

# **Arizona Broadband, Equity, Access, and Deployment (BEAD) Program Project Application Guide**

Arizona Commerce Authority (ACA)

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## **1. Disclaimer**

In addition to the guidance outlined herein, the Arizona Commerce Authority will comply with the BEAD Notice of Funding Opportunity, the BEAD Initial Proposal Volume II and BEAD Final Proposal Guidelines, and any subsequent guidance issued by the National Telecommunications and Information Administration, as applicable. The Arizona State Broadband Office reserves the right to modify or update this document at its discretion to implement Federal, State, or Local requirements, or for any other reason necessary to effectively administer the BEAD Program.

## 2. Key Information

### 2.1 Summary

The Broadband Equity, Access, and Deployment (BEAD) Program, managed by the National Telecommunications and Information Administration (NTIA), allocates \$42.45 billion to enhance high-speed internet access. This funding assists planning, infrastructure development, and program adoption across all 50 states and the territories. The State of Arizona has received an allocation of \$993.1 million. Additional details about the BEAD program can be found in the NTIA's Notice of Funding Opportunity, accessible at [broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf).

### 2.2 Purpose of this Guidance

This Project Application Guidance aims to help Applicants provide the necessary information and documentation in accordance with the BEAD Notice of Funding Opportunity (NOFO) and Arizona's BEAD Initial Proposal Volume II. This guidance is essential for those planning to apply to the Arizona Commerce Authority's (ACA) BEAD funding program.

**Submitting this Project Application is mandatory for any Applicant's participation in the BEAD program. The Applicant's information gathered during this process can be used for all future BEAD applications, including multiple Project Applications.**

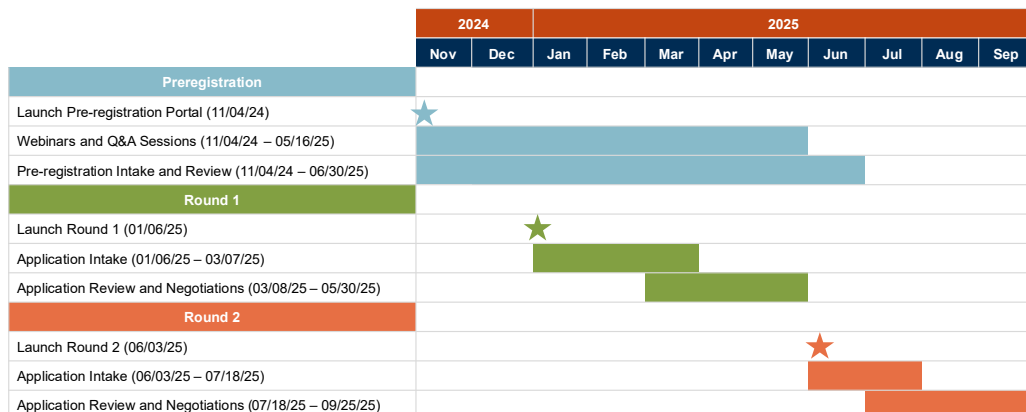
Aside from this Guidance document, informational webinars and documents will also be available for further assistance. All relevant information about the Project Application process will be made accessible on the ACA's website.

**It's advised to thoroughly read the entire guidance package prior to starting your Project Application responses. Doing so will provide a clear understanding of the complete scope of Project Application requirements and further details about the process itself.**

### 2.3 Project Application Deadline

The Round 1 Project Application submission period opened on January 6, 2025, for 60 days, and was closed on March 7, 2025. Once the Round 1 Project Application period was closed, ACA conducted a period of Project Application Review and Negotiation, which is expected to last until May 30, 2025.

Figure 1 provides a tentative BEAD subgrantee selection timeline. It shall be noted that the dates reflected on Figure 1 are subject to change.



