Arkansas BEAD Program

Friday Technical Assistance Session

SEPTEMBER 20, 2024
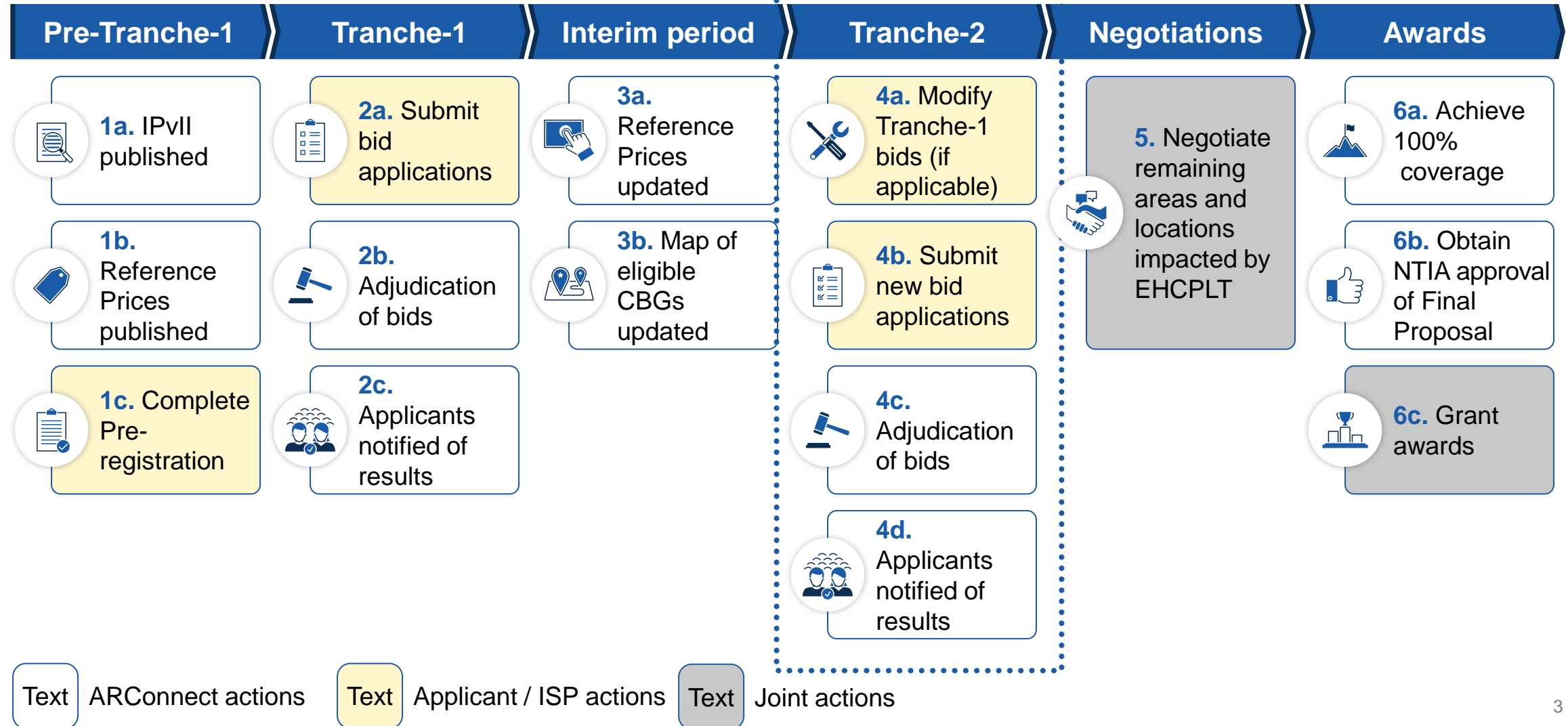
ARConnect
The Arkansas State Broadband Office

