- The NTIA set "high-cost areas" in 2023 before each state's BEAD allocation was announced. These areas were determined by a cost model and were meant to identify locations where it might be more expensive to deploy service.
- The State of Indiana only has 2 high-cost areas, which are Census Block Groups:
  - 180731012001
  - 181279800021
- The NTIA allows states to waive the match requirement if needed in these high-cost areas

### **Award Announcements**

The IBO will finalize scores for all applications after each round concludes.

The IBO will deliberate and choose preliminary awards after each round.

The IBO will notify all participating providers of preliminary awards after each round. There will not be a public announcement until all rounds are complete.

After all rounds are completed, the IBO will meet with the NTIA and preliminary awards will become **provisional** awards.

Once awards are **provisional**, the IBO can announce them publicly and post its Final Proposal.

Awards only become final once Indiana's Final Proposal has received official approval.

### **Subaward Details**

- The IBO will utilize both fixed amount subawards and reimbursement-based subawards as allowed by the NTIA, with a preference for fixed amount subawards
- Reimbursement-based subawards will be used occasionally, particularly for providers that utilize a letter of credit waiver option that requires a reimbursement-based agreement.
- In these scenarios, reimbursement cycles will be no longer than six months.

## Fixed Amount Subawards Details

All fixed amount subawards will utilize the following milestones:



Submitted project plan, including budget and schedule

10% disbursed 10% cumulative



All relevant project permits submitted

10% disbursed 20% cumulative



25% of project locations completed

20% disbursed 40% cumulative



50% of project locations completed

20% disbursed 60% cumulative



75% of project locations completed

20% disbursed 80% cumulative



100% of project locations completed

20% disbursed 100% cumulative

#### Resources

## Indiana's Approved Volume 2

- Volume 2 Link
- Subgrantee Selection information is throughout entire document

## **Subgrantee Selection Guidance Document**

- Subgrantee Selection
   Guidance Link
- Provides an outline of all information required of subgrantees in the portal for Round 1

## **IBO** Meetings

The Indiana Broadband Office will be available to meet with prequalified ISPs during the subgrantee selection process as needed. To schedule a meeting, please email the IBO directly at <a href="mailto:lndianaBroadband@iot.in.gov">lndianaBroadband@iot.in.gov</a> and a member from the IBO will work to schedule a meeting.



### BEAD SUBGRANTEE SELECTION

## Questions?

IndianaBroadband.@iot.in.gov