### **Figure 1: BEAD Subgrantee Selection Tentative Timeline**

As stated in the BEAD Initial Proposal Volume II, the Round 2 is specifically designed for eligible Broadband Serviceable Locations (BSLs) that did not receive applications as part of Round 1. The Round 2 Project Application submission period will open on June 3, 2025. Round 2 application submissions will be available until July 18, 2025. ACA will accept and review Project Applications on a rolling basis during this time. Once the Round 2 Application period closes, ACA will conduct another period of Application Review and Negotiation, which will last until September 25, 2025.

Additional information on submitting a Project Application is provided below.

## **2.4 Submission Instructions**

Applicants for the BEAD program should submit their Project Application through ACA's Project Application portal at <https://bead.azcommerce.com/>.

To support the exchange of information and submission of documents for the BEAD program, ACA's Project Application portal allows for the secure upload of files that are accessible to ACA project team and the broadband service provider to which they are assigned. Applicants must furnish all information requested. Submissions that do not comply with the requested information may be rejected or returned to the Applicant for modification. Applicants will be notified through the portal on the requested modifications/updates and will have the opportunity to submit a modified/updated Project Application before rejection. Any submission that does not adhere to instructions in the Project Application may be deemed non-responsive and rejected on that basis. Only information that is received in response to the requirements in this document and as required in the Project Application along with required attachments will be assessed.

Applicants will be able to work on the applications and save draft progress on the portal over time before final submission prior to the close of the Project Application submission deadline. No other submission method is allowed. Project Applications must be complete, and attachments clearly labeled. Completed Project Application, attachments, and supporting documentation must be received by ACA by the date and time listed above, to be considered for Project Application evaluation. It is the Applicant's responsibility to ensure the Project Application response form is received by the ACA prior to the submission deadline. Applicants will receive an email confirmation for the receipt of their submission within 24 hours of completing the online Project Application. It is the Applicant's responsibility to ensure the application is received by the ACA prior to the submission deadline.

An Applicant that fails to submit a complete application by the deadline may be excluded from consideration for a BEAD subgrant award for that specific round. Official Project Application submission date and time will be determined by the time stamp accompanying the application within the online submission system. Project Applications dated and time stamped in any other way will be rejected. If a confirmation receipt is not received within two business days, Applicants must contact the ACA Office as noted below.

Project Application submissions will be reviewed and evaluated by the ACA project team. The ACA will notify the outcome of its review of the Project Applications to the Applicants.

Additionally, post Round 1, the ACA will notify Applicants regarding any Project Applications that have been deferred from Round 1 to Round 2.

For any Project Applications that have been deferred from Round 1 to Round 2, those will be re-evaluated with the additional Project Applications received during Round 2. In case the Applicant wants to update their Round 1 deferred Project Application during Round 2, the Applicants can consider submitting a request to the ACA for withdrawal of the deferred application and resubmit a new application during Round 2.

## **2.5 Contact Information**

If potential Applicants have any questions related to this guidance document and supporting documentation, please refer to the Frequently Asked Questions (FAQs) document made available by ACA or contact ACA at [broadband@azcommerce.com](mailto:broadband@azcommerce.com).

For any technical assistance / queries regarding the Project Application portal, applicants can reach out to [azhelpdesk@ready.net](mailto:azhelpdesk@ready.net).

## 3. Program Background

### 3.1 Arizona Commerce Authority

#### 3.1.1 Overview

The Arizona Commerce Authority was established to facilitate the beneficial economic growth and development of the State and to promote prosperity through the development and protection of the legitimate interests of Arizona business, industry, and commerce within and outside the State. ACA actively collaborates with State and local government stakeholders, as well as the private sector, to streamline regulatory barriers and maximize funding for broadband development in Arizona.

In 2022, the Arizona Commerce Authority was established under HB 2678. The Arizona Commerce Authority, led by the State Broadband Director within ACA, coordinates local, State, and federal broadband programs, executes federal broadband grant applications, and works with partners and telecommunication providers to develop internet connectivity and enhance resiliency plans.