Agenda for the session today

1 Deep-dive: Tranche-2

2 Q&A

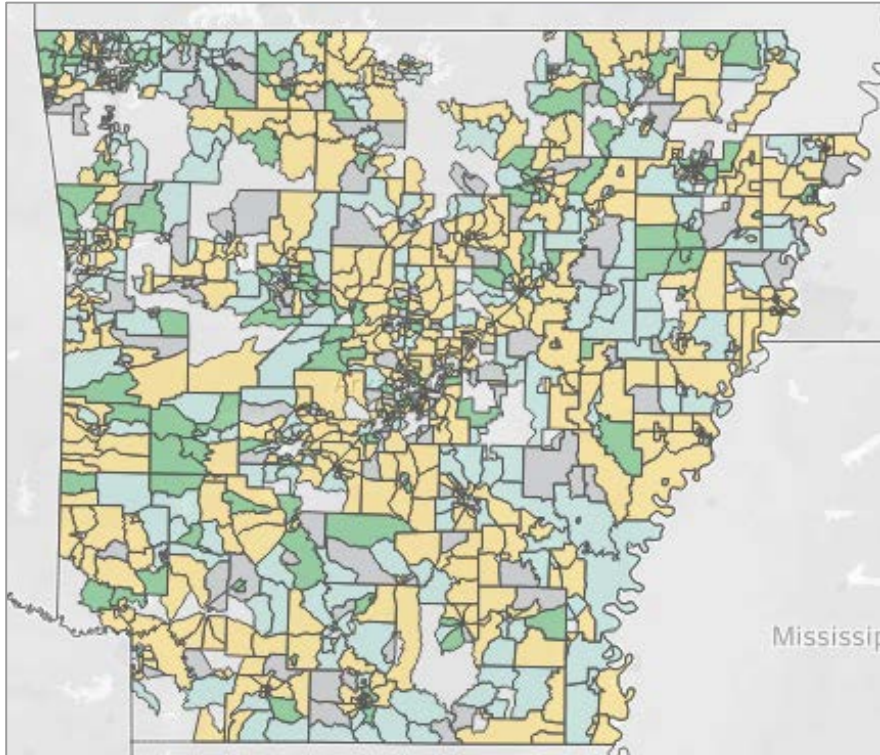# Deep-dive: Tranche-2

Tranche-2 is the second round of bidding, which takes place after Tranche-1 and leads into negotiations

Pre-Tranche-1	Tranche-1	Interim period	Tranche-2	Negotiations	Awards

1a. IPvII published

1b. Reference Prices published

1c. Complete Pre-registration

2a. Submit bid applications

2b. Adjudication of bids

2c. Applicants notified of results

3a. Reference Prices updated

3b. Map of eligible CBGs updated

4a. Modify Tranche-1 bids (if applicable)

4b. Submit new bid applications

4c. Adjudication of bids

4d. Applicants notified of results

5. Negotiate remaining areas and locations impacted by EHCPLT

6a. Achieve 100% coverage

6b. Obtain NTIA approval of Final Proposal

6c. Grant awards

Text — ARConnect actions   Text — Applicant / ISP actions   Text — Joint actions

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Recap: After Tranche-1, ARConnect will publish an updated map displaying results from Tranche-1 with updated CBG statuses

Illustrative Map of Tranche-1 Results

CBG statuses after Tranche-1

Provisionally Selected (unavailable)
- CBGs that were provisionally selected in Tranche-1 and are no longer available for bidding

Available Zero-bid
- Applicants will be allowed to add these areas to Carried Forward or new bids for additional points

Available
- CBGs that received bids in Tranche-1, but no winner was determined

Ineligible
- CBGs that contain 100% served locations and are unavailable for bidding

Provisionally Selected ☐ Available Zero-bid ☐ Available ☐ Ineligible

There are two types of bids in Tranche-2, which have unique criteria and rules

	Carried Forward bids from Tranche-1	**New bids**
Description	**Bids which are "Carried Forward" from Tranche-1 because they are competing with overlapping bids.** Carried Forward bids may be modified during Tranche-2 in two ways: 1. Decrease the Requested Subsidy for the project area 2. Add contiguous CBGs to the project area (or non-contiguous, Zero-Bid CBGs) Note: Carried Forward bids will automatically be submitted in Tranche-2, even if applicant takes no action.	**All applicants who submitted a bid in Tranche-1 are allowed to submit new bids in Tranche-2.**
CBG restrictions[1]	• An applicant may include a given CBG in a maximum of 3 bids. • CBGs included in a Carried Forward project area **may not** be included in a new bid's project area.	

