## The Arkansas BEAD Program

Infrastructure Roundtable - Technical Assistance

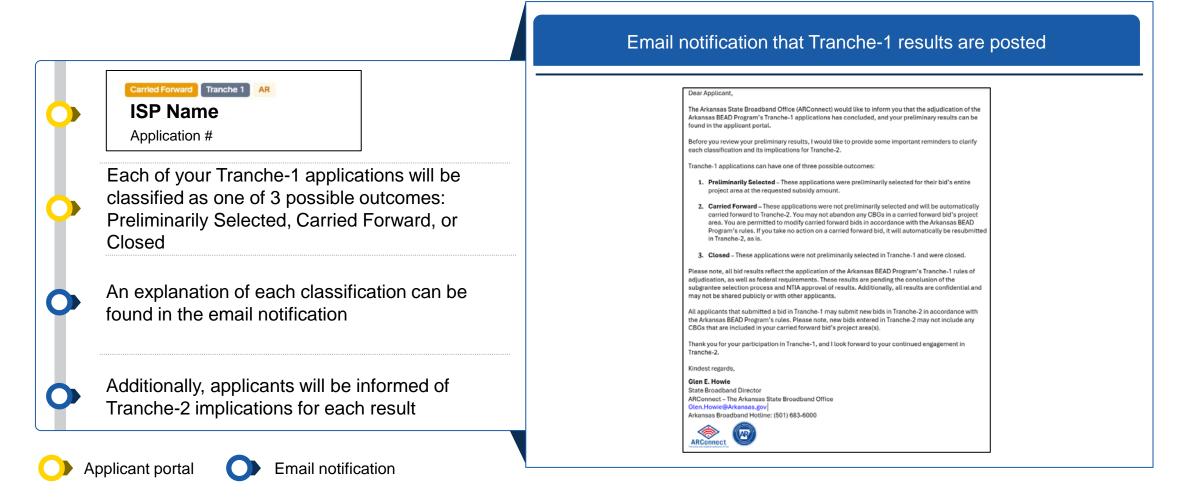




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- 6 What are the rules of adjudication for Tranche-2?
- 7 What resources are available?
- 8 Final reminders

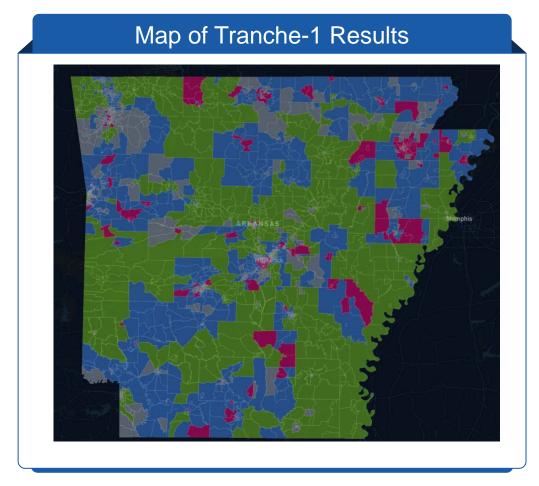
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## Applicants should have received an email notification directly from ARConnect that Tranche-1 results have been posted in the applicant portal



Recall | All Tranche-1 results are preliminary and may not be shared publicly or with other applicants

## Once in the applicant portal, applicants will be able to see a map displaying each CBG's availability as a result of Tranche-1 adjudication



#### 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

Available Zero-Bid |
A CBG can be classified as a Zero-Bid CBG in three different ways

- True zero bid
  These CBGs were not included in any Tranche-1 applications
- Competitive closed bids
  These CBGs belong to competitive bids that partially overlapped with a Buy It Now bid, and therefore were closed
- Non-competitive carried forward bids

  These CBGs belong to carried forward bids that did not overlap with any other applications, but did not meet Buy It Now criteria

**Note** | This means it is possible for a CBG included in your applications(s) to be classified as an "Available Zero Bid"

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

Key difference	Tranche-1	Tranche-2
Bid outcomes	<ul><li>Preliminarily Selected (Tranche-1)</li><li>Carried Forward</li><li>Closed</li></ul>	<ul><li>Preliminarily Selected (Tranche-2)</li><li>Partial Award Eligible</li><li>Not Selected</li></ul>
Point thresholds	<ul><li>"Buy It Now" (BIN) threshold</li><li>Minimum Point Threshold (MPT)</li></ul>	• 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
Technology considerations	Only priority bids are considered for selection	Priority bids and nonpriority bids are considered for selection; alternative technology bids are not
Points available in Scoring Rubric	95 points available	100 points available     95 pts from Tranche-1 rubric, +5 pts available for Zero-Bid     CBGs included in project area

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## 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

Carried Forward bids may ONLY be modified during Tranche-2 in two ways:

- Decrease the Requested Subsidy for the project area; and/or
- Increase the project area size by adding CBGs
   Requested Subsidy may be increased only if CBGs are added.