#### 3.1.2 Vision

The Arizona Commerce Authority and Governor Hobbs are committed to working diligently to advance the development of broadband infrastructure across the State to provide high-speed, affordable, and Reliable Broadband Services to every resident in Arizona. Arizona's vision is to provide dependable and affordable high-speed internet services to every community and access to the necessary digital skills, so every resident can fully participate in a digital world.

#### **ACA is committed to:**

- Engage and coordinate with stakeholders – Working collaboratively with partnering State agencies as well as local governments, Tribal Nations, and community stakeholders.
- Maximize and optimize the use of available resources.
- Ensure equity in program design and implementation.
- Promote sustainable and equitable solutions for all Arizona communities.

### 3.2 Broadband Equity, Access, and Deployment Program

The BEAD Program is authorized by the Infrastructure Investment and Jobs Act (IIJA) and provides funding of \$42.45 billion, of which the State of Arizona has been allocated \$993.1 million. The main objective of the BEAD program is to achieve universal connectivity by establishing the necessary groundwork for widespread access, affordability, equity, and adoption of broadband. Additionally, the program aims to create well-paying job opportunities and address long-standing equity gaps. BEAD's primary focus is on deploying broadband services, prioritizing the provision of infrastructure to Unserved Locations, followed by Underserved Locations, and then serving Community Anchor Institutions ("CAIs").

#### 3.2.1 Broadband Deployment

The BEAD program focuses on deploying infrastructure and expanding high speed internet access to Unserved, Underserved and CAI locations, via a Reliable Broadband Service.

- **Reliable Broadband Service:** Broadband service that is accessible to a location via:



- ✓ Fiber-optic technology (BDC technology code 50)
- ✓ Cable modem/hybrid fiber coaxial (HFC) technology (technology code 40)
- ✓ Digital subscriber line (DSL) technology (technology code 10)
- ✓ Terrestrial fixed wireless technology utilizing entirely licensed spectrum (includes spectrum licensed by rule) or using a hybrid of licensed and unlicensed spectrum (technology codes 71 and 72)
- Unserved Locations: Locations without access to a Reliable Broadband Service at all or with a Reliable Broadband Service offering speeds below 25 Mbps download and 3 Mbps upload.
- Underserved Locations: Locations without Reliable Broadband Service offering speeds of at least 100 Mbps download and 20 Mbps upload.
- CAIs: A school, library, health clinic, health center, hospital or other medical provider, public safety entity, institution of higher education, public housing organization (including any public housing agency and HUD-assisted housing organization, or Tribal housing organization), or community support organization that facilitates greater use of broadband service by vulnerable populations, including, but not limited to, low-income individuals, unemployed individuals, children, the incarcerated, and aged individuals.
- ✓ In addition to the definition above, the Arizona Commerce Authority defines State and local government facilities, and non-profit organizations as CAIs. These organizations serve as hubs for digital access in their communities and often have specialized technology needs and require affordable, high-speed, reliable broadband connections to provide their services effectively. These CAIs were identified and approved during the challenge process and appear in the final determination files.
- ✓ CAI categories defined by ACA includes:
  - Schools
  - Libraries
  - Health clinic, health center, hospital, or other medical providers
  - Public safety entity
  - Institutions of higher education
  - Public housing organizations
  - Community support organizations, including senior centers; job training centers; community centers; community development organizations; food banks and pantries; homeless service agencies and childcare centers
  - Government facilities including tribal, township, village, city, and county administrative offices; State government facilities; court administrative offices
  - Non-Profit Organizations include community support organizations

### 3.2.2 Non-Deployment

The Arizona Commerce Authority's highest priority is to utilize BEAD Program funds to provide affordable, reliable, and scalable broadband infrastructure to every Unserved and Underserved Location in Arizona, followed by equipping eligible CAIs lacking symmetrical gigabit access. Based on the results of the subgrantee selection process for broadband deployment projects and the funds remaining post round 2, the Arizona Commerce Authority may consider funding non-deployment activities, if available.

