

WELCOME MONTANA'S BEAD BIDDERS CONFERENCE

April 17th and 18th, 2024

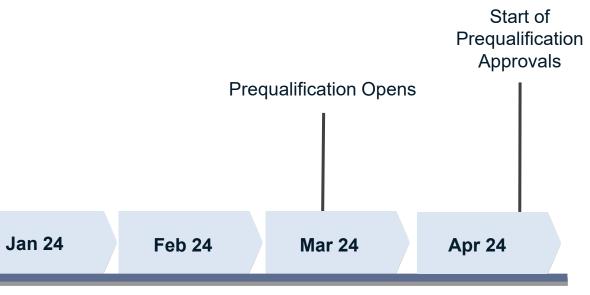
TODAY'S AGENDA

- 8:30 9:00 am
 - Welcome and Introductions
- 9:00 9:45 am
 - Main Round Overview
- 9:45 10:15 am
 - Break and Office Hours
- 10:15 am 12:00 pm
 - Program Area Design, Scoring and Application Prioritization
- 12:00 1:15pm
 - Lunch and Office Hours
- 1:15 2:15pm
 - Financial Requirements
- 2:15 3:15pm
 - Technical Requirements
- 3:15 3:45 pm
 - Break and Office Hours
- 3:45 4:45 pm
 - Programmatic Requirements



WHERE WE ARE TODAY

- Initial Proposal Volume 2 submitted to NTIA
- Challenge process completed and in final determination
- Prequalification window opened 3/12/2024



Approach to Technical Assistance

Activities

- Facilitate a multi-modal technical assistance approach, leveraging lessons learned from ARPA
- Coordinate with other MT agencies to provide guidance for applicants on state compliance requirements
- Provide timely and informative resources
- Inform the general public of the BEAD application process and encourage local participation in the BEAD subrecipient application process

Resources

- Topic specific webinars
- In-person Bidders Conference
- Q&A office hours
- Application guides, fact sheets and templates
- Comprehensive FAQ documents
 posted to ConnectMT website

WHAT TO EXPECT

- NTIA approval of IPV2 and Challenge Process results
- Main Round Application Window Opens
- Continued technical assistance throughout the application windows
- Initial selection recommendations and Final Proposal submission



Technical Assistance Schedule

Technical Assistance							
Component	Торіс	Anticipated Date	Mode				
Main Round	Bidders Conference	04/17/2024 & 04/18/2024	In Person				
Main Round	Main Round Overview	04/25/2024*	Webinar				
Main Round	Main Round – Finance	05/10/2024*	Webinar				
Main Round	Main Round – Project Area Design and Scoring-	05/14/2024*	Webinar				
Main Round	Main Round – Technical	05/16/2024*	Webinar				
Main Round	Main Round – Environmental	05/21/2024*	Webinar				
Main Round	Main Round – Program Requirements and Reporting	05/23/2024*	Webinar				
Main Round	Main Round – Q&A	05/31/2024*	Webinar				
Main Round	Main Round – Q&A	06/07/2024*	Webinar				
Main Round	Main Round – Q&A	06/14/2024*	Webinar				





MONTANA BEAD MAIN ROUND APPLICATION OVERVIEW

April 17, 2024

INTRODUCTIONS





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- Leading Today's Presentation
- <u>rebecca.fairchild-lewis@summitllc.us</u>



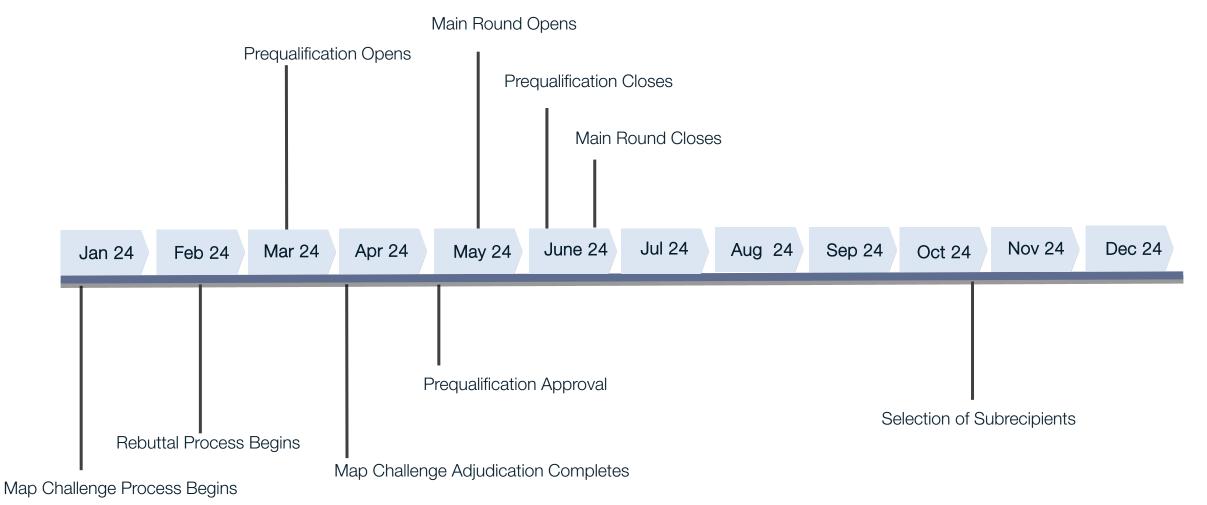
BEAD PROGRAM OVERVIEW



- The Broadband Equity, Access, and Deployment Program is designed to expand high-speed internet access by funding planning, infrastructure deployment, and adoption programs across the country
- The State of Montana awarded \$628 million in BEAD funding to connect all unserved locations in the state with reliable and affordable broadband
- Montana Broadband Office (MBO) will execute the subgrantee selection process across three phases:
 - <u>Map Challenge Process</u>: Nonprofits, ISPs, and local governments can submit challenges to the broadband map.
 - <u>Prequalification</u>: Applicants will submit materials for prequalification to meet the BEAD minimum eligibility requirements
 - <u>Main Round Application</u>: Once prequalification is completed, applicants will be invited to submit proposals for projects as part of the main round

2024 PROGRAM TIMELINE





All dates are estimated and subject to change



MAIN ROUND OVERVIEW

Purpose

• The purpose of the Main Round Application is to allow prequalified applicants to submit detailed project proposals for consideration under the Broadband Equity, Access, and Deployment Program (BEAD).

Subgrantee Eligibility Requirements

- To receive BEAD funding, subgrantees must:
 - Meet mandated financial requirements;
 - Demonstrated capability to provide broadband service in MT;
 - Propose a project that will provide 100/20 service to all locations within service area within timeline; and
 - Certify ability to comply with all requirements mandated by NTIA and the State of Montana.

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UNDERSTANDING REQUIREMENTS



Eligible Applicants

Eligible applicants for a subgrantee from the BEAD program include cooperatives, nonprofit organizations, public-private partnerships, private companies, public or private utilities, public utility districts, or local governments. Please note that, to begin the Main Round application, users must first provide information in the Prequalification section of the application. You will have a chance to update this information if needed.

Eligible Program Areas

The Montana Broadband Office has opted to allow providers to define their desired project areas using existing Census Block Groups (CBGs). A list of the census block groups, associated Broadband Serviceable Locations, and benchmarking will be published before the main round application window opens.



Eligible Program Costs

The <u>BEAD NOFO</u> (Notice of Funding Opportunity) defines eligible uses of funding in connection with last-mile broadband deployment projects.

PRIORITY vs. NON-PRIORITY



Overview

To approach the process holistically, maximize competition, and give the State the most complete view of its service options, priority and non-priority bids will be accepted in tandem in the single main round.

Priority Application

- Project that will provision service via end-to-end fiber-optic facilities to each end-user premises.
- Priority bids will be evaluated first for every project area.

Non-Priority Application

• Any project that is not a priority project.





Application Components



Updates to the submitted Prequalification application

- There are two sections in the Main Round application that solely contain details from the Prequalification Round. Applicants will be provided the opportunity to update these sections if desired.
- Additional sections of the Main Round application allow applicants to update specific documents if need. This presentation will cover new questions.

Sections that include updates:

- Administrative
- Financial
- Organizational
- Ownership Information

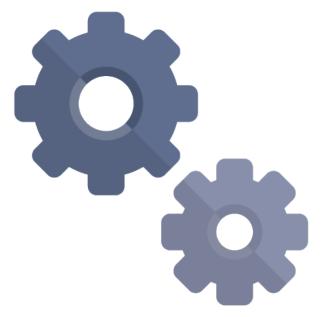
APPLICATION METRICS



Summary:

This section asks for high level metrics associated with your application. This section is not scored.

- Funding request amounts:
 - Requested amount
 - Match amount
 - Total project cost
- Estimated route miles
- Project descriptions





SCORING CRITERIA

Summary

Comprises of data to inform the scoring in alignment with the requirements in Initial Proposal Volume 2:

- BEAD Outlay
- Affordability
- Fair labor practices
- Speed to deployment
- Unserved areas
- Existing infrastructure
- High-cost areas
- Length of service
- Locations served

Templates

- Sample scoring worksheet
- Proposed CBGs in a csv file





FINANCIAL CAPABILITY

Summary

Applicants will provide project specific financial information.

- Updates to financial documentation, including the audited and interim financial statements, and the Statement of Executive Authority
- Documentation from a third-party financial institution certifying access to funds
- Letter from a bank confirming commitment to issuing an irrevocable standby letter of credit or performance bond
- Business plans and related analyses supporting the long-term viability of the project
- Comprehensive pro forma detailing anticipated Capital Expenditures (CapEx), Operational Expenditures (OpEx), projected subscriber numbers, and service pricing, along with all assumptions

Templates

- Pro forma
 - Model letter of credit







ORGANIZATIONAL AND MANAGERIAL CAPACITY



Summary

This section allows applicants to update and submit essential organizational documentation and certifications for their broadband project proposals as well as provide additional programmatic information.

- Legal opinion demonstrating capability to carry out funded activities competently and in compliance with applicable laws, including disclosure of any violations or pending court proceedings (in Word or PDF format)
- Organizational risk and readiness

Templates

Legal Opinion







PROJECT STAFFING AND LABOR REQUIREMENTS



Summary

Focuses on project staffing and subcontracting plans, ensuring workforce qualifications, and addressing tribal land considerations. Some sections offer updates from prequalification.