**Note: Unsubmitted** Carried Forward bids will automatically be submitted at the end of 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



- An applicant may include a given CBG in a maximum of 3 bids
- A new bid cannot contain any CBGs that are a part of any of your carried forward bid(s)
- A modified carried forward bid cannot add any CBGs that are part of any of your other carried forward bid(s)

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

## Based on permissible modifications, there are two primary methods to earn additional points for a Carried Forward bid in Tranche-2

Method :

Decrease requested subsidy for project area

2 Increase project area size with zero-bid CBGs

Impacted criteria

Minimization of BEAD program outlay: 40 points available

Description >

For the "Minimization of BEAD program outlay" criteria, applicants are scored based on how much higher or lower their requested subsidy is from the reference price

Decreasing the requested subsidy for a Carried Forward project area will result in an applicant earning more points for this criteria, as long as the new subsidy request is less than twice the reference price

Inclusion of zero-bid CBGs: 5 points available

For the "Inclusion of zero-bid CBG" criteria, applicants will receive points based on the number of zero-bid CBGs they include in their Tranche-2 bid. Each zero-bid CBG is worth one-half point, for up to five points

Recall that zero-bid CBGs do not need to be contiguous to your Carried Forward project area

Note | These methods are not mutually exclusive. An applicant may increase their project area size and lower their requested subsidy

## Project area actions | Map and scenarios overview

#### Map overview

- The map below represents an illustrative CBG map
- Each numbered rectangle represents a CBG

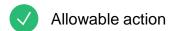
Applicant A

- The colors of the rectangles use the same color code as the portal's CBG claims map: Preliminarily Selected, Available Zerobid, Available, and Ineligible
- · The bordered areas represent carried forward bids

1	2	3	4	5	6
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36



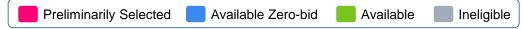
 The objective of the following scenarios is to provide clear examples of what applicants can and cannot bid on in terms of their Tranche-2 project area(s) based on their Tranche-1 results:





Unallowable action

- We will look at 3 different scenarios:
  - Applicant A: No bids carried forward to Tranche-2
  - Applicant B: One bid carried forward to Tranche-2
  - Applicant C: Multiple bids carried forward to Tranche-2
- Point of emphasis: If you have carried forward bids, you may not include the CBGs from your any of your carried forward bid(s) in any of your new bids or in your project area modifications



<sup>1.</sup> Available CBGs must be contiguous within a project area; Available zero bid CBGs do not need to be contiguous

Note: Applicants may reduce the requested subsidy of their carried forward project area(s); applicants may increase the requested subsidy of their carried forward project areas if and only if they also increase the size of the project area; applicants that request more than 2x the reference price in Tranche-2 are not eligible for Preliminary Selection

#### Project area actions | Applicant A allowable actions

#### Scenario

- Applicant A does not have any carried forward bids
- Applicant B has one carried forward bid, which consists of Available CBGs (8, 9, 14, 15)
- Applicant C has two carried forward bids, which consist of Available Zero-bid CBGs (28, 29) and Available CBGs (6)

1	2	3	4	5	6
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36

Applicant A



- Submit **new** bids that include Available or Available Zero-bid CBGs<sup>1</sup>
- ✓ Use Ineligible CBGs for contiguity purposes
- Submit **new** bids that include any Preliminarily Selected CBGs



Allowable action



Unallowable action

Preliminarily Selected Available Zero-bid Available Ineligible



also increase the size of the project area; applicants that request more than 2x the reference price in Tranche-2 are not eligible for Preliminary Selection

## Project area actions | Applicant B allowable actions

#### Scenario

- Applicant A does not have any carried forward bids
- Applicant B has one carried forward bid, which consists of Available CBGs (8, 9, 14, 15)
- Applicant C has two carried forward bids, which consist of Available Zero-bid CBGs (28, 29) and Available CBGs (6)