### 3.2.3 Eligible Project Areas Criteria

Criteria Related to Project Areas:

- **Every eligible BSL covered:** Subgrantees will be required to serve every eligible Unserved and Underserved Broadband Service Location (BSL) within the Project Area.
- **Maximizing Eligible CAIs:** Applications that cover all eligible BSLs in the Project Area and serve the maximum number of eligible CAIs will receive higher scores.
- **Individual Project Areas:** Applicants are required to submit separate Project Applications for each individual Project Area they propose to serve. Applicants can submit multiple applications.
  - Each Project Area will be evaluated individually and scored accordingly. Tentative selection of applications will be followed by tentative awards.
  - Applicants planning to apply for adjacent Project Areas are required to apply for these Project Areas separately in individual Applications. These Applications will be scored independently and may not be awarded together.
  - Any efficiencies that the Applicants are expecting to apply for adjacent Project Areas should be incorporated in the Application separately for each proposed Project Area. Each Application will be considered valid for each Project Area, irrespective of their location.
- **Partnerships:** Applicants are encouraged to identify partners as needed to ensure that eligible BSL within the proposed Project Area will be served. Applicants must identify which entity will serve as the lead Subgrantee for the project and will be responsible for executing the project agreement and for ensuring that the project is completed in accordance with the terms and conditions specified in the agreement

A public facing interactive mapping tool will be made available to all Applicants through the Arizona Commerce Authority website. Geospatial files for Project Areas will also be made available to Applicants.

The Arizona Commerce Authority has developed a [State Broadband Map](#) including a benchmark cost for each Project Area identified in the map based on NTIA's cost model. It tracks every broadband serviceable location (BSL) in Arizona with the National Broadband Map and include changes to the location status from the Challenge Process and deduplication of each BSL. This process will ensure the Unserved and Underserved BSLs are the priority for BEAD funds.

## **4. BEAD Deployment Subprogram Application**

Arizona's BEAD Subgrantee selection process consists of two distinct phases, as outlined below.

### **4.1 Phase 1 – Pre-marketing and Preregistration Phase**

To streamline the Subgrantee selection process for the BEAD Program, the Arizona Commerce Authority has implemented a market sounding and preregistration phase that involves preregistration of potential Applicants. This phase has been designed to save time and reduce redundancies in the application process.

During market sounding, Applicants were encouraged to select from the predefined Project Areas. The Arizona Commerce Authority will use this information to assess the demand for broadband deployment projects across different regions in Arizona, prioritizing deployment areas where the need is greatest, and identifying challenges or gaps in the existing broadband infrastructure.

The preregistration process is intended to expedite the application process for BEAD deployment projects and assist the potential Applicants to ensure that they have adequate financial, managerial, and technical capabilities necessary. By expediting the application process and focusing on effective data collection, the market sounding, and preregistration phase helps improve the BEAD Program's efficiency and effectiveness.

### **4.2 Phase 2 – Project Applications**

Post completing Preregistration, Applicants will proceed to submit separate Project Applications for each individual Project Area. Round 1 of the BEAD deployment Project Application primarily involved Applicants submitting their applications through the grant portal, utilizing data from an interactive public mapping tool for each Project Area which will also be followed during round 2. The outcome of Round 1 included preliminary project allocations and negotiations. Applications were evaluated for conditional award, and any Project Areas that were not tentatively awarded as part of Round 1 were moved to Round 2 for further assessment. Similar to Round 1, Applicants must provide essential details gathered via the online mapping tool, facilitated by the ACA for Round 2. These applications will be scored to determine the BEAD subgrant awards. The information provided during the Preregistration phase will be applied to all Project Applications submitted by the Applicant. Applicants who have not completed Preregistration will not be able to submit a Project Application. Assessment of Submissions.

Additionally, post Round 1, the ACA will notify Applicants regarding any Project Applications that have been deferred from Round 1 to Round 2.

For any Project Applications that have been deferred from round 1 to round 2, those will be reevaluated with the additional Project Applications received during round 2. In case the Applicant wants to update their round 1 deferred Project Application during round 2, the Applicants can consider submitting a request to ACA for withdrawal of the deferred application and resubmit a new application under round 2.