- Staffing approach
- Project-specific resumes
- Recruitment plans
- Workforce training and certifications
- Subcontracting plans
- Tribal consent





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PROJECT PLAN

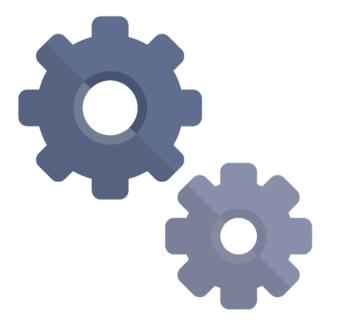
> Summary

Centers on the technical aspects and financial planning of the proposed broadband infrastructure project.

- Requires the submission of crucial documents and certifications, including:
 - Existing infrastructure relative to proposed network
 - Network design drawing
 - Project cost estimate
 - Project timeline
 - Certification of network capability
 - Technical and financial qualification certifications

Templates

- Excel document detailing project costs, including itemized expenses
- Excel template outlining the project's planning and completion schedule





COMPLIANCE WITH APPLICABLE LAWS





Summary

Ensures that applicants meet the legal requirements mandated by federal, state, and local regulations including.

• This section requires certification of compliance and documentation of any outstanding judgements or proceedings.





ENVIRONMENTAL AND HISTORICAL PRESERVATION COMPLIANCE



Summary

Focuses on the environmental and historical preservation requirements of the project. Including questions relating to:

- Right of way
- Categorical exclusions







MAIN ROUND OVERVIEW Q&A

Q&A





BEAD PROJECT AREA DESIGN, BENCHMARKING, APPLICATION PRIORITIZATION, AND SCORING

April 17, 2024

Agenda



- 1. Project area design (IPv2 page 57)
- 2. Benchmark pricing (IPv2 page 38)
- 3. Application prioritization (NTIA guidance)
- 4. Scoring (IPv2 page 39)





Project area design



Project area design



"By using Census Block Groups, the State can maintain impartiality, as these geographic areas are existing administrative boundaries and therefore do not favor one provider over another. However, providers can design the project areas that make the most operational and financial sense. The hope is that by providing this level of customization, a broad range of providers will be encouraged to participate in the subgrantee process.

"the State may break some of the CBGs up into one or more smaller areas in a way that accounts for the distribution of un- and underserved BSLs... this will be done before the application process begins to ensure subgrantee applicants know the exact set of geographic units eligible for funding.

"When submitting applications, the MBO will allow providers to submit applications for multiple non-overlapping project areas [CBGs]..."



Benchmark pricing



Benchmark pricing



"Before the main round opens, the State will set a reference funding benchmark for each CBG, which will be informed by the CostQuest Associates (CQA) cost model as provided to states by NTIA's Eligible Entity Toolkit as a starting point. The MBO will consider the CostQuest estimates for both capital expenditures and estimated BEAD subsidy required for greenfield and brownfield deployment of fiber and fixed wireless. Additionally, the MBO may consider other data...

"The sum of the benchmarks will be constrained to be within the State's BEAD allocation of \$628,973,798.59 and will consider both end-to-end fiber-optic architecture and alternative technologies based on current CostQuest modeling that suggests Montana's allocation is not expected to be sufficient to support end-to-end fiber to the home (FTTH) to all eligible locations...

"Proper budgeting will be critical to achieving universal coverage. In setting Montana's benchmarks equal to the State's BEAD allocation, the MBO intends to provide subgrantee applicants a realistic perspective of what portion of the subsidy they could hope to receive from the State if awarded a BEAD subgrant."

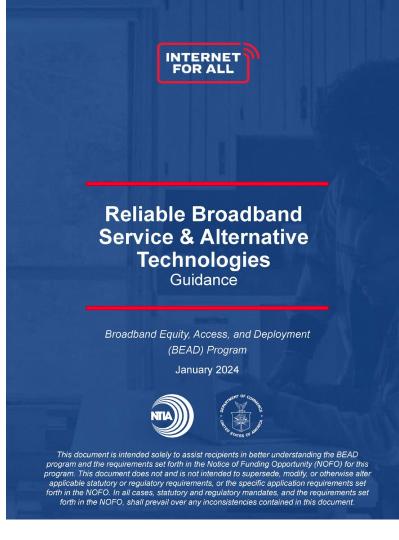




Application prioritization



NTIA guidance





- 1. Key definitions
- 2. Broadband technology prioritization
- 3. When can alternative technologies be used?
- 4. Selection criteria



Key definitions





Reliable broadband service (RBS): The term "Reliable Broadband Service" means broadband service that is accessible to a location via:

- fiber-optic technology (BDC technology code 50)
- cable modem/hybrid fiber-coaxial (HFC) technology (technology code 40)
- digital subscriber line (DSL) technology (technology code 10)
- terrestrial fixed wireless technology utilizing entirely licensed spectrum (*includes spectrum licensed by rule*) or using a hybrid of licensed and unlicensed spectrum (*technology codes 71 and 72*).



Priority broadband project: The term "Priority Broadband Project" means a project that will provision service via end-to-end fiber-optic facilities to each end-user premises.



Qualifying broadband: To a location that is not a CAI, qualifying broadband is Reliable Broadband Service with (i) a speed of not less than 100 Mbps for downloads; and (ii) a speed of not less than 20 Mbps for uploads; and (iii) latency less than or equal to 100 milliseconds; "qualifying broadband" to a CAI is Reliable Broadband Service with a speed of not less than 1 Gbps for downloads and uploads alike and latency less than or equal to 100 milliseconds.



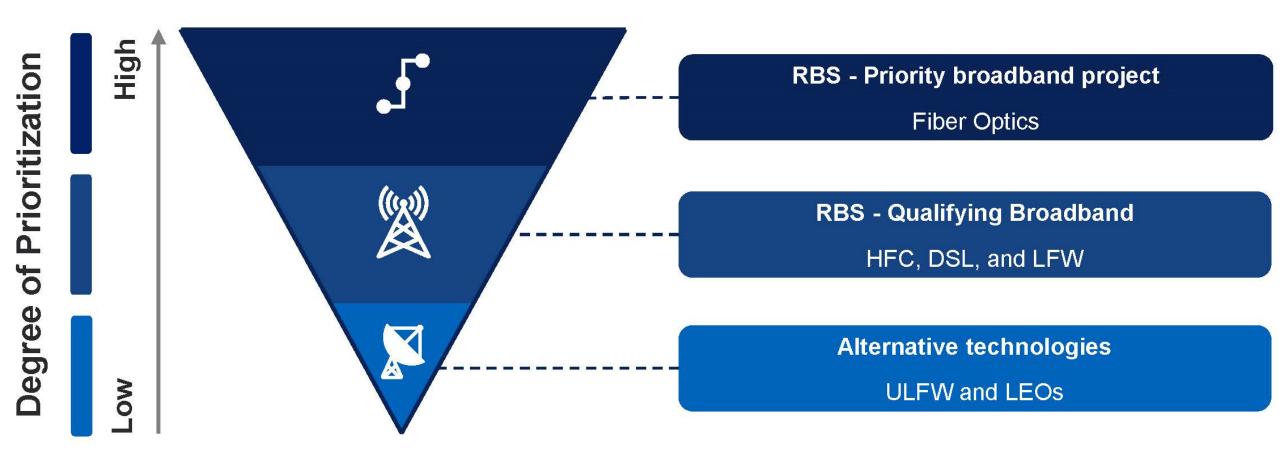
Alternative technology: Alternative technology is any technology that does not qualify as reliable broadband service; includes unlicensed fixed wireless (ULFW) and low-earth orbit satellites (LEOs). Alternative technologies must still meet the BEAD technical requirements.



BEAD technical requirements: For the purposes of BEAD, speed must be not less than 100 Mbps for downloads and 20 Mbps for uploads. 95% of latency measurements during testing windows must fall at or below 100 milliseconds round-trip time.

Broadband technology prioritization







When can alternative technologies be used?



Default Selection Process:

Single Proposal: If there is only one proposed Priority Broadband Project in a given location that is below the Extremely High Cost Per Location Threshold (EHCPLT), it automatically becomes the default winner. *Exception*: A different project may be chosen if the Eligible Entity requests, and the Assistant Secretary approves, a waiver for an alternative project.¹



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Competitive Selection Process:

Multiple Proposals: In cases where multiple proposals exist and are deemed Priority Broadband Projects, and meet all other subgrantee qualifications (gating criteria), the Eligible Entity must use its approved competitive process to select the best project based on established selection criteria.



High-Cost Fiber Proposals:

Exceeding EHCPLT: If all fiber project proposals in a project area exceed the cost threshold, the Eligible Entity has the discretion to consider other reliable broadband services or alternative technologies².



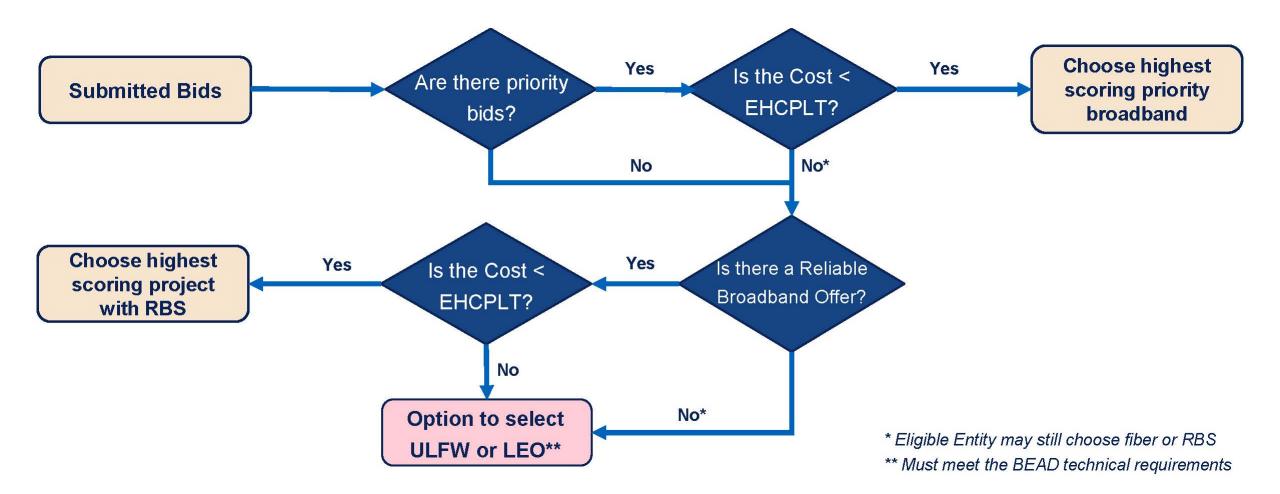
Offer Solicitation and Scoring:

Solicitation: The Eligible Entity is permitted to request proposals for all technology types at once, including alternative technologies.