1. Project area rules from Tranche-1 still apply: CBGs must be contiguous, bidders must serve all eligible locations within a CBG included in the project area, and bidders must bid for outer and inner CBGs together, if one sits inside the other.

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Tranche-2 applications are scored and adjudicated after applicants have submitted them

Start here: Tranche-1 ends, and applicants review the results

Applicants may choose to modify their Carried Forward bids or submit new bids in Tranche-2

ARConnect scores bids according to the Scoring Rubric (Applicant Primer Section 4)

ARConnect completes adjudication according to the Tranche-2 rules specified in the Applicant Primer (Section 2)

ARConnect notifies applicants of adjudication results through Grantor Portal

Applicant action   ARConnect action

Sample screenshot of Scoring Rubric from Applicant Primer Section 3

Scoring Rubric

Figure 4a: Scoring Rubric (Primary, Secondary, and Additional Criteria)

Primary criteria	Points available	Determination process
1.1. Minimization of BEAD program outlay	40	The score will be assessed based on how high or low an applicant's requested subsidy is relative to ARConnect's reference subsidy for the CBGs within the applicant's project area. Reference subsidies will be calculated on a per-location basis for each CBG and will rely on the per-BSL cost data provided by NTIA in the Eligible Entity Toolkit and the State's experience with recent prior broadband funding programs. Scores will be based on a linear scale, with zero points being granted for bids that are 100% higher than the reference subsidy and forty points being granted for bids that request no BEAD subsidy. For example, an applicant who applies for a project with a per-location BEAD subsidy match that is exactly the same amount as the reference subsidy would receive twenty points, while an applicant who applies for a subsidy worth 120% of the per-location reference subsidy would receive sixteen points.
1.2. Affordability	25	Applicants will commit to a baseline price for the highest tier of service that they support, as disclosed in their deployment bid. The score will be assessed based on how high or low their commitments are relative to the below reference prices for the relevant tier of service[2]: Priority bids (1/1 Gbps service): $85 per month Non-priority bids (100/20 Mbps): $37 per month Scores will be based on a linear scale, with applicants committing to plans that are, on average, 50% higher than the reference price receiving zero points and applicants committing to plans 50% lower than the reference price receiving twenty-five points. For example, an applicant that commits to plans exactly at the recommended reference price would receive 12.5 points, while an applicant who commits to plans priced at 120% of the reference price would receive ten points.

Total Tranche-1 points: 95

Total Tranche-2 points: 100
(*5 additional points available for adding zero-bid CBGs to project area*)

Key differences in Tranche-2 include the bid outcomes, thresholds, Requested Subsidy considerations, and points available

Key difference	Tranche-1	Tranche-2
Bid outcomes	• Provisionally Selected (Tranche-1) • Carried Forward • Closed	• Provisionally Selected (Tranche-2) • Partial Award Eligible • Not Selected
Thresholds	• "Buy It Now" (BIN) threshold • Minimum Point Threshold (MPT)	• None
Requested Subsidy considerations	• Request below the Reference Price to be considered for selection	• Request below twice the Reference Price to be considered for selection
Points available in Scoring Rubric	• 95 points available	• 100 points available +0.5 pt for every Zero-Bid CBG included in project area (max. +5 points)

Tranche-2 |

Summary rules of adjudication

- **Rule #1:** Winning bids have the highest score across their project area or are the sole bidder on their project area.

- **Rule #2:** To be considered for a selection in Tranche-2, an applicant's Requested Subsidy must be less than twice the Reference Price.

- **Rule #3:** Bids whose project area partially overlaps with a selected bid may still be eligible to negotiate partial awards.

- **Rule #4:** All CBGs which are not covered at the end of Tranche-2 will continue to negotiations.

