

# The Arkansas BEAD Program

Infrastructure Roundtable - Technical Assistance

FRIDAY, JANUARY 24, 2025



# Agenda

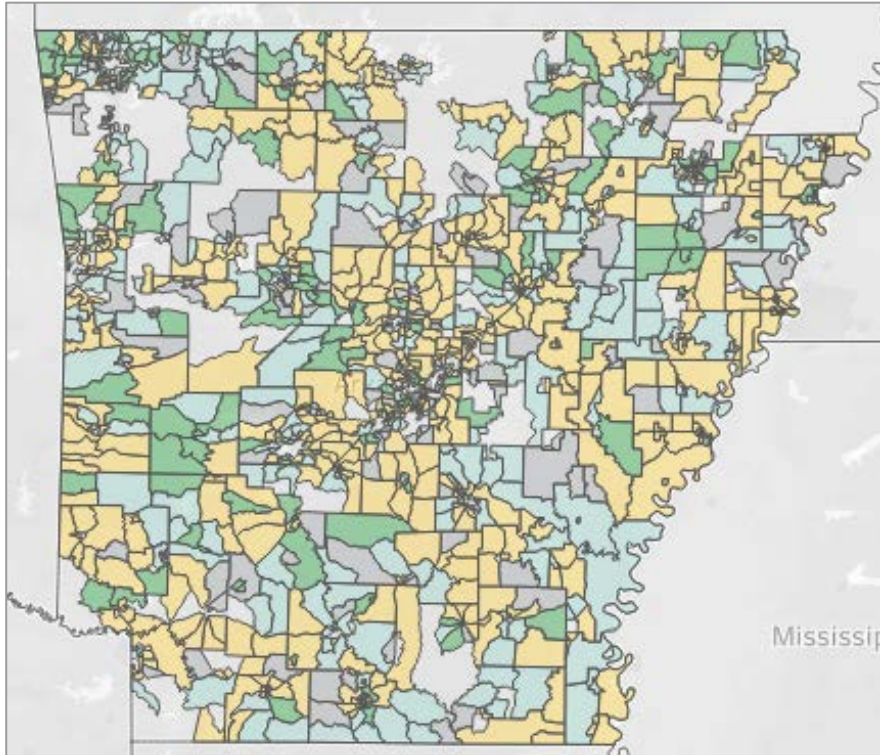
- 1 How will I know the results of Tranche-1?
- 2 How is Tranche-2 different from Tranche-1?
- 3 Will there be any changes to scoring in Tranche-2?
- 4 What are the rules of adjudication in Tranche-2?

# Agenda

- 1 How will I know the results of Tranche-1?
- 2 How is Tranche-2 different from Tranche-1?
- 3 Will there be any changes to scoring in Tranche-2?
- 4 What are the rules of adjudication in Tranche-2?

In addition to directly notifying applicants of their results, ARConnect will publish a map displaying results from Tranche-1 with updated CBG statuses

### Illustrative Map of Tranche-1 Results



### CBG statuses after Tranche-1

- **Preliminarily Selected (unavailable)**
  - CBGs that were preliminarily 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. These CBGs do not need to follow contiguity rules
- **Available**
  - CBGs that received bids in Tranche-1, but no winner was determined. These CBGs must follow contiguity rules
- **Ineligible**
  - CBGs that contain 100% served locations and are unavailable for bidding