Scoring Criteria: Non-fiber (other last-mile broadband deployment projects) must have their own criteria, which can differ from the criteria for fiber projects (priority broadband projects). Examples: evaluation of long-term technical sustainability and the speed tiers for assessing affordability.

Selection criteria

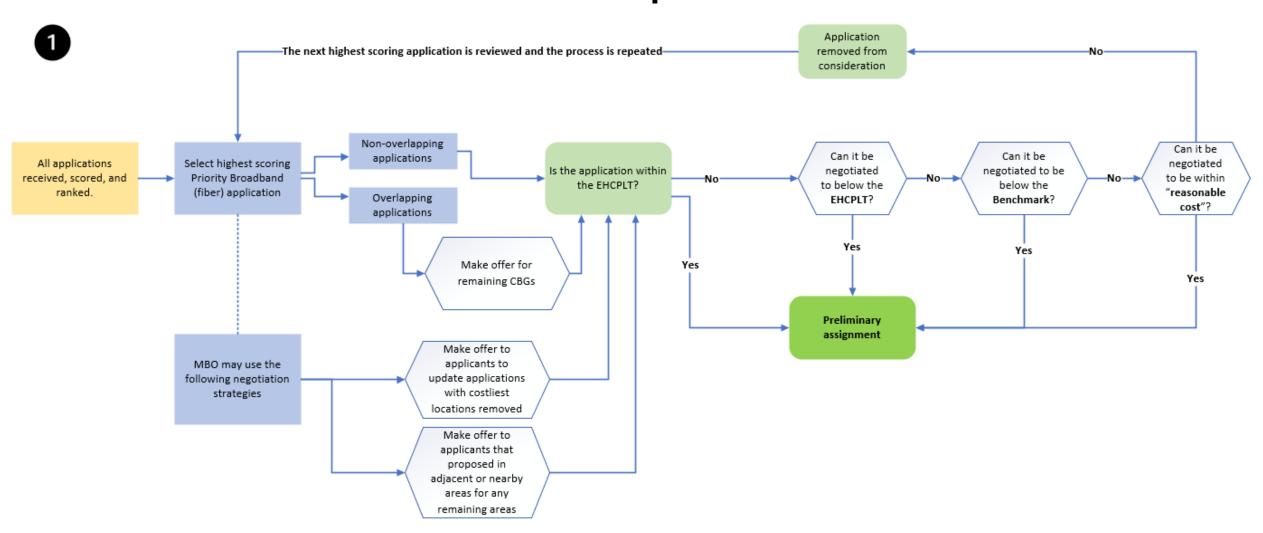






Selection process

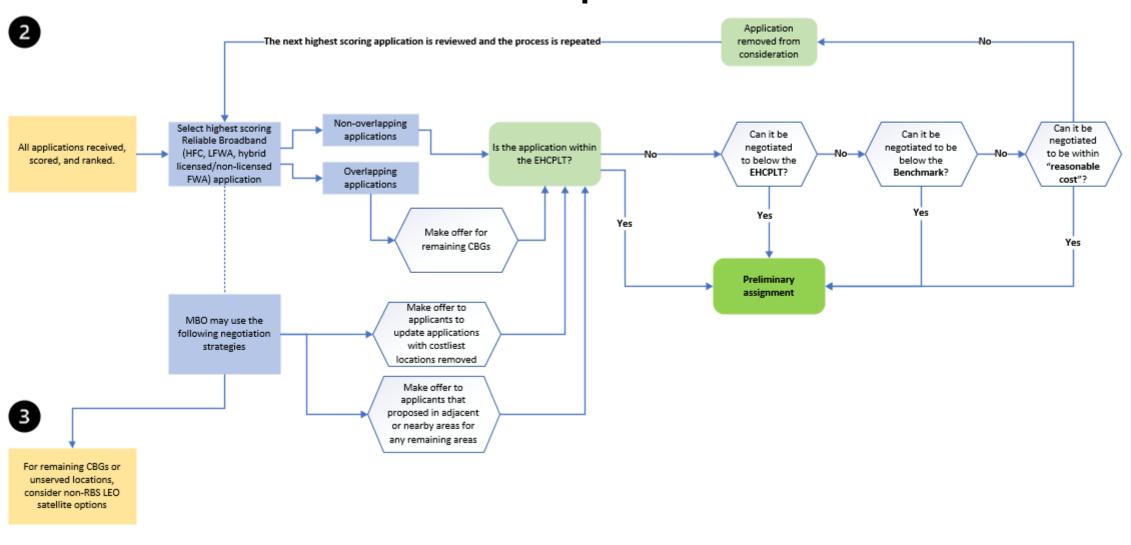






Selection process









Scoring





Scoring criteria overview

Priority projects

- a. Primary criteria
- b. Secondary criteria

Non-Priority projects

- a. Primary criteria
- b. Secondary criteria



Priority projects scoring rubric



Primary criteria (must be ≥ 75%)	Maximum Points Possible
Minimal BEAD program outlay: Per project BEAD grant request	40
Affordability: Lowest price for 1/1 Gbps service commitment	20
Fair labor practices: Past compliance with fair labor practices and future commitment to prevailing wages	15
Secondary criteria	
Speed to deployment (<4 years)	1
Additional prioritization factors	
Whether the proposed project area serves unserved or underserved areas, with unserved areas receiving greater weight	14
Broadband service providers who have broadband service infrastructure already deployed in the project area	4
The length of time the provider has been providing broadband service in the state	4
High-cost areas must be considered for services to the extent terrestrial service is economically viable	1
The number of households, businesses, farms, ranches, and community anchor institutions served	1
Total score	100

1. The term "Priority Broadband Project" means a project that will provision service via end-to-end fiber-optic facilities to each end user premises. BEAD NOFO, p. 14.; Source: BEAD Initial Proposal Guidance

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Minimal BEAD program outlay per project (40 points maximum)

- Subgrantee applicants will provide the list of census block groups (CBGs) and the grant request amount for each project area they are applying for. If a subgrantee chooses to submit multiple applications, each for a different project area composed of one or more CBGs, then for each application, the provider should note the CBGs that comprise the project area and the grant request for each project area. Each application will be scored and evaluated separately.
- The MBO will calculate the reference funding benchmark for each project area by summing up the benchmarks for each CBG included in an individual project area. The benchmark for each CBG will be based on the CostQuest Associates cost model provided by NTIA as a starting point. As noted above, the reference benchmark for each CBG will be posted publicly as part of the application materials.

DEPARTMENT OF ADMINISTRATION



Minimal BEAD program outlay per project (cont'd)

- Points will be awarded to applicants based on the percentage their requested grant funding amount is below or above the benchmark for a given project area. Specifically, points will be calculated as follows: 40 – (20 * (grant request amount / benchmark)), with a minimum of 0 points possible and a maximum of 40 points possible.
- For example, assume the benchmark for a particular project area is \$100. If the grant request amount is \$150, then the applicant would receive 10 points: 40 (20 * (150/100)) = 10. If the grant request amount is \$50, then the applicant would receive 30 points: 40 (20 * (50/100) = 30.
- Note that per NTIA guidance, absent a waiver such as in high-cost areas, the subgrantee's proposed match must cover no less than 25 percent of the project cost.

Priority projects – primary criteria

Affordability (20 points maximum)—Lowest price for 1/1 Gbps service commitment

- Subgrantee applicants who commit to offering 1/1 Gbps service to the customers in BEAD project areas at the same rates they offer in their existing markets will earn 20 points.
- If applicants do not currently offer 1/1 Gbps service, they may make forward-looking commitments to offer the same rates for 1/1 Gbps plans across all locations to earn 20 points.
- Subgrantee applicants who do not make one of these commitments will earn 0 points.
- Applicants who fail to deliver on their pricing commitments will be subject to clawback provisions.



Fair labor practices (15 points maximum)

- Subgrantee applicants will provide details of their past compliance with federal fair labor laws, according to the requirements outlined in Section 2.7.1 of the IPv2. Subgrantee applicants will have the opportunity to earn points for making forward-looking commitments to offering Montana prevailing wages to their BEAD project workforce.
- Points will be awarded to applicants based on both their past record of compliance and commitment to offer prevailing wages. Applicants who meet all requirements for past compliance with federal fair labor laws will receive 13 points, while applicants with 1 past violation will receive 6 points, and applicants with more than 1 past violation will receive 0 points.





Priority projects – primary criteria

Fair labor practices (cont'd)

- Applicants who commit to offering prevailing wages (per Davis-Bacon) to their BEAD project workforce will receive an additional 2 points.
- Additionally, applicants who do not have a record of compliance with federal labor and compliance laws (e.g., a new market entrant) may achieve the full 13 points by making forward-looking commitments to abide by all state and federal fair labor laws, and an additional 2 points by committing to offer prevailing wages (per Davis-Bacon) to their BEAD project workforce.
- Applicants who fail to deliver on their forward-looking federal fair labor law commitments will be subject to clawback provisions.



Speed to deployment (1 point maximum)

- Subgrantee applicants will provide the timeframe in which they are making a binding commitment to complete deployment of their BEAD-funded broadband project. Completion of a BEAD-funded broadband project means that for all locations within a given project area, construction is completed, and a customer could receive service within 10 days upon request.
- If an applicant commits to completing all of their BEAD-funded deployment in less than 4 years (i.e., 3 years or less), that applicant would receive 1 point. If an applicant does not commit to completing all of their BEAD-funded deployment in less than 4 years (i.e., 3 years or less), that applicant would receive 0 points.
- Applicants who fail to deliver on their deployment commitments will be subject to clawback provisions.



Unserved areas (14 points maximum)

- When the MBO releases application materials for the subgrantee process, the list of un- and underserved locations within each CBG will also be published. Subgrantee applicants will create project areas comprised of one or more CBGs. Since subgrantees must bid on all unand underserved locations in a CBG, the MBO will have the list of unand underserved locations that each subgrantee applicant is committing to provide with broadband service.
- The MBO believes that by encouraging bids in CBGs with a high percentage of unserved locations will encourage coverage of all un- and underserved locations as many underserved locations will be more conveniently served through deployment to unserved locations.