1	2	3	4	5	6
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36

#### **Project Area Actions**

- Submit **new** bids that include Available or Available Zero-bid CBGs<sup>1</sup> except for those in their **carried forward** project area (8, 9, 14, 15)
- Submit their carried forward bid as is
- Increase their **carried forward** project area by adding *contiguous*Available CBGs (e.g., 7, 13, 16, 18 if it also added 16 and 17)
- Increase their **carried forward** project area by adding Available Zero-bid CBGs (e.g., 2, 19, 5, 28, 31)
- Use Ineligible CBGs for contiguity purposes in **new** or carried forward bids
- Submit **new** bids that include any Preliminarily Selected CBGs
- Submit **new** bids that include any CBGs within their **carried forward** project area (8, 9, 14, 15)
- Increase their **carried forward** project area by adding Preliminarily Selected CBGs



Applicant B



Allowable action



Unallowable action

<sup>1.</sup> Available CBGs must be contiguous within a project area; Available zero bid CBGs do not need to be contiguous

Note: Applicants may reduce the requested subsidy of their carried forward project area(s); applicants may increase the requested subsidy of their carried forward project areas if and only if they also increase the size of the project area; applicants that request more than 2x the reference price in Tranche-2 are not eligible for Preliminary Selection

## Project area actions | Applicant C allowable actions

#### Scenario

- Applicant A does not have any carried forward bids
- Applicant B has one carried forward bid, which consists of Available CBGs (8, 9, 14, 15)
- Applicant C has two carried forward bids, which consist of Available Zero-bid CBGs (28, 29) and Available CBGs (6)

1	2	3	4	5	6
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36



Applicant C

#### **Project Area Actions**

- Submit **new** bids that include Available or Available Zero-bid CBGs<sup>1</sup> except for those in their **carried forward** project areas (28, 29, 6)
- Submit their carried forward bid(s) as is
- Increase their **carried forward** project area(s) by adding contiguous

  Available CBGs (e.g., 22, 23, 30, 35, 36, 15 if it also adds 22 and 16)

  except for those included in its other **carried forward** project areas (6)

  Increase their **carried forward** project area(s) by adding Available Zero-
- bid CBGs (e.g., 2, 19, 5, 31, 12) except for those in its other carried forward project areas (28, 29)
- Use Ineligible CBGs for contiguity purposes in **new** or carried forward bids
- Submit **new** bids that include any Preliminarily Selected CBGs
- Submit **new** bids that include any CBGs within any of their **carried forward** project areas (28, 29, 6)
- Increase their **carried forward** project area(s) by adding Preliminarily Selected CBGs
- Increase their **carried forward** project area(s) by adding any CBGs included in any of its other **carried forward** project areas (28, 29, 6)



Allowable action



Unallowable action

<sup>1.</sup> Available CBGs must be contiguous within a project area; Available zero bid CBGs do not need to be contiguous

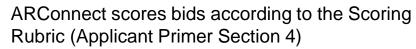
Note: Applicants may reduce the requested subsidy of their carried forward project area(s); applicants may increase the requested subsidy of their carried forward project areas if and only if they also increase the size of the project area; applicants that request more than 2x the reference price in Tranche-2 are not eligible for Preliminary Selection

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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 (or not) their Carried Forward bids and/or submit new bids in Tranche-2



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



#### Sample screenshot of Scoring Rubric from Applicant Primer Section 4

Figure 4a: Scoring Rubric (Primary, Secondary, and Additional Criteria) Determination process The score will be assessed based on how high or low an applicant's of BEAD program 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 service2: 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

price would receive ten points.

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 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

**CBGs** 

Additional criteria Points available **Determination process** 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 1.1. **Minimization** Scores will be based on a linear scale, with zero points being granted for bids that are of BEAD 100% higher than the reference subsidy and forty points being granted for bids that program request no BEAD subsidy outlay **Update:** Tranche-2 bids will be scored against the updated Reference Prices. 3.3. 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 Inclusion of 5 points. Applicants with existing Zero-Bid CBGs in their carried forward bids will zero-bid