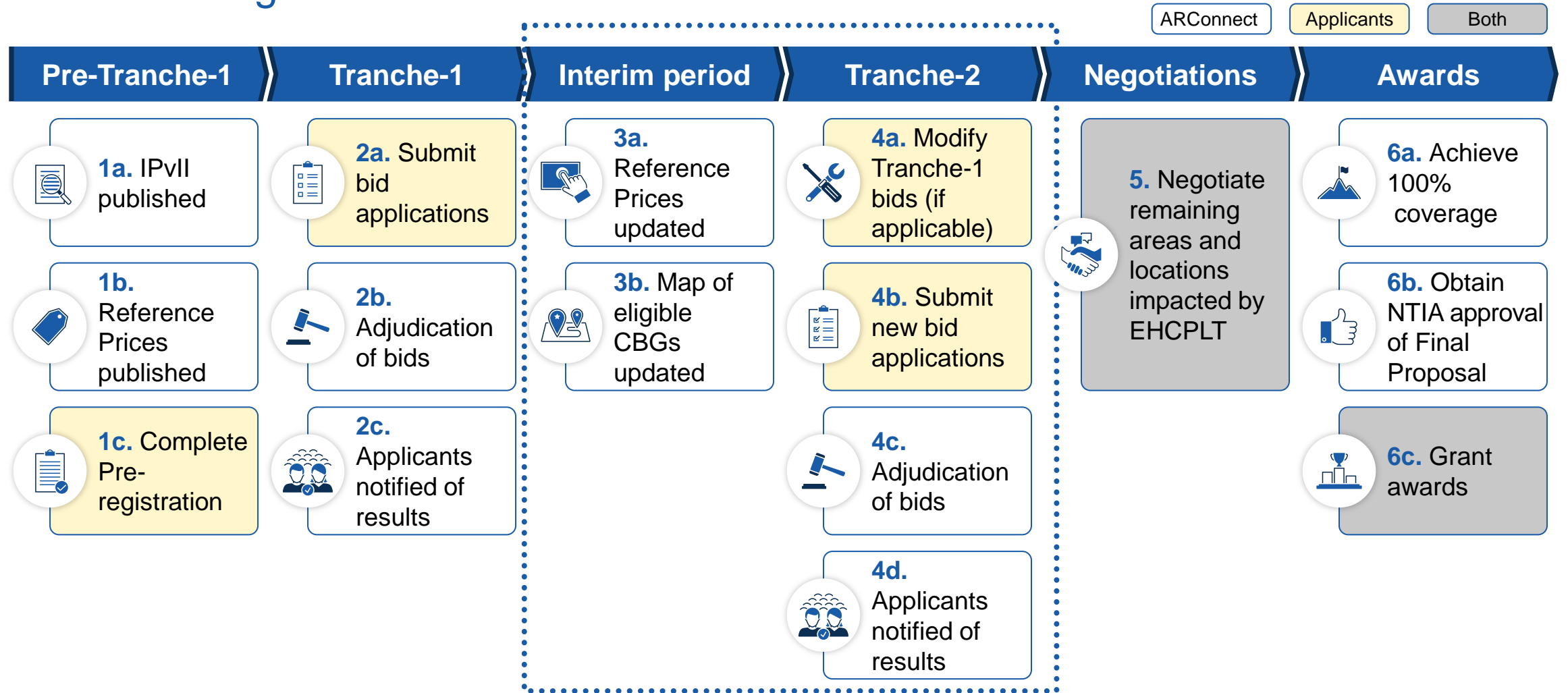
■ Preliminarily Selected   ■ Available Zero-bid   ■ Available   ■ Ineligible

**Recall** | All Tranche-1 results are **preliminary** and are **not** to be shared publicly

# Agenda



- 1 How will I know the results of Tranche-1?
- 2 How is Tranche-2 different from Tranche-1?
- 3 Will there be any changes to scoring in Tranche-2?
- 4 What are the rules of adjudication in Tranche-2?

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



**Recall** | In order to participate in Tranche-2, you must have **submitted** an application in Tranche-1

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

	Carried Forward bids from Tranche-1	New bids
 Description	<p><b>Bids which are "Carried Forward" from Tranche-1</b></p> <p>Carried Forward bids may be modified during Tranche-2 in two ways:</p> <ol style="list-style-type: none"><li>1. Decrease the Requested Subsidy for the project area; and/or</li><li>2. Increase the project area size by adding CBGs <i>Requested Subsidy may be increased only if CBGs are added.</i></li></ol> <p><b>Note:</b> Unsubmitted Carried Forward bids will automatically be submitted at the end of Tranche-2, even if applicant takes no action</p>	<p><b>All applicants who submitted a bid in Tranche-1 are allowed to submit new bids in Tranche-2</b></p>
 CBG restrictions	<ul style="list-style-type: none"><li>• An applicant may include a given CBG in a maximum of 3 bids</li><li>• CBGs included in a Carried Forward project area <b>may not</b> be included in a new bid's project area</li></ul>	

**Note |** Project area rules from Tranche-1 still apply: CBGs must be contiguous (unless zero bid), 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