Unserved areas (cont'd)

- Points will be awarded to applicants based on the percentage of unserved locations in their proposed project area out of the total broadband serviceable locations in their proposed project area.
 Specifically, points will be calculated as follows: 1 point will be awarded for every 2% of unserved locations in the project area, up to the maximum threshold of 28% or more. Any project area that has over 28% of unserved locations will receive the maximum 14 points.
- For example, if a project area contains 21% unserved locations, then the applicant would receive 10 points. If the project area contains 40% unserved locations, then the applicant would receive 14 points.



Existing infrastructure (4 points maximum)

- To receive points for existing infrastructure, subgrantee applicants will provide a shapefile that shows their existing infrastructure in relation to their proposed network design for BEAD funded infrastructure. Qualifying infrastructure must be existing assets that could be leveraged as a part of the fiber deployment to either increase speed or [decrease] cost of deployment.
- Points will be awarded based on the proposed network design's proximity to the existing service area. Specifically, points will be calculated based on the existing infrastructure's distance to the proposed network design as indicated below.





Existing infrastructure (cont'd)

Proximity to proposed network design	Points
< 1 mile	4
1 – 5 miles	3
5 – 10 miles	2
10 – 15 miles	1
> 15 miles	0





Length of service in Montana (4 points maximum)

- Subgrantee applicants will provide the length of time they have been providing broadband service in the state, not including legacy companies.
- Points will be awarded to applicants based on the length of time they have been providing broadband service in Montana. Specifically, points will be calculated as follows: 1 point will be awarded for every 10 years that a subgrantee applicant has been providing broadband service in Montana, up to the maximum of 4 points total.
- For example, if a subgrantee applicant has been providing service in Montana for 20 years, that applicant would receive 2 points. If a subgrantee applicant has been providing service in Montana for 40 years, that applicant would receive 4 points.



High-cost area (1 point maximum)

- When the MBO releases application materials for the subgrantee process, it will include the CBGs eligible for funding with the corresponding set of un- and underserved locations. Furthermore, the MBO will also designate which CBGs are classified as high-cost CBGs based on the definition of high-cost areas as determined by NTIA as part of the BEAD allocation process.
- 1 point will be awarded to an applicant if their project area proposal includes at least 1 high-cost CBG.





Number of locations served (1 point maximum)

- As mentioned above, subgrantee applicants will bid on project areas that represent one or more CBGs consisting of a defined set of un- and underserved Broadband Serviceable Locations (BSLs). In addition to the BSLs, the MBO will also publish the list of eligible Community Anchor Institutions (CAIs) within each CBG. Subgrantee applicants will specify in their applications which CAIs they propose to deploy broadband service to.
- Points will be awarded to applicants based on the total number of locations (BSLs and eligible CAIs) in their proposed project area. Once all applications are received, the MBO will calculate the average number of locations (BSLs and eligible CAIs) proposed to be served across all project areas.

DEPARTMENT OF ADMINISTRATION



Number of locations served (cont'd)

- Specifically, points will be calculated as follows: 1 point will be awarded if an applicant's proposed number of locations (BSLs and eligible CAIs) for a particular project area exceeds the average number of locations (BSLs and eligible CAIs) across all project areas. No points will be awarded if the proposed number of locations (BSLs and eligible CAIs) for a particular project area is less than the average number of locations (BSLs and eligible CAIs) across all project areas.
- For example, if the average number of locations (BSLs and eligible CAIs) across all project areas is 5,000 and the number of locations (BSLs and eligible CAIs) proposed for a particular project area is 6,000, the project area would receive 1 point. If the number of locations (BSLs and eligible CAIs) proposed for a particular project area is 4,000, the project area would receive 0 points.

DEPARTMENT OF ADMINISTRATION

Non-Priority projects scoring rubric

Primary criteria (must be ≥ 75%)	Maximum Points Possible
Minimal BEAD program outlay: Per project BEAD grant request	40
Affordability: Lowest price for 100/20 Mbps service commitment	20
Fair labor practices: Past compliance and future commitment to prevailing wages	15
Secondary criteria	
Speed to deployment (<4 years)	1
Speed of network and other technical capabilities	1
Additional prioritization factors	
Whether the proposed project area serves unserved or underserved areas, with unserved areas receiving greater weight	14
Broadband service providers who have broadband service infrastructure already deployed in the project area	3
The length of time the provider has been providing broadband service in the state	4
High-cost areas must be considered for services to the extent terrestrial service is economically viable	1
The number of households, businesses, farms, ranches, and community anchor institutions served	1
Total score	100

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Minimal BEAD program outlay per project (40 points maximum)

- Subgrantee applicants will provide the list of CBGs and the grant request amount for each project area they are applying for. If a subgrantee chooses to submit multiple applications, each for a different project area composed of one or more CBGs, then for each application, the provider should note the CBGs that comprise the project area and the grant request for each project area. Each application will be scored and evaluated separately.
- The MBO will calculate the reference funding benchmark for each project area by summing up the benchmarks for each CBG included in an individual project area. The benchmark for each CBG will be based on the CostQuest Associates cost model provided by NTIA as a starting point. As noted above, the reference benchmark for each CBG will be posted publicly as part of the application materials.



Minimal BEAD program outlay per project (cont'd)

- Points will be awarded to applicants based on the percentage their requested grant funding amount is below or above the benchmark for a given project area. Specifically, points will be calculated as follows: 40 – (20 * (grant request amount / benchmark)), with a minimum of 0 points possible and a maximum of 40 points possible.
- For example, assume the benchmark for a particular project area is \$100. If the grant request amount is \$150, then the applicant would receive 10 points: 40 (20 * (150/100)) = 10. If the grant request amount is \$50, then the applicant would receive 30 points: 40 (20 * (50/100) = 30.
- Note that per NTIA guidance, absent a waiver such as in high-cost areas, the subgrantee's proposed match must cover no less than 25 percent of the project cost.

Non-Priority projects – primary criteria



Affordability (20 points maximum)—Lowest price for 100/20 Mbps service commitment

- Subgrantee applicants who commit to offering 100/20 Mbps service to the customers in BEAD project areas at the same rates they offer in their existing markets will earn 20 points.
- If applicants do not currently offer 100/20 Mbps service, they may make forward-looking commitments to offer the same rates for 100/20 Mbps plans across all locations to earn 20 points.
- Subgrantee applicants who do not make one of these commitments will earn 0 points.
- Applicants who fail to deliver on their pricing commitments will be subject to clawback provisions.



Fair labor practices (15 points maximum)

- Subgrantee applicants will provide details of their past compliance with federal fair labor laws, according to the requirements outlined in Section 2.7.1 of the IPv2. Subgrantee applicants will have the opportunity to earn points for making forward-looking commitments to offering Montana prevailing wages to their BEAD project workforce.
- Points will be awarded to applicants based on both their past record of compliance and commitment to offer prevailing wages. Applicants who meet all requirements for past compliance with federal fair labor laws will receive 13 points, while applicants with 1 past violation will receive 6 points, and applicants with more than 1 past violation will receive 0 points.



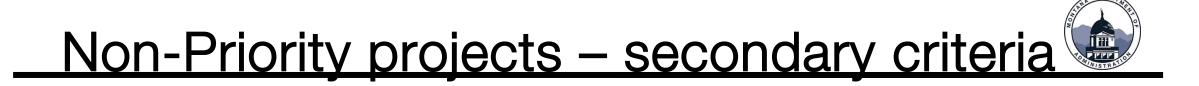


Fair labor practices (cont'd)

- Applicants who commit to offering prevailing wages (per Davis-Bacon) to their BEAD project workforce will receive an additional 2 points.
- Additionally, applicants who do not have a record of compliance with federal labor and compliance laws (e.g., a new market entrant) may achieve the full 13 points by making forward-looking commitments to abide by all state and federal fair labor laws, and an additional 2 points by committing to offer prevailing wages (per Davis-Bacon) to their BEAD project workforce.
- Applicants who fail to deliver on their forward-looking federal fair labor law commitments will be subject to clawback provisions.

Speed to deployment (1 point maximum)

- Subgrantee applicants will provide the timeframe in which they are making a binding commitment to complete deployment of their BEAD-funded broadband project. Completion of a BEAD-funded broadband project means that for all locations within a given project area, construction is completed, and a customer could receive service within 10 days upon request.
- If an applicant commits to completing all of their BEAD-funded deployment in less than 4 years (i.e., 3 years or less), that applicant would receive 1 point. If an applicant does not commit to completing all of their BEAD-funded deployment in less than 4 years (i.e., 3 years or less), that applicant would receive 0 points.
- Applicants who fail to deliver on their deployment commitments will be subject to clawback provisions.



Speed of network and other technical capabilities (1 point maximum)

- Subgrantee applicants will provide both the maximum advertised speed they are committing to offer for a proposed project area, as well as the network design and proposed technologies to be used. A qualified engineer will review the speed and network design to ensure the proposed technology can achieve the specified speeds.
- Points will be awarded for projects that exceed the minimum standard required to reach served status (100 Mbps download / 20 Mbps upload). Specifically, points will be calculated as follows: If a subgrantee applicant commits to and can reasonably deliver (based on the network design) speeds of at least 250 Mbps download / 50 Mbps upload, the applicant will receive 1 point for that particular project area.

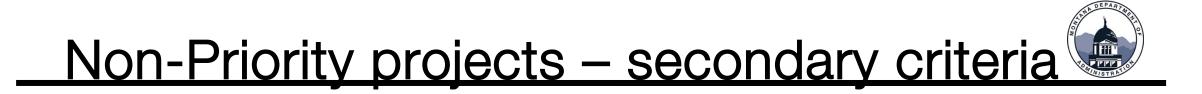


<u>Non-Priority projects – secondary criteria</u>

Unserved areas (14 points maximum)

 When the MBO releases application materials for the subgrantee process, the list of un- and underserved locations within each CBG will also be published. Subgrantee applicants will create project areas comprised of one or more CBGs. Since subgrantees must bid on all unand underserved locations in a CBG, the MBO will have the list of unand underserved locations that each subgrantee applicant is committing to provide with broadband service.

