

Arkansas BEAD | Weekly Webinar

Tranche-1 Rules & Scoring Rubric Refresher

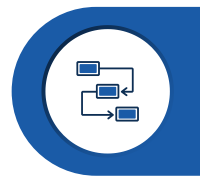
NOVEMBER 6, 2024



Agenda



Tranche-1 Rules



Review of Scoring Rubric



Q&A

Key questions as Applicants prepare for Tranche-1



How do we select project areas? What are the different rules to consider while selecting project areas?



What are the rules of adjudication in Tranche-1?



What is the minimum point threshold? How does it impact Applicants' bids?



How are Applicants' bids scored? What are the different elements of the scoring rubric?



What are reference prices? How do they impact bids scores and adjudication?

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There are four key Tranche-1 project area rules

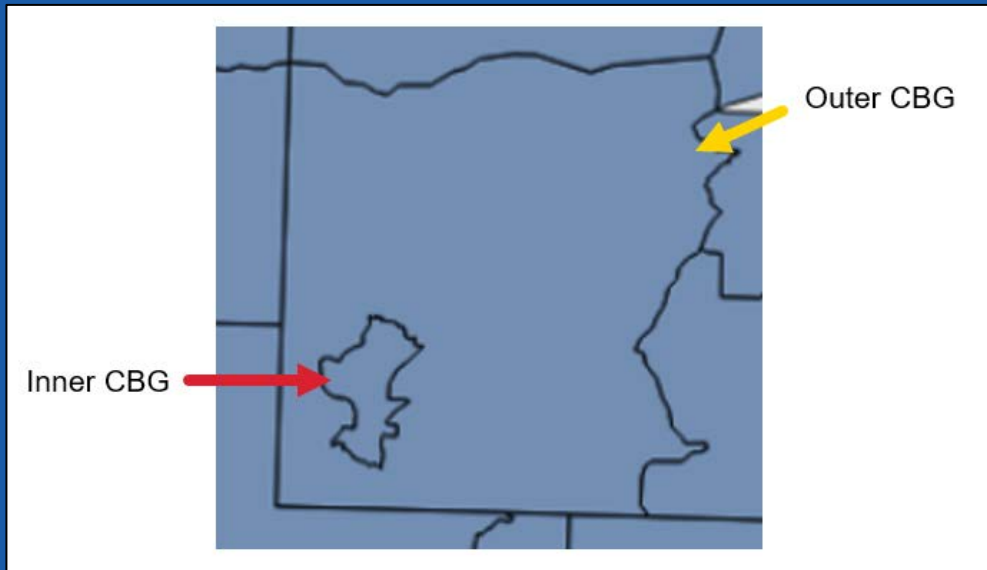


Design the project area using the following **project area rules**

- 1 **CBGs as building blocks:** Project areas are comprised of one or more CBGs, and bids must include all eligible locations within a selected CBG.
- 2 **CBG limitations:** An applicant may include the same CBG in a maximum of three bids in Tranche-1.
- 3 **Contiguity:** CBGs in the project area must be contiguous (sharing any amount of border, including a single point or corner).
- 4 **Contained CBGs¹:** When a CBG sits within the boundaries of another CBG, the applicant must include both CBGs in its project area if bidding for either.

1. See the following slide for the list of CBGs which must be bid on together.

Rule #4: Contained CBGs



Example diagram of contained CBG

Outer CBG ID	Inner CBG ID(s)
050219501002	050219506002
051174601002	051174601003 051174601004
051074806002	051074806001
050014808001	050014808002
05099092003	050990902001 050990902002
051039503023	05103950321
051399502002	051399502003
051114901002	051114901004
050674801001	050674801004 050674801003 050674801002
051114901001	051114901005
050619502002	050619503003 050619503004

List of contained CBG ID's (must be bid on together)

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Tranche-1 |

Summary of rules for adjudication

- **Rule#1: Provisionally selected bids must meet Buy-it-Now (BIN) criteria.**
 - A bid needs to meet three criteria to be classified as a Buy-it-Now (BIN) bid:
 - Criteria 1: The bid is a priority (i.e. fiber) bid
 - Criteria 2: The bid's Requested Subsidy is lower than the Reference Price, AND
 - Criteria 3:
 - If it does not overlap with another bid, a BIN bid must score higher than the Minimum Point Threshold (MPT)
 - If it overlaps with any part of another bid, a BIN bid must score 10 points or 15% higher than next-highest bid of the highest technology class
- **Rule#2: Bids that overlap with Buy-it-Now (BIN) bids are closed, because part(s) of the project area been lost to the BIN bid.**
- **Rule#3: All other bids that do not meet BIN criteria and do not overlap with BIN bids are Carried Forward to Tranche-2 and cannot be withdrawn.**
- **Rule#4: All bidders that participated in Tranche-1 can submit entirely new bids in Tranche-2. A new Tranche-2 bid can include both Competitive CBGs and Zero-Bid CBGs from Tranche-1.**
 - However, a new bid cannot include CBGs that are part of any Carried Forward project areas