ACA will assess applications against criteria outlined in the BEAD NOFO and ACA's scoring rubric as defined in Arizona's approved Initial Proposal Volume II and will ensure that the applications are consistent with state and federal regulations. For the application to be considered for the BEAD Program funding, it must receive minimum of 250 points or higher. The review process will assess the merit of each application and its alignment with program goals and objectives.

Every application will be evaluated to confirm that it is complete and meets the minimum scoring criteria. If an application fails to meet ACA's BEAD Program's mandatory requirements, it may be considered ineligible

and excluded from consideration. If ACA identifies that an otherwise complete application has a minor or clear error, they may choose to perform a soft cure at their discretion to fix these issues. Applicants will be informed via email and the grant portal if their applications are deemed ineligible or require minor corrections. Applications that are not ruled ineligible will proceed in the review process. Assessment and conflict resolution will occur as specified in Arizona's approved Initial Proposal Volume II, with further discussion and negotiation as necessary. The review process will result in a list of tentative awards.

## 5. Project Application Submission Requirements

Required information and documentation for Application submissions are outlined below.

Applicants shall submit all requested information and documentation to demonstrate that they meet the BEAD Program requirements and that they have the capability to successfully deploy and sustain any future broadband infrastructure projects awarded under ACA's BEAD program.

### 5.1 Applicant Information

Applicants will be required to provide basic organizational details as part of the Project Application only once for the first Project Application. If Applicants submit additional Project Applications, the information provided under Applicant Information section will be auto populated in the following applications. Applicants are encouraged to identify partners as needed to ensure that each eligible BSL within the proposed Project Area will be served. Applicants must identify which entity will serve as the lead subgrantee for the project and will be responsible for executing the project agreement and for ensuring that the project is completed in accordance with the terms and conditions specified in the agreement.

Additionally, the Applicants should identify the below requirements and provide relevant information:

- **Consortium/ Partnership Entities:** The Applicant should identify if it is a consortium or partnership made up of several members. If yes, the Applicants are required to provide a narrative that explains the organizational structure, role, relationship, and significance of each consortium member/partnership entity. The narrative provided should also demonstrate individual expertise and that the Applicant possesses sufficient working capital to successfully carry out and complete the project. Additionally, the consortium/partnership entities are also required to submit details of the underlying agreement(s) amongst member/partnership organizations.

It's important to note that all entities within this group will share collective responsibility for meeting financial and contractual obligations and they will be held jointly and severally liable if they fail to fulfill these obligations. In the event of the guarantor is identified, the guarantor will be held liable for financial and contractual obligations. A parental guarantee will be required at the time of signing the grant agreement.

- **Contractors/Subcontractors:** If not identified during the preregistration phase, the Applicants will also be required to identify if they intend to use specific contractors and subcontractors for the deployment of BEAD broadband infrastructure projects in Arizona. If yes, the Applicants must provide experience details of the contractors/subcontractors in the context of a similar project. Each description of project experience should include details such as the construction cost, start and completion dates of the project, any teaming partners and the value that contributed to the project. Applicants should also indicate the network types that they have deployed or operated in the past (Fiber-to-the-Premise (FTTP), Hybrid Fiber-Coaxial (HFC), Coaxial, Copper/DSL, Fixed Wireless, Mobile Wireless, etc.).

## 6. Project Information

Applicants are urged to present their optimal and final proposals to ACA, encompassing the details required in Project Application including but not limited to covering all locations in designated Project Areas, number of Unserved/Underserved Locations served, affordability, open access network options, scalability and resilience, cost estimates, network designs, barriers, permits build-out timelines, local coordination efforts, performance data, technology, and compliance with all regulations, etc.

### 6.1 Project Executive Summary

Applicants will provide a high-level summary of the project, outlining the locations to be served, technology to be used including a percentage breakdown of each technology under Part A1, A2 and/or Part B, delivery approach, timeline, budget summary, and match request under each category.