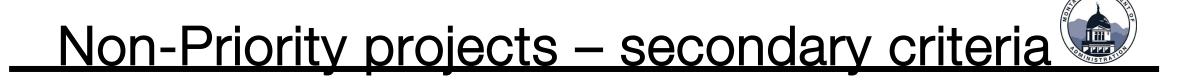




Unserved areas (cont'd)

- Points will be awarded to applicants based on the percentage of unserved locations in their proposed project area out of the total broadband serviceable locations in their proposed project area.
 Specifically, points will be calculated as follows: 1 point will be awarded for every 2% of unserved locations in the project area, up to the maximum threshold of 28% or more. Any project area that has over 28% of unserved locations will receive the maximum 14 points.
- For example, if a project area contains 21% unserved locations, then the applicant would receive 10 points. If the project area contains 40% unserved locations, then the applicant would receive 14 points.





Existing infrastructure (3 points maximum)

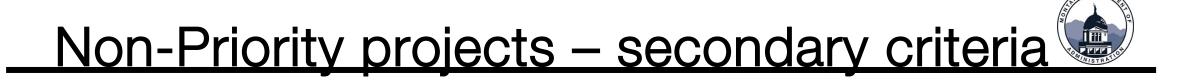
- To receive points for existing infrastructure, subgrantee applicants will provide a shapefile that shows their existing infrastructure in relation to their proposed network design for BEAD funded infrastructure. Qualifying infrastructure must be existing assets that could be leveraged as a part of the non-priority deployment. The qualifying infrastructure must either increase speed or cost of deployment of the proposed technology.
- Points will be awarded based on the proposed network design's proximity to the existing service area. Specifically, points will be calculated based on the existing infrastructure's distance to the proposed network design as indicated below.



Existing infrastructure (cont'd)

Proximity to proposed network design	Points
< 1 mile	3
1 – 10 miles	2
10 – 15 miles	1
> 15 miles	0





Length of service in Montana (4 points maximum)

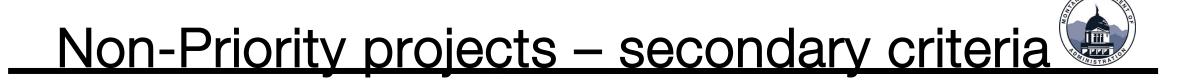
- Subgrantee applicants will provide the length of time they have been providing broadband service in the state, not including broadband service provided by any legacy companies.
- Points will be awarded to applicants based on the length of time they have been providing broadband service in Montana. Specifically, points will be calculated as follows: 1 point will be awarded for every 10 years that a subgrantee applicant has been providing broadband service in Montana, up to the maximum of 4 points total.
- For example, if a subgrantee applicant has been providing service in Montana for 20 years, that applicant would receive 2 points. If a subgrantee applicant has been providing service in Montana for 40 years, that applicant would receive 4 points.

DEPARTMENT OF ADMINISTRATION

High-cost areas (1 point maximum)

- When the MBO releases application materials for the subgrantee process, it will include the CBGs eligible for funding with the corresponding set of un- and underserved locations. Furthermore, the MBO will also designate which CBGs are classified as high-cost CBGs based on the definition of high-cost areas as determined by NTIA as part of the BEAD allocation process.
- 1 point will be awarded to an applicant if their project area proposal includes at least 1 high-cost CBG.





Number of locations served (1 point maximum)

- As mentioned above, subgrantee applicants will bid on project areas that represent one or more CBGs consisting of a defined set of un- and underserved Broadband Serviceable Locations (BSLs). In addition to the BSLs, the MBO will also publish the list of eligible Community Anchor Institutions (CAIs) within each CBG. Subgrantee applicants will specify in their applications which CAIs they propose to deploy broadband service to.
- Points will be awarded to applicants based on the total number of locations (BSLs and eligible CAIs) in their proposed project area. Once all applications are received, the MBO will calculate the average number of locations (BSLs and eligible CAIs) proposed to be served across all project areas.

Number of locations served (1 point maximum)

- Specifically, points will be calculated as follows: 1 point will be awarded if an applicant's proposed number of locations (BSLs and eligible CAIs) for a particular project area exceeds the average number of locations (BSLs and eligible CAIs) across all project areas. No points will be awarded if the proposed number of locations (BSLs and eligible CAIs) for a particular project area is less than the average number of locations (BSLs and eligible CAIs) across all project areas.
- For example, if the average number of locations (BSLs and eligible CAIs) across all project areas is 5,000 and the number of locations (BSLs and eligible CAIs) proposed for a particular project area is 6,000, the project area would receive 1 point. If the number of locations (BSLs and eligible CAIs) proposed for a particular project area is 4,000, the project area would receive 0 points.

DEPARTMENT OF ADMINISTRATION



MONTANA BEAD MAIN ROUND FINANCIAL REQUIREMENTS

April 17, 2024

INTRODUCTIONS





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PURPOSE AND TODAY'S AGENDA



Purpose: To provide an overview of the financial requirements for the Montana BEAD Program and application process with the goal of high-quality submissions.

Agenda:

- High Level Overview of Financial Requirements for MT's BEAD Program
- Application Process and Requirements
- Business Plan
- Project Pro Forma
- ILOC In More Detail
- Other Financial Considerations



OVERVIEW OF FINANCIAL REQUIREMENTS



PER the NOFO and BEAD Guidance, the State of Montana must determine the following for subgrantees and their projects:

- Have the competence, managerial and *financial capacity* to meet the commitments of the grant and Program, including service milestones;
- Technical feasibility and *financial sustainability* of a project providing broadband service to an unserved location, underserved location, or Eligible Community Anchor Institution;
- Will have available funds for all project costs that exceed the amount of the grant;
- Has and will continue to have sufficient financial resources to cover its eligible costs for the Project until such time as the Eligible Entity authorizes additional disbursements;
- Positive cash flow *within* the 7-yr time horizon of the project pro-forma



APPLICATION CHECKLIST



Prequalification and Main Round Application Rounds – Financial Checklist:

- Signed Executive Authority and Financial Capability Certifications (prequal)
- Financial Statements (pre-qual)
- Letter of Credit (main round)
- Business Plan (main round)
- Pro Forma (main round)



BUSINESS PLAN

The Main Round Business Plan:

- Introduction and Executive Summary
- Project Description
- Market Analysis
- Financial Assumptions and Feasibility
- Risk Analysis
- Conclusions and Recommended Next Steps







THE PURPOSE OF A BUSINESS PLAN



- Written narrative supporting the numbers, assumptions, and forecasts in the project pro forma.
- Elaborates on the projected outlook for the business, encompassing growth opportunities, assumptions driving the financial forecasts in the pro forma, such as market trends, pricing strategies, operational efficiencies, and potential risks.
- Speaks directly to the feasibility of the BEAD project and impact on the company's overall financial health (e.g., positive cashflow within 7-year time horizon of the proforma)



BUSINESS PLAN OUTLINE



Introduction and Executive Summary:

• Company overview, business model, market opportunities, and financial standing.

Project Description

Scope, service area, coverage, service plan pricing, and broadband speeds/latency; summary
of technical solutions.

Market Analysis

• Evaluates demand for expanded broadband service, market trends, and potential new subscribers.

Financial Assumptions and Feasibility

Risk Analysis

Conclusions and Recommended Next Steps

• Summary of project's strengths and why it will succeed with BEAD funding.

Applicant's written assumptions should include:

- Strategy and implementation
- Project's legal and financial structure (capital stack)
- Operational expenditures (OpEx) post-project
- Other Capital Expenditures (CapEx)
- Inflation rates
- Potential returns
- Expected changes in financial position
- Sufficient revenue to cover expenses
- Sufficient cashflow to cover all debt service obligations
- Schedule of ratios



RISK ANALYSIS: A DEEPER DIVE



Applicant's risk analysis should include:

- Highlights strengths, weaknesses, and opportunities.
- Identifies and mitigates potential areas of risk and uncertainty.
- Analyzes sensitivities to less than expected take rates, lower # of subscribers, revenue reductions, expense increases, construction delays, inflationary pressures, or other meaningful industry variables.



DEPARTMENT OF ADMINISTRATION

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FOUR PART PROJECT PRO FORMA

- 1. Income Statement
- 2. Capital Investment Workbook
- 3. Capital Investment Schedule
- 4. Debt Summary





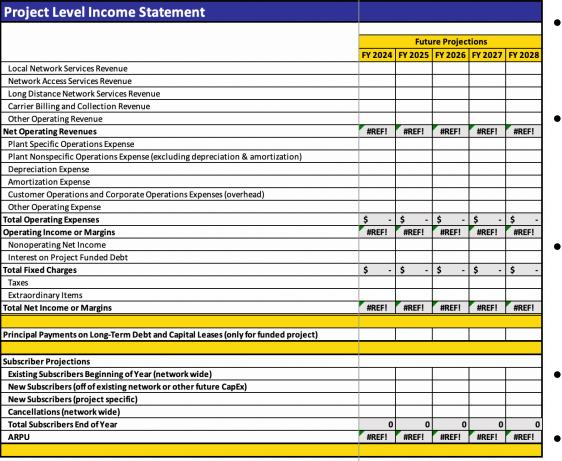
THE PURPOSE OF A PRO FORMA



- Assess the project's financial feasibility
- Predict and enhance financial outcomes of capital projects
- Evaluate anticipated impact of the project on the overall financial health of the company
- Analyze financial performance based on certain assumptions and different scenarios.
- Helps answer the question if the project makes fiscal sense to pursue, both for the applicant and the funder
- Secures necessary funding to make a project a reality



INCOME STATEMENT – PROJECT PRO FORMA



- Evaluates the anticipated financial performance of the project and over the build out period of the project.
- Applicant must meet or exceed 1.2x for at least two of the reviewed benchmark ratios—TIER, DSCR, or current ratio) by the end of the forecast period.
- For applicants that do not plan to borrow funds and without any current debt, only the current ratio requirement must be met.
- Days cash on hand between 60 and 90 days.
- Key performance measures include new subscribers, take rate, acceptable pricing, and average revenue per user (ARPU)



CAPITAL INVESTMENT WORKBOOK – PROJECT PRO FORMA

\$60

Project Costs and Sources

Uses	Project Cost					
Total Project Cost	\$10					

Sources	Funds
MT Connect	
a.	\$50
Other Grant Sources	
b. Grant Source 1	\$0
c. Grant Source 2	\$0
Loan Sources	
d. Loan Source 1	\$0
e. Loan Source 2	\$5
Applicant Contribution	
f. Contribution Type 1	\$5
g. Contribution Type 2	\$0

Sum of Sources (MUST Equal Sum of Total Project Costs)

Requirement (unless Census Block Group is waived)	Check	% of Other Sources
At least 25% of the Total Project Costs have to come from Other Sources besides MT Connect	#REF!	#REF!