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Deep-dive:

Minimum Point Threshold (MPT)



1 What is it:

- The minimum number of points which a noncompetitive bid must score in Tranche-1 to be considered a “Buy It Now” bid.
- The MPT is 47.5 points, which is 50% of the ninety-five scorable points in Tranche-1.



2 How does it impact bids:

- MPT impacts only non-competitive bids (i.e., bids that do not overlap with any other bids); there is no impact on competitive bids
- A non-competitive bid must score equal to or higher than the MPT to be considered a Buy It Now bid (bid must also meet the other criteria that are required for Buy It Now bids)

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Applications are scored and adjudicated after applicants have submitted them

-  Applicants submit bids in Tranche-1

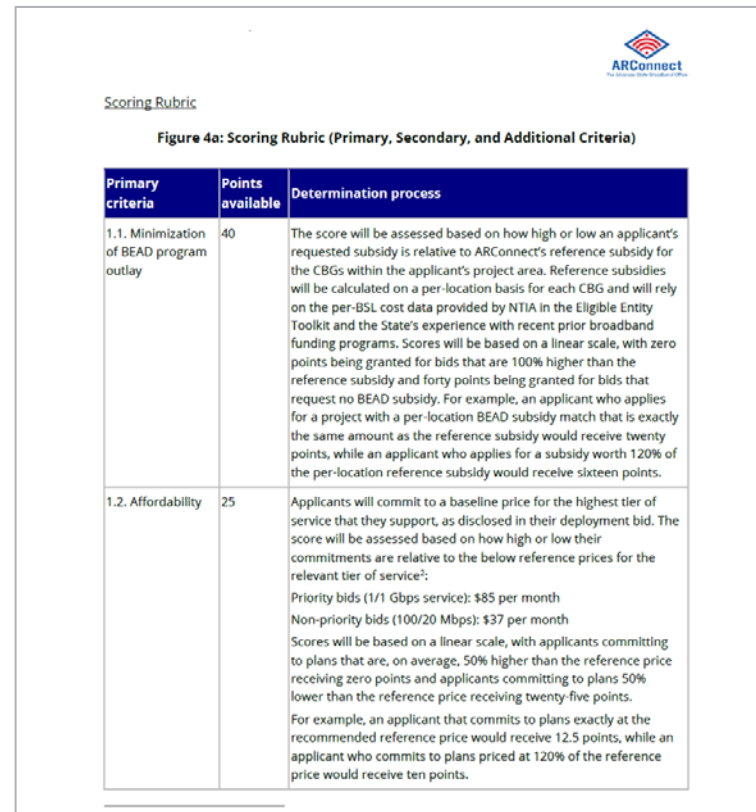
-  ARConnect scores bids according to the Scoring Rubric (Applicant Primer Section 4)


-  ARConnect completes adjudication according to the Tranche-1 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: 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

How scoring is done: Scoring Rubric deep-dive (1/4)

Primary criteria	Points available	Determination process
 <p>1.1. Minimization of BEAD program outlay</p>	40	<ul style="list-style-type: none"> 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 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
 <p>1.2. Affordability</p>	25	<ul style="list-style-type: none"> Score will be assessed based on Applicants baseline price for the highest tier of service commitments relative to the reference prices for the relevant tier of service: <ul style="list-style-type: none"> 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 Applicants will be permitted to adjust their plan costs annually based on the U.S. Bureau of Labor Statistics' annual Consumer Price Index¹
 <p>1.3. Fair labor practices</p>	10	<ul style="list-style-type: none"> Applicants will receive ten points for demonstrated compliance with federal labor laws over the last three years and providing forward-looking plans to comply, as described in Section 2.7.1 of IPvII Applicants without three years of operational experience can receive ten points by signing a certification of future compliance and providing forward-looking plans for compliance

¹ Affordable plan commitments will last per the term of Federal interest, as determined by the NTIA.