Tranche-2

Adjudication follows an order of operations, where the highest scoring bid is adjudicated first. Then adjudicate the next highest scoring bid that has not been impacted. Priority bids are adjudicated first, followed by non-priority.

Scenario description

Green > Yellow > Blue

Bid ID	Score	CBGs in bid
Green	95	11, 12, 15, 16
Yellow	90	3, 4, 7, 8, 11, 12, 15, 16
Blue	85	1, 2, 3, 5, 6, 7

Output

2 Provisionally Selected, 1 PAE

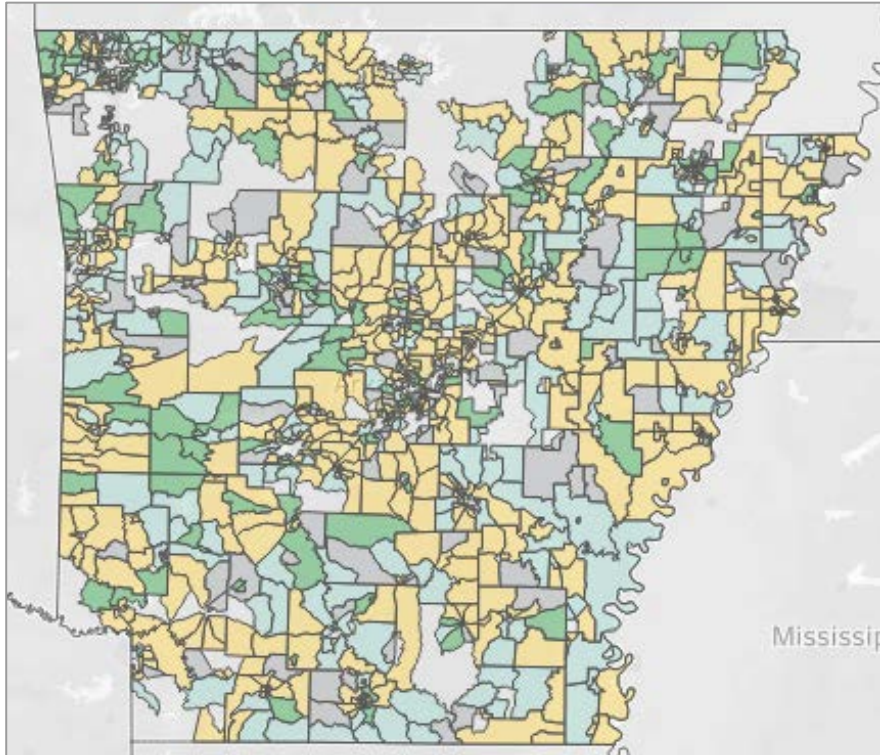| Bid ID	Result
Green	Provisionally Selected
Yellow	Partial Award Eligible
Blue	Provisionally Selected

Order of operations

- Green is Provisionally Selected for its project area.
- Blue is Provisionally Selected for its project area.
- Yellow is Partial Award Eligible in CBGs 4,8. ARConnect will approach Yellow, who may choose to negotiate for these CBGs. If Yellow rejects the negotiation opportunity, CBGs 4,8 will become Zero-Bid CBGs.

Bid Blue   Bid Yellow   Bid Green   Provisionally Selected (PS)   Zero bid (0)   Partial Award Eligible (PAE)

After Tranche-2, ARConnect will publish an updated map displaying results from Tranche-2 with updated CBG status

Illustrative Map of Tranche-2 Results

CBG statuses after Tranche-2

■ Provisionally Selected (unavailable)
– CBGs that were provisionally selected and are no longer available during negotiations due to a pending award

■ Available Zero-bid
– CBGs that received no bids or were abandoned. The state will proactively solicit applicants during negotiations to achieve 100% coverage

■ Not Selected
– CBGs that are partial award eligible (PAE). These CBGs will be discussed with partial-award eligible ISPs during negotiations

■ Ineligible
– CBGs that contain 100% served locations and are unavailable for negotiations

■ Provisionally Selected   ■ Available Zero-bid   ■ Not Selected   ■ Ineligible

Q&A