- Details project uses and sources
- Illustrates any potential funding gaps
- Clarifies matching funds (including in-kind match)
- Documentation of other funds will be required
- Total Project Cost can be pulled directly from the Project Plan (technical document; Project Cost Details subtab—Category Cost Totals)
- Should link well with monthly or quarterly project budget reports
- Ineligible costs can't be paid with matching funds



CAPITAL INVESTMENT SCHEDULE – PROJECT PRO FORMA

MA

Capital Investment Schedule

Category	2024	2025	2026	2027	2028	Total
Total Project Cost						\$-

- Outlines key milestones and phases.
- Intertwined with cost and revenue projections.
- Ensures timely completion and mitigates construction delay and cost overruns risks.
- The CIS should perfectly match "Project timeline with milestones" from the Project Plan (technical document)
- There is a 4-year deployment and reimbursement timeline for BEAD monies (From date of subaward).



DEBT SUMMARY FOR PROJECT AND RELATED PROJECTS



	Existing and New Debt Summary											
						Loan Terms		Annual Payment Amount				
Existing or New?	Name of Lender	Loan Description/Reason	Original Loan Amount	Outstanding Balance	Annual Interest Rate (%)	Term of Loan (Years)	Variable (Y/N)	Annual Principal Paid	Interest Paid	Start Date of First Payment (mm/dd/yyyy)	Security	Annual Debt Reserve (if applicable)

- Must include all existing debt
- If applicable, include matching debt assumptions for the MT BEAD project
- Should also estimate debt for all other capital projects that the subgrantee or its affiliates are undertaking or have committed to undertake at the time of application and, additionally, whose debt schedule starts within the next five years
- Letters of commitment and term sheets should be provided as basis for debt assumptions



FOUR LETTER OF CREDIT ALTERNATIVES



- Subgrantee Option to Use Credit Unions
- Subgrantee Option to Use Performance Bonds
- Subgrantee Option for Alternative Initial LOC or Performance Bond Percentage
- (post award) Reduction of LOC/Performance Bonds Upon Completion of Milestones



EXECUTIVE AUTHORITY



- During Prequalification you assigned an authorized organization representative (AOR)
- If you would like to change your AOR you can submit an updated Executive Authority:
 - They need the authority to certify their capability to fulfill project obligations
 - Confirm availability of funds to cover costs exceeding the grant amount. Mandatory compliance with all Program requirements, including service milestones.
 - If funding is disbursed upon task completion, ongoing financial capability must be certified to cover project costs until further disbursements are authorized.



HISTORICAL FINANCIAL STATEMENT REQUIREMENTS

- During Prequalification, Potential subgrantees must submit:
 - Completed audited financial statements from the most recent year (unqualified).
 - Unaudited interim financial statements for the current year to date.
- If unqualified audited financial statements from the most recent year are unavailable:
 - Submit qualified audited financial statements from the previous year.
 - Include a narrative explaining why unqualified statements were unavailable.
 - Provide unaudited interim financial statements for the current year to date.
- If audited financial statements for the previous year are unavailable:
 - Potential subgrantees must provide financial statements audited by a CPA before signing a contract for a subgrantee award.





FINANCIAL REQUIREMENTS Q&A







MONTANA BEAD MAIN ROUND TECHNICAL REQUIREMENTS

April 17, 2024



INTRODUCTIONS

Mitch Hergett – Principal Engineer, CTC

- Leading today's presentation
- <u>mhergett@ctcnet.us</u>







BEAD NOFO Section IV.D.2.c

Prospective subgrantees must submit a network design, diagram, project costs, build-out timeline, and milestones for project implementation, as well as a capital investment schedule.

These items must be certified by a Professional Engineer, stating that the proposed network can deliver broadband service that meets the requisite performance requirements to all locations served by the project.

An Eligible Entity shall not approve any grant unless it determines that the materials submitted to it demonstrate the prospective subgrantee's technical capability with respect to the proposed project.





ConnectMT BEAD Application - Section 7: Project Plan

Applicants shall submit a project plan to demonstrate their technical capability with respect to the proposed project. The submission must include the following components:

- Technical narrative
- Network design
- Logical network design drawing
- Project costs
- Project timeline with milestones
- Professional Engineer certification

Regarding the capital investment schedule:

- NTIA has issued a Conditional Limited Programmatic Waiver and Clarification of Professional Engineer Certification.
- Montana's Initial Proposal Volume 2 (IPV2) states: "*Applicants will submit the capital investment schedule as part of the pro forma template.*"



Technical narrative - submitted as a .pdf

The technical narrative shall provide a description of the proposed project and detail how the proposed infrastructure will deliver service that reliably meets or exceeds the required speeds and latency for all broadband serviceable locations (BSL) and proposed community anchor institutions (CAI) in the project area. The narrative must include:

- A detailed description of how the network will be connected to sufficient backhaul infrastructure to support the program performance requirements.
- An explanation of the projected subscriber take-rate and the anticipated level of oversubscription based on the proposed network capacity.
- A discussion of network scalability.
- A detailed description of how the proposed network will be deployed using industry best practices.



Network design – *submitted as shapefiles*

The network design shall include all proposed BSLs and CAIs served by the project, all proposed broadband infrastructure routes to be constructed via the project, and project area boundary polygons encompassing all infrastructure routes, BSLs, and CAIs.

- The official BSL and CAI data will be made available by MBO.
- The proposed routes shall be provided as a singular line feature representative all broadband infrastructure (conduit, fiber, etc.) and shall be attributed to convey associated details.
- The project area boundary polygons shall be drawn so that all proposed BSLs, CAIs, and proposed infrastructure routes are encompassed within the boundaries.





Logical network design drawing - submitted as a .pdf

The logical network design drawing shall illustrate the logical connectivity for the proposed network; depict the desired architecture of the network in terms of hardware placement and hardware redundancy; and indicate the types of network platforms/technologies to be utilized in each layer of the network.

Existing infrastructure present on the diagram should be identified as existing so as to clearly delineate new infrastructure proposed as part of the project.

A sample drawing will be provided as part of the user guide materials.





Project costs – submitted as a spreadsheet

The project costs estimate shall offer sufficient granularity to demonstrate an understanding of the proposed project and its associated estimated costs.

The cost estimate must include a detailed itemization of each cost and sufficient description to verify the eligibility of each proposed cost item.

The project costs shall be submitted in spreadsheet format using the template provided by MBO.

An example spreadsheet with sample costs and supporting details will be provided by MBO.





Project costs template

The project costs template will include instructions on how to fill out the spreadsheet. Applicants shall enter individual cost items into the spreadsheet. For each proposed cost item, the applicant must fill out the following information fields:

- <u>Cost description</u> A simple description of the cost item
- <u>Cost category</u> A selectable field that assigns to the cost to a specific program reporting category
- Unit type The unit of measurement for each cost item quantity (feet, each, hours, etc.)
- <u>Unit quantity</u> The Applicant's estimated quantity of each cost item that will be required to complete the project
- <u>Unit cost</u> The Applicant's estimated cost per unit for each cost item
- Cost details and justification The Applicant's narrative supporting the estimated unit quantities and cost

Applicants shall be afforded the flexibility to determine their individual cost items.

The spreadsheet will automatically generate a project cost summary from the detailed cost information entered by the applicant; that summary can be used to populate the CIW tab of the pro forma workbook.



Project timeline – submitted as a spreadsheet

The project timeline shall articulate the applicant's ability to complete the project within the four-year timeframe. The timeline shall include the key milestones for project implementation, including:

- Planning/engineering
- Permitting/make-ready
- Material and equipment procurement
- Network construction
- Subscriber activations
- Project closeout submission

The project timeline shall be submitted in spreadsheet format using the template provided by MBO.





Professional Engineer certification – submitted as a .pdf

The Professional Engineer certification must confirm the accuracy and completeness of the Project Plan materials and attest that the proposed network can deliver broadband service that meets the requisite performance requirements to all proposed locations within the required four-year deployment timeline.

MBO will provide a template for this certification that includes fields for the following information:

- Name of the licensed Professional Engineer
- License number
- Licensed state (*does not need to be Montana*)
- License expiration data (must be currently licensed PE)
- Professional Engineer signature





Additional technical compliance certifications

In addition to obtaining technical certification from a currently licensed Professional Engineer, the applicant's Authorized Organizational Representative (AOR) must certify that the organization will comply with the following program requirements :

- At time of project closeout, all proposed BSLs shall be capable of receiving *Reliable Broadband Service* with speeds of not less than 100 Mbps for downloads and 20 Mbps for uploads with 95 percent of latency measurements during testing windows falling at or below 100 milliseconds round-trip time.
- At time of project closeout, grant-funded connections to proposed Eligible Community Anchor Institutions shall be capable of delivering service at speeds not less than 1 Gigabit per second for downloads and 1 Gigabit per second for uploads. Additionally, the applicant certifies that these grant-funded connections can be used to provide business data services, which refers to the dedicated point-to-point transmission of data at certain guaranteed speeds and service levels using high-capacity connections.
- Applicant will obtain all necessary federal, state, and local governmental permits and required approvals necessary for the proposed work to be completed.









MONTANA BEAD MAIN ROUND PROGRAMMATIC AND LABOR REQUIREMENTS

April 17, 2024

INTRODUCTIONS





Rebecca Fairchild-Lewis – Manager, Summit

- Leading Today's Presentation
- rebecca.fairchild-lewis@summitllc.us





Purpose and Session Agenda

Purpose: This session will provide an overview of the various programmatic, managerial, labor, and regulatory requirements that will be included in the Main Round application.

Agenda:

- Organizational Capacity and Risk
- Project Staffing and Labor Requirements
- Minimum Qualifications and Compliance with Applicable Laws
- Build America, Buy America (BABA)
- Affordable Connectivity Program (ACP)



ORGANIZATIONAL CAPACITY



Applicants will be asked if they wish to update the following documents that were submitted during the Prequalification round:

- Resumes of management key personnel
- Narrative detailing company's managerial approach
- o Organizational chart
- Detail of prior experience for recent broadband projects
- State and federal registrations
- List of all broadband deployment projects

For Main Round, applicants are asked to provide project specific information such as resumes for key project staff.

Each applicant must upload a legal opinion certifying that they possess the operational capability to carry out the funded activities within the timeline and terms set by the subgrant agreement.