How scoring is done: Scoring Rubric deep-dive (2/4)

Secondary criteria

Points available

Determination process



2.1. Speed to deployment

3

- Timelines should span no more than 48 months from the date of the applicant receiving notice of their final award; Timeline that is shorter than 24 months will receive 3 additional points
- Applicants will certify their planned deployment timeline and acknowledge potential financial penalties if their projects extend beyond planned timeline without a formal extension having been submitted to and approved by ARConnect



2.2. Speed, latency, and other technical capabilities

2

- Applicants will provide technical specifications for all planned technologies. Any bid to deploy XGS-PON fiber technology will receive the full two points. Bids to deploy non-XGS-PON fiber will receive 1.5 points. Bids to deploy non-fiber technology will receive points as follows:
 - 1000/500 Mbps: one point
 - 400/200 Mbps: 0.5 points
- Technology with more than 100 milliseconds of latency will be awarded zero points
- Applications must also include a reasonable explanation of how they will add incremental capacity as new customers are added¹

1. ARConnect retains the right to review and request modifications to these plans prior to awarding points for this criterion

How scoring is done: Scoring Rubric deep-dive (3/4)

Additional criteria	Points available	Determination process
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3.1. Workforce support

5

Five points will be granted to applicants that provide plans to commit to additional workforce support, as described in Section 2.8.2 of IPvII. Applicants can receive points for any combination of the below measures:

- Collaboration with apprenticeship programs offering support services
- Commitment to hiring a local workforce, with particular focus on rural and high poverty areas
- Financial support from sub-grantee for statewide centers providing wraparound services, including childcare, transportation, and mentorship for employees on BEAD-related projects
- Provision of training programs for software, radio frequency, and field engineers through scholarships and student stipends at community colleges
- Implementation of in-house training and certification programs covering areas such as fiber optics, cybersecurity, and other telecommunications and broadband digital skills
- Facilitation of guaranteed letters of commitment with state technical colleges, demonstrating good-faith efforts through letters of intent to hire Arkansan graduates
- Proposals to identify new sources of workforce, such as recent graduates and ex-convict populations



3.2 Scale of geographic coverage

5

Applicants will score additional points, up to a maximum of five points, for proposing project areas that cover a larger number of locations (BSLs and CAls) within a given county

- Any applicant serving 100% of locations within any county in their bid will receive five points
- Any applicants serving less than 100% of locations in their covered counties will be awarded points as per table provided in IPvII (and Applicant Primer)

How scoring is done: Scoring Rubric deep-dive (4/4)

Additional criteria

Points available

Determination process



3.3. Inclusion of zero-bid CBGs

5

Applicants will receive points based on the number of zero-bid CBGs they include in their tranche-2 bid. Each zero-bid CBG will be worth one-half point.



3.4. Local coordination

2.5

Applicants are encouraged to solicit letters of support from a list of local governments. Eligible local government officials could include the following individuals

- State: State Representative; State Senator
- County: County Judge; Justice of the Peace
- Municipality: Mayor; Member of City Council
- School District: Member of the School Board

Applicants will receive an additional half point, up to a maximum of 2.5 points, for each letter of support filed.



3.5. Weather-resilient broadband infrastructure

2.5

Applicants will receive up to 2.5 points for deployment plans that include recommended weather resiliency measures:

- 1 point for achieving 85% or higher as share of fiber that is buried (vs aerial)
- 1 point for a weather mitigation plan (including network redundancy planning), and
- 0.5 points for committing to attend municipality emergency management meetings on an ongoing basis to coordinate timely restoration of service in the case of outages

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Deep-dive:

Reference Prices



1 What is it:

- Numbers published for each CBG with Eligible locations which are used for scoring Applicants' bids. The Reference Prices are based off the build cost data provided by Cost Quest, with a minimum Reference Price of \$50,000 per CBG
- Applicants' requested BEAD funding is not limited by the Reference Prices. They may request any amount of subsidy they deem necessary for their project area.



2 How does it impact bids:

- Used to score bids on a scale of 0 to 40 points (details in Scoring Rubric)
- In Tranche-1, a bid's requested subsidy must be lower than the sum of the included CBGs' Reference Prices to be considered for Buy It Now selection
- Bids which request a BEAD funding amount more than two times the Reference Price will not be considered for selection during Tranche-2



ARConnect

The Arkansas State Broadband Office