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

automatically receive points for them

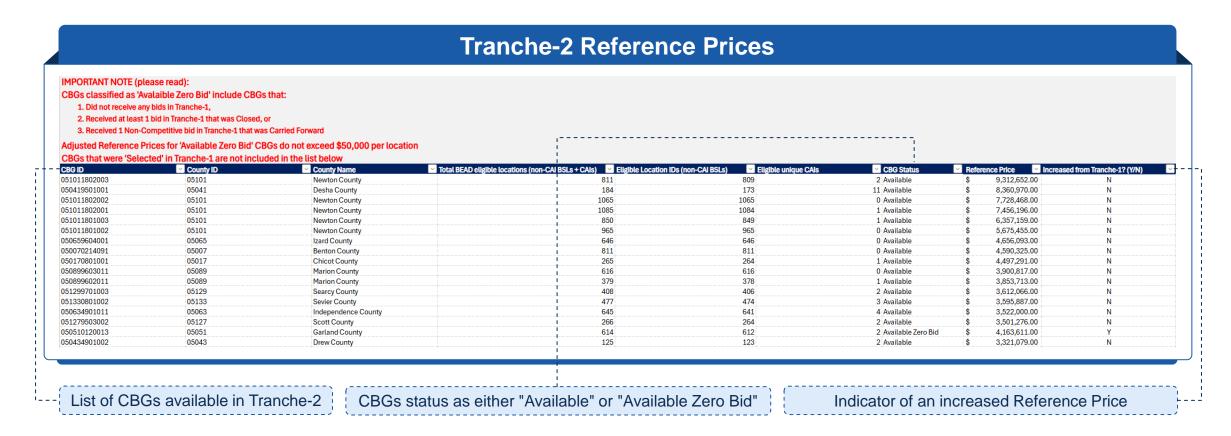
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## For Tranche-2, Reference Prices of Zero Bid CBGs were increased relative to the level of interest and competition they received in Tranche-1

Zero Bid CBG Category	Description	Ref Price Multiple	Impacted CBGs
0 bids	CBGs that received no bids in Tranche-1	2x	266
1 bid (Closed)	CBGs that received 1 bid in Tranche-1 which was closed	1.5x	161
2+ bids (Closed)	CBGs that received multiple bids in Tranche-1 which were closed		
OR	OR	1.2x	203
1 bid (Carried Forward)	CBGs that received 1 bid in Tranche-1 which was carried forward		

Note | Adjusted Reference Prices for Zero Bid CBGs not to exceed \$50k per location

## The updated Reference Price document lists all 1,291 CBGs available in Tranche-2, including their status, Reference Price, and increase indicator



Note | Adjusted Reference Prices for Zero Bid CBGs do not exceed \$50k per location; therefore, it is possible for an Available Zero Bid to not receive a reference price increase

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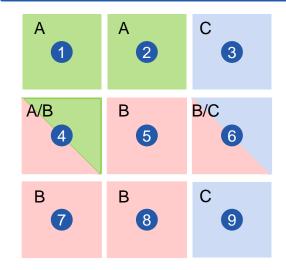
## Tranche-2 |

## 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		
В	CBG 4, 5, 6, 7, 8	55		
С	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

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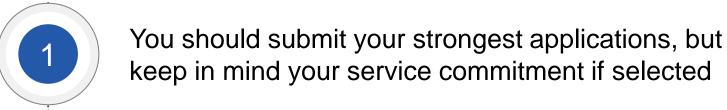
ARConnect will only provide technical support during the Tranche-2 application window

If you are experiencing a technical issue with the portal, please reach out to <a href="mailto:argrants@mbakerintl.com">argrants@mbakerintl.com</a>

- If you have questions regarding the application and/or the Arkansas BEAD process, we encourage you to reference the following resources housed on the <u>Arkansas BEAD Webpage</u>:
  - IPvII
  - Applicant Primer
  - Applicant Portal User Guide
  - TA Session materials and FAQ documents
     (found under "Technical Assistance" dropdown)

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## Key reminders for Tranche-2

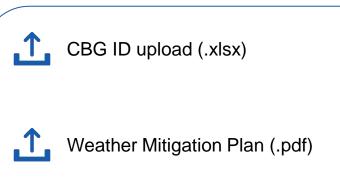


You must complete any revisions and **submit** within the 2-week application period. No exceptions

Carried Forward applications will automatically be resubmitted at the close of the application window, but you are encouraged to manually submit. Any unsubmitted modifications will not be captured

The applicant portal opens on Tuesday, February 25<sup>th</sup> at 12:00 p.m. and closes on Tuesday, March 11<sup>th</sup> at 6:00 p.m.

# Only 3 possible revisions for new Tranch-2 applications



Allowable revisions (technical errors):
Invalid data entries, encrypted, locked or improper files, etc. to ensure they can be scored

Letters of Support (.pdf)

Unallowable revisions (response modifications):
Insufficient, incomplete, or inaccurate responses, incorrect templates, etc. to change or enhance scores

Note | Revisions only apply to new bids in Tranche-2