ORGANIZATIONAL RISK

Applicants are able to update information with regards to Cybersecurity and Supply Chain Risk Management.

Applicants will be presented with a series of compliance questions designed to address the risk level of the applicant. Topics will include:

- o Internal controls and organizational policies
- Financial status of organization
- o Oversight, bankruptcy, and debarment





Summary:

All BEAD recipients and subrecipients must provide a plan to comply with all applicable labor regulations.

- Scoring:
 - Details of their past compliance with federal fair labor laws
- General application questions:
 - Approach to project staffing and if the workforce is directly employed, subcontracted, or both, including details the size of its workforce, the job titles of its workers, and the entity that will employ each portion of the workforce (e.g., the applicant, contractors, subcontractors).



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RECRUITMENT AND SUBCONTRACTING

Summary:

Applicants will be asked to provide information detailing their staffing and subcontracting policies and procedures.

Application Components:

- Organization's plan to recruit employees that would be appropriate for this project with relevant expertise.
- Organization's subcontracting plan and how they will ensure subcontracting staff is meets qualification



<u>CREDENTIALING</u>



Summary:

Applicants will be asked to describe how they will ensure that all employees have the appropriate and required credentials.

Application Components

- o Organization plans to take to ensure all members of workforce have necessary credentials.
- Certification confirming that organization has employed the appropriate personnel for the proposed project.
- Certifications required for staff deployment projects as mandated by state and federal law.
- During the main round, potential subgrantees must provide a narrative that details the steps they will take to ensure that all members of its project workforce have the appropriate credentials. The applicant should also note any on-the-job training programs it offers





EMPLOYEE HEALTH AND SAFETY

Summary:

During the main round, applicants will also be required to upload any documentation demonstrating that they have communicated these rights to workers.





PREVAILING WAGES



Summary:

Although not mandatory, subgrantees are encouraged to provide prevailing wages and benefits to their workers through the scoring process.

Davis-Bacon Requirements:

If a project receives more than \$5 million in funding, the organization will be required to either certify compliance with Davis-Bacon, or if unable to do so, provide a project employment and local impact report.

The Davis-Bacon "prevailing wage" is the combination of the basic hourly rate and any fringe benefits listed in a Davis-Bacon wage determination. The contractor's obligation to pay at least the prevailing wage listed in the applicable wage determination can be met by paying each laborer and mechanic the applicable prevailing wage entirely as cash wages or by a combination of cash wages and employer-provided bona fide fringe benefits. The prevailing wage for each location can be found on SAM.gov.

BABA



All organizations receiving funding from the BEAD program are required to comply with Build America, Buy America (BABA).

In general, compliance with BABA will be required for all recipients of grant funding, however, the Department of Commerce has published several waivers for certain materials and situations.

The currently approved BABA waivers for the BEAD program are:

- Optical line terminals and remote optical line terminals
- OLT line cards
- Optic pluggables
- Standalone optical network terminals and optical network units, where DOC waives the 55% cost of components requirement and provides specific guidance regarding manufacturing processes that must occur in the United States
- Passive optical equipment

TRIBAL CONSENT



Summary:

Montana must include a Resolution of Consent from each Tribal Government, from the Tribal Council or other governing body, upon whose Tribal Lands the infrastructure will be deployed as part of the Final Proposal.

Application Requirement:

Applicants must either submit a resolution of consent with their Main Round application or submit evidence of the initiation of those proceeding with a commitment of providing such consent by the time provisional selection.





PARTICIPATION IN ACP

Recipients of BEAD funding will be required to participate in the Affordable Connectivity Program (ACP) or any successor program.





PROGRAMMATIC & LABOR REQUIREMENTS Q&A









Montana Permitting Requirements

INTRODUCTIONS



Panelists Eric Sivers – Policy Analyst, Water Quality Division Montana Department of Environmental Quality (DEQ)

Steve Giard – Utilities Manager, Right-of-Way Bureau Matt King – Utilities Engineering Specialist, Right-of-Way Bureau Jason Gilliam – Engineering Specialist, Right-of-Way Bureau Montana Department of Transportation (MDT)

Emily Moran – Biologist Montana Sage Grouse Habitat Conservation Program

Lisa Axline- Section Supervisor, Right of Way Department of Natural Resources and Conservation

Moderator Aimee Meacham – Consultant





MONTANA BEAD MAIN ROUND NEPA AND HISTORICAL PRESERVATION

April 18, 2024



INTRODUCTIONS

Aimee Meacham -- Consultant

- Leading today's presentation
- <u>ameacham@ctcnet.us</u>





NEPA AND NHPA OVERVIEW



- The National Environmental Policy Act (NEPA) and National Historic Preservation Act (NHPA) established requirements for environmental review
- NEPA and NHPA require federal agencies to "stop, look, and listen" before making decisions that impact historic properties and the human environment
- Key takeaways:
 - NEPA and NHPA review, including consultation, must be completed before an awarded project can begin
 - NTIA will review NEPA and NHPA documentation as part of Montana's BEAD Final Proposal

NEPA REVIEW



- NEPA serves an umbrella law providing a framework within which all other environmental, historic, and cultural resources laws can be evaluated
- NEPA review:
 - Provides an analysis of the effects of a proposed action (e.g., BEAD project) to determine whether it has the potential to significantly impact the environment
 - Requires early consideration of the environmental effect of the proposed action
 - Requires environmental documentation for projects involving federal funds, lands, or permits
 - Requires consideration of environmental effects, along with technical, economic, and other factors

LEVELS OF NEPA REVIEW



	Overview	← Timeline* ← →
Categorical Exclusion (CATEX)	CATEXs are issued by NTIA for defined actions that the agency has determined do not individually or cumulatively have a significant effect on the environment . An analysis of the environmental considerations of the proposed actions must be completed to determine whether a CATEX can apply.	Grant recipient will develop project description and supporting documentation, including engaging in consultation, which will undergo environmental analysis. Typically, 3-6 months to develop and deliver to NTIA. Upon receipt of a complete package and the conclusion of any consultation, NTIA estimates 30-45 days to evaluate and issue a CATEX, if applicable.
Environmental Assessment (EA)	An EA will be prepared when the significance of the project's environmental impact is not clearly established . Should environmental analysis find a project to have no significant impacts on the quality of the environment, a Finding of No Significant Impact (FONSI) is issued. If environmental analysis finds that actions could have significant impact, an EIS would be required.	Grant recipient will develop EA in coordination with NTIA, approximately 6-12 months to develop and deliver EA to NTIA. NTIA will review the draft and final documents for technical and legal sufficiency, publish the final document for public comment, and develop a FONSI.
Environmental Impact Statement (EIS)	An EIS will be prepared for projects when the action will likely have a significant effect on the environment . This is the most comprehensive form of NEPA analysis. The final decision is documented in a Record of Decision (ROD), which codifies the final decision made, whether to approve the project or not, and the basis for that decision.	Grant recipient will develop EIS in coordination with NTIA, extensive public involvement requirements apply, approximately 12-24 months to develop and deliver EIS to NTIA. NTIA will review for technical and legal sufficiency, publish draft and final documents for public comment, and develop a ROD once the final EIS public comment period concludes.

*These timelines do not take into account any other outstanding agency approvals. A project is not considered cleared for NEPA until NTIA issues a decision document (FONSI or ROD).

NEPA REVIEW: PROJECT DESCRIPTION

Project descriptions are essential to NEPA review:

- Describe the project (e.g., end-to-end fiber, construction of a tower under 200 feet)
- Describe where the project will be located and/or provide a detailed outline of the route the project will use
- Provide a physical description of the site(s) and surrounding area(s), including any adjacent natural resources (e.g., wetlands, rivers, forests)
- Describe how the project will be implemented (e.g., trenching within existing right-of-way)

K	

NHPA REVIEW: SECTION 106



Section 106 of NHPA requires federal agencies to consider the effects on historic properties of projects they carry out, assist, fund, permit license, or approve throughout the country

If a federal or federally assisted project has the potential to affect historic properties, a Section 106 review will take place, which includes consultation with State or Tribal Historic Preservation Officers (SHPO or THPO)

BEAD-funded projects may not require standard Section 106 review if the proposed area:

- Has been previously surveyed and found not to contain historic properties,
- Has been previously disturbed to the extent and depth where the probability of finding intact historic properties is low,
- Is not considered to have a high probability for historic properties by qualified professionals, or
- Meets certain existing exemptions in the federal Advisory Council for Historic Preservation (ACHP) Program Comment (see <u>Expanding Internet Access and Protecting Historic Properties</u> | <u>National Telecommunications and Information Administration</u>)

SECTION 106 REVIEW



When a broadband project would occur on state or federally owned lands, or when a federal permit is required, the Montana Antiquity Act and NHPA may require additional work related to cultural resources. In such cases, contractors would consult the land management agency.

Montana's State Historic Preservation Office (SHPO) reviews projects based on the following:

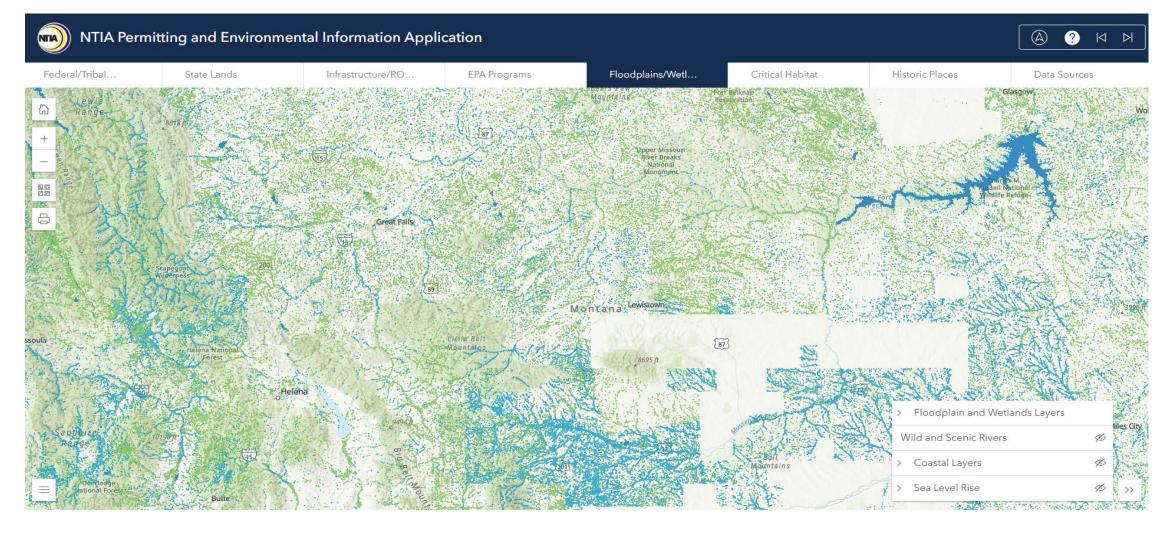
- 1. If the project area is entirely within a disturbed right-of-way or utility corridor, applicants will be expected to certify that:
 - Their project will be located entirely within previously disturbed right-of-way or utility corridors; and
 - If previously unknown cultural resources are identified during project activities, all work will cease, and the subgrantee will notify the Montana SHPO and the Department of Administration
- 2. If some or all of the project area will have new ground disturbance or is outside an existing right-of-way or utility corridor, the contractor will contact SHPO for a file search of the applicable project area. The contractor will submit a file search request form along with the proposed project area maps to the SHPO.

