

Arizona Commerce Authority – BEAD Program

Terminology Clarification:

BEAD Eligible Locations: This includes unserved, underserved and CAI locations in each project area.

BEAD Eligible CAIs: CAI locations (note a location may have multiple CAI addresses) that do not have symmetrical 1G service.

Project Cost: This is the total project cost submitted by the Applicant.

Reference Benchmark Cost: This is the estimated project cost for a given project area developed by the state based on fiber-to-the-home (FTTH) infrastructure deployment to all BEAD eligible locations in the project area.

Reference Price / Subsidy Available for the Project Area: The amount of the subsidy available by the state for all the BEAD eligible locations included in each project area.

Subsidy Requested: The amount of subsidy/ grant funding requested by the Applicant

Sample Application Scenario:

Assume that an Applicant **ABC, Inc.** is applying for a project area **X**. The following is the relevant information provided by the Applicant in the BEAD Application for the project area:

- **(ACA BEAD Portal - Published) State’s subsidy available for the project area X (Reference Price):** \$750K
- **(ACA BEAD - Calculated) State’s Reference Benchmark Cost for project area X (Reference Benchmark Cost):** \$750K/75% = \$1000K
- **(Extracted from the BEAD Application) Applicant’s project cost for Project X (Project Cost):** \$1500K
- **(Extracted from the BEAD Application) Applicant’s requested subsidy amount (Subsidy Requested):** \$700K

1 Grant to Project Cost Scoring for Priority Projects (Table 6 in Vol II)

This category pertains to the overall Subsidy Requested by the Applicant to complete the Project Area specified in the application. Applications will be scored based on the ratio of the Subsidy Requested to the Applicant’s estimated Project Cost as shown in table below:

Grant to Project Cost scoring = Applicant’s Subsidy Requested amount / Applicant’s estimated Project Cost

Scoring	Priority Projects Points
> 75% of Total Project Cost	0
> 65% to ≤ 75% of Total Project Cost	40
> 55% to ≤ 65% of Total Project Cost	80
> 45% to ≤ 55% of Total Project Cost	120
≤ 45% of Total Project Cost	150

The above reference table is replicated from the Arizona BEAD Vol 2 for the following scoring calculation example.

Applicant’s requested subsidy % from the state = \$700K/\$1500K = **47%**

Based on the above table they will receive **120 points** as they are in between 45% and 55% range.

2 Cost Reasonableness Scoring for Priority Projects (Table 7 in Vol II)

This category pertains to the cost reasonableness of the project. Applications will be scored based on the Applicant’s estimated Project Cost against a Reference Benchmark Cost estimate.

Reference Benchmark Cost = Reference Price/ 75%

Cost Reasonableness scoring = (Project Cost / Reference Benchmark Cost -1) * 100%

Scoring	Priority Projects Points
> 25% of Reference Benchmark Cost Estimate	0
> 15% to ≤ 25% of Reference Benchmark Cost Estimate	5
> 5% to ≤ 15% of Reference Benchmark Cost Estimate	15
> 0% to ≤ 5% of Reference Benchmark Cost Estimate	25
> -10% to ≤ 0% of Reference Benchmark Cost Estimate	35
≤ -10% of Reference Benchmark Cost Estimate	50

The above reference table is replicated from the Arizona BEAD Vol 2 for the following scoring calculation example.

Applicant’s reasonableness % against state’s Reference Benchmark Cost = (\$1500K/\$1000K -1) * 100% = **50%**

Based on the above table the applicant will receive **0 points** as their cost reasonableness is > 25% range.