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

Key difference	Tranche-1	Tranche-2
<b>Bid outcomes</b>	<ul style="list-style-type: none"> <li>• Preliminarily Selected (Tranche-1)</li> <li>• Carried Forward</li> <li>• Closed</li> </ul>	<ul style="list-style-type: none"> <li>• Preliminarily Selected (Tranche-2)</li> <li>• Partial Award Eligible</li> <li>• Not Selected</li> </ul>
<b>Point thresholds</b>	<ul style="list-style-type: none"> <li>• "Buy It Now" (BIN) threshold</li> <li>• Minimum Point Threshold (MPT)</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
<b>Requested Subsidy considerations</b>	<ul style="list-style-type: none"> <li>• Request below the Reference Price to be considered for selection</li> </ul>	<ul style="list-style-type: none"> <li>• Request below twice the Reference Price to be considered for selection</li> </ul>
<b>Technology considerations</b>	<ul style="list-style-type: none"> <li>• Only priority bids are considered for selection</li> </ul>	<ul style="list-style-type: none"> <li>• Priority bids and nonpriority bids are considered for selection; alternative technology bids are not</li> </ul>
<b>Points available in Scoring Rubric</b>	<ul style="list-style-type: none"> <li>• 95 points available</li> </ul>	<ul style="list-style-type: none"> <li>• 100 points available  <i>95 pts from Tranche-1 rubric, +5 pts available for Zero-Bid CBGs included in project area</i> </li> </ul>



# Agenda

- 1 How will I know the results of Tranche-1?
- 2 How is Tranche-2 different from Tranche-1?
- 3 Will there be any changes to scoring in Tranche-2?
- 4 What are the rules of adjudication in Tranche-2?

# 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 (or not) their Carried Forward bids and/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 4

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  
*(5 additional points available for adding zero-bid CBGs to project area)*

# Scoring updates for Tranche-2

Additional criteria

Points available

Determination process



## 1.1. Minimization of BEAD program outlay

40

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

**Potential change:** Prior to opening Tranche-2, ARConnect may increase Reference Prices for Zero-Bid CBGs. Tranche-2 bids will be scored against the updated Reference Prices. If changed, updated Reference Prices will be published prior to Tranche-2 bidding



## 3.3. Inclusion of zero-bid CBGs

5

**Additional criteria:** 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, for up to 5 points

**Note |** All other scoring criteria from Tranche-1 remain the same

# Agenda

- 1 How will I know the results of Tranche-1?
- 2 How is Tranche-2 different from Tranche-1?
- 3 Will there be any changes to the scoring rubric or to reference prices in Tranche-2?
- 4 What are the rules of adjudication in Tranche-2?

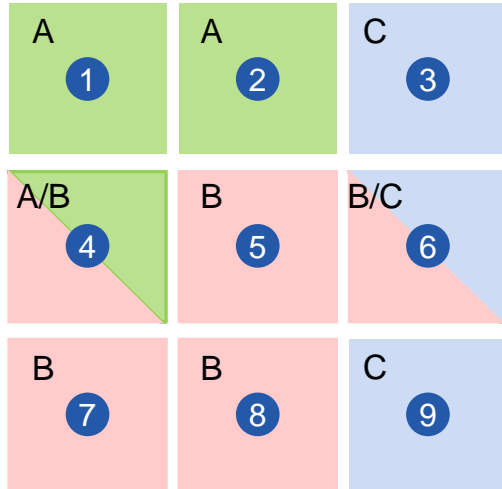
## Tranche-2 |

### Summary rules of adjudication

- **Rule #1:** Preliminary selections have the highest score of the highest technology type across their project area or are the sole bidder on their project area
- **Rule #2:** To be considered for a preliminary selection in Tranche-2, an applicant's Requested Subsidy must be less than twice the Reference Price, and the application may not include alternative technology
- **Rule #3:** Bids whose project area partially overlaps with a preliminarily selected bid may still be eligible to negotiate for partial awards
- **Rule #4:** All CBGs which are not covered at the end of Tranche-2 will continue to negotiations.

# Example of Tranche-2 rules during adjudication

## Example of Tranche-2 Adjudication



### Bid details

Bid	Project Area	Score
A	CBG 1, 2, 4	65
B	CBG 4, 5, 6, 7, 8	55
C	CBG 3, 6, 9	50

*All three bids are Priority and request subsidy below 2x their Reference Price*

### Competitive Overview

- Bid A scores highest in the cluster of overlapping bids
- Bid B overlaps with Bid A and in CBG 4
- Bid C overlaps with Bid B in CBG 6

### Adjudication process

- Step 1: Bid A wins CBG 1, 2, and 4
  - *Because Bid B's project area is impacted by Bid A winning, it can no longer win its entire project area*
- Step 2: Bid C wins CBG 3, 6, and 9
- Step 3: State offers a partial award of CBGs 5, 7, and 8 during negotiations to bidder B