RECENT EHP GUIDANCE



- New categorical exclusions: NTIA recognized 30 new categorical exclusions and adopted six additional categorical exclusions from the First Responder Network Authority (FirstNet) to expedite NEPA review
- Existing FirstNet EIS: NTIA adopted FirstNet's Statewide EIS to streamline NEPA analysis
- Streamlined Section 106 reviews: ACHP released a program comment to expand earlier work and accelerate Section 106 review for communications projects, particularly broadband infrastructure projects
- Increased state role in EHP review: NTIA is leaning heavily on the state to support EHP reviews and will be providing additional guidance after Montana receives approval for Initial Proposal Volume 2

NTIA ENVIRONMENTAL INFORMATION TOO



Source: https://nbam.maps.arcgis.com/apps/instant/portfolio/index.html?appid=c7906b72e14045bf9fa6fe9addd469a0

RESOURCES



- NEPA: NEPA | National Environmental Policy Act Overview of Laws and Regulations (doe.gov)
- NHPA: <u>nhpa.pdf (achp.gov)</u>; <u>Communications Project PC amendment 20240313 letterhead_SIGNED.pdf</u> (achp.gov)
- NTIA Guidance: <u>https://www.ntia.gov/press-release/2024/ntia-adopts-new-measures-streamline-environmental-impact-permitting-review</u>
- MT SHPO: <u>Historic Preservation (mt.gov</u>)
- MT Sage Grouse Habitat Conservation Program: <u>Home (mt.gov)</u>
- MDT: Interstate Permitting | Montana Department of Transportation (MDT) (mt.gov)
- DEQ: <u>Permitting | Montana DEQ (mt.gov)</u>
- MT DNRC: <u>Permits-and-Services (mt.gov</u>) DEPARTMENT OF ADMINISTRATION



MONTANA BEAD MAIN ROUND REPORTING REQUIREMENTS

April 18, 2024



INTRODUCTIONS

Aimee Meacham -- Consultant

- Leading today's presentation
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<u>AGENDA</u>



- 1. Build America, Buy America (BABA), National Environmental Policy Act (NEPA), and National Historic Preservation Act (NHPA) reporting requirements
- 2. Eligible Entity reporting requirements
- 3. Subgrantee reporting requirements
- 4. Looking ahead and Q&A

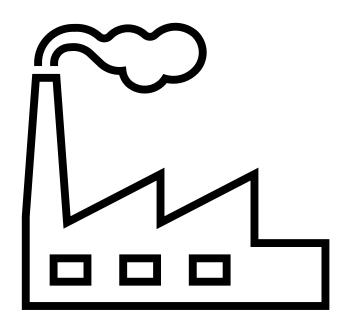




Build America, Buy America (BABA), National **Environmental Policy Act** (NEPA), and National Historic Preservation Act (NHPA) reporting requirements

BABA REPORTING

- NTIA has not yet released extensive reporting guidelines for Eligible Entities or Subgrantees regarding the Broadband Equity, Access, and Deployment (BEAD) Program's Build America, Buy America (BABA) requirements
- Subgrantees must report on their purchases of items from foreign sources (according to NTIA's recent <u>BABA waiver</u>)





NEPA AND NHPA REPORTING

- Awarding agencies must analyze the potential environmental impacts, as required by the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA), for Eligible Entity proposals and awardee projects and other eligible activities seeking funding under the BEAD Program
- Eligible Entities with projects or other eligible activities containing construction and/or ground-disturbing activities must submit all required environmental documentation to NTIA with their Final Proposals
 - Must describe how Eligible Entities will comply with applicable environmental and historic preservation requirements
- NTIA has not published any other NEPA or NHPA reporting guidance at this time



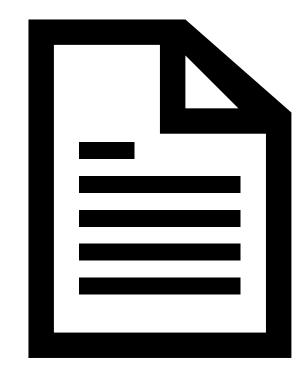


Eligible Entity reporting requirements



FINAL REPORT TO NTIA

- Submit no later than one year after an Eligible Entity has expended all grant funds received
- Submit to Assistant Secretary
- The Assistant Secretary may prescribe additional reporting requirements (beyond those outlined in the following slide)



FINAL REPORT REQUIREMENTS



- Describes how the Eligible Entity expended the funds
- Describes each service provided with the grant funds
- Describes the locations at which broadband service was made available using the grant funds, the locations at which broadband service was utilized, and the comparative demographics of those served
- Includes each report that the Eligible Entity received from a Subgrantee under Section 60102(j) of the Infrastructure Act
- Certifies that the Eligible Entity complied with the requirements and with any additional reporting requirements prescribed by the Assistant Secretary

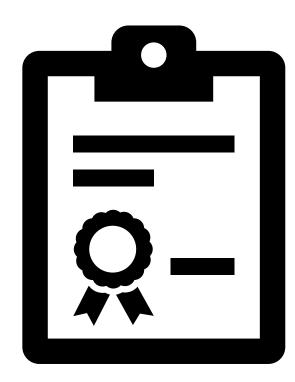


Subgrantee reporting requirements



SUBGRANTEE REPORT

- Submit to Eligible Entity, at least semiannually for the duration of the subgrant to track the effectiveness of the use of funds provided
- Eligible Entity may add additional reporting requirements or increase the frequency of reporting (with approval of the Assistant Secretary)
- Eligible Entity must make reports available to NTIA upon request



SUBGRANTEE REPORT REQUIREMENTS

- Description of each type of project and/or other eligible activities carried out using the subgrant and the duration of the subgrant
- A list of addresses or location identifications (including the Broadband Serviceable Location Fabric established under 47 U.S.C. 642(b)(1)(B)) that constitute the service locations that will be served by the broadband infrastructure to be constructed and the status of each project
- Identification of new locations served within each project area at the relevant reporting intervals, and service taken (if applicable)
- Identification of whether each address or location is residential, commercial, or a community anchor institution
- Description of the types of facilities that have been constructed and installed
- Description of the peak and off-peak actual speeds of the broadband service being offered
- Description of the maximum advertised speed of the broadband service being offered



- Description of the non-promotional prices, including any associated fees, charged for different tiers of broadband service being offered
- List of all interconnection agreements that were requested, and their current status
- The number and value of contracts and subcontracts awarded by the Subgrantee disaggregated by recipients of those such contracts or subcontracts that are Minority Business Enterprises (MBE) or Women's Business Enterprises (WBE)
- Any other data that would be required to comply with the data and mapping collection standards of the Commission under Section 1.7004 of title 47, Code of Federal Regulations, or any successor regulation, for broadband infrastructure projects
- Include an SF-425, Federal Financial Report and meet the requirements described in the <u>Department of</u> <u>Commerce Financial Assistance Standard Terms and Conditions</u>, Section A.01 for Financial Reports
- Comply with any other reasonable reporting requirements determined by the Eligible Entity to meet the reporting requirements established by the Assistant Secretary, and certify that the information in the report is accurate

SUBGRANTEE REPORT REQUIREMENT

For projects over \$5,000,000 (based on expected total cost):

- Certification that laborers and mechanics employed by contractors or subcontractors working on the project are paid wages at rates not less than those prevailing, as determined by the U.S. Secretary of Labor in accordance with the Davis-Bacon Act or by the appropriate State entity pursuant to a corollary State prevailing-wage-in-construction law
 - If such certification is not provided, the Subgrantee must provide a project employment and local impact report (further details on slide 15)
- Certification that a project either will use a unionized project workforce or includes a project labor agreement, meaning a pre-hire collective bargaining agreement consistent with section 8(f) of the National Labor Relations Act (29 U.S.C. 158(f))
 - If such certification is not provided, the Subgrantee must provide a project workforce continuity plan (further details on slide 16)



PROJECT EMPLOYMENT AND LOCAL IMPACTURE REPORT REQUIREMENTS

- The number of contractors and subcontractors working on the project
- The number of workers on the project hired directly and hired through a third party
- The wages and benefits of workers on the project by classification
- Whether those wages are less than prevailing wage rates





PROJECT WORKFORCE CONTINUITY PLAN REQUIREMENTS

- Steps taken and to be taken to ensure the project has ready access to a sufficient supply of appropriately skilled and unskilled labor to ensure construction is completed in a competent manner throughout the life of the project, including a description of any required professional certifications and/or in-house training, Registered Apprenticeships or labor-management partnership training programs, and partnerships with entities like unions, community colleges, or community-based groups
- Steps taken and to be taken to minimize risks of labor disputes and disruptions that would jeopardize timeliness and cost-effectiveness of the project
- Steps taken and to be taken to ensure a safe and healthy workplace that avoids delays and costs associated with workplace illnesses, injuries, and fatalities, including descriptions of safety training, certification, and/or licensure requirements for all relevant workers (e.g., OSHA 10, OSHA 30, confined space, traffic control, or other training required of workers employed by contractors), including issues raised by workplace safety committees and their resolution
- The name of any subcontracted entity performing work on the project, and the total number of workers employed by each such entity, disaggregated by job title
- Steps taken and to be taken to ensure that workers on the project receive wages and benefits sufficient to secure an appropriately skilled workforce in the context of the local or regional labor market



LOOKING AHEAD AND Q&A