Please note that the Project Application includes three categories: Part A1 is a 100% fiber-based deployment, Part A2-100% fiber-based deployment excluding Outliers and Part B is a mix of fiber, reliable, and alternative technologies deployment:

- Part A1: 100% Fiber based deployment, including CAIs (Covering 100% BSLs in the Project Area)
- Part A2: 100% Fiber Based Deployment, Including CAIs and
  - Option 1: Either excluding identified Outliers from Part A2 or
  - Option 2: Proposing and including identified Outliers with alternative/ reliable technologies under Part B
- Part B – Fiber, reliable and alternative technologies deployment for proposing
  - Option 1: 100% BSLs in the Project Area with mixed technology solution
    - Fiber
    - Reliable – HFC technology and Licensed Fixed Wireless
    - Alternative Technologies - Unlicensed Fixed Wireless and LEO
  - Option 2: Proposing select BSLs to serve with mixed technology and excluding any Outliers/ High-cost locations from the application, if applicable

While Applicants can provide Part A1, A2 and/or Part B, Applicants are encouraged to provide their solutions for all Parts A1, A2 and B. This will allow ACA to evaluate and prioritize Project Applications providing the most technically feasible and cost-effective solution for affordable broadband deployment through the BEAD program. Applicants should include any additional details or information deemed relevant to the project.

### 6.2 Project Area(s)

ACA pre-defined the initial draft Project Areas for Arizona's BEAD Program deployment projects throughout the state. The pre-defined Project Areas was made available on the ACA website for review and comments by the prospective subgrantees and stakeholders. ACA further refined and modified pre-defined Project Areas based on feedback received. ACA finalized Project Areas before Round 1 application intake process and after a public comment period has ended with the objective of improving competition, expediting administrative processes with efficient deconfliction, and ensuring all eligible Unserved and Underserved Locations within the state are served through the BEAD Program. The finalized Project Areas during Round 1 included 67 Project Areas covering the entire State or Arizona, of which, 21 were located within the tribal

lands. Applicants will be required to apply for each individual Project Area in separate applications and can submit multiple Project Applications.

The following key considerations will govern the creation of the Project Areas:

- Census block groups and governmental unit boundaries such as county borders
- Expected project size
- Geography and terrain
- Current competitive landscape and available backbone infrastructure

Note: Tribes are expected to constitute separate Project Areas. The Project Areas in Tribes will be limited to the State of Arizona boundary.

- Each Project Area will be evaluated individually and scored accordingly. Applicants planning to apply for adjacent Project Areas are required to apply for these Project Areas separately in individual Applications. These Applications will be scored independently and may not be awarded together.
- Any efficiencies that the Applicants are expecting to apply for adjacent Project Areas should be incorporated in the Application separately for each proposed Project Area. Each Application will be considered valid for each Project Area, irrespective of their location.

As part of the Project Application, Applicants must select the Project Area from the dropdown list of Project Areas on the Project Application portal which also includes the following information based on the Applicant's selection:

- Total number of BSLs included in the Project Area
- Total number of Unserved Locations
- Total number of Underserved Locations
- Total number of eligible CAIs Locations

Note: The Project Area file with the list of BSLs and CAIs can be downloaded from the 'selected Project Area' map on the portal.

Based on the proposed technology solutions in the selected Project Area, Applicants will be required to include the Project Area details in the Project Financials Workbook with the proposed technology breakdown for each BSL for Part A1/ A2-100% fiber-based deployment and/or Part-B – Fiber, reliable, and alternative technologies. (Attachment 8A1/8A2/8B)

Additionally, Applicants are also required to provide the list of CAI IDs, CAI address, proposed technology, and cost to serve the CAIs on the Project Application portal and in the "CAIs" tab of the Financial Workbook Templates under section 5.11.7- Project Financials of the guidance. From the list of eligible CAI locations included based on the selected Project Area (as published by ACA), Applicants must provide the number of eligible CAIs proposed to be served in the selected Project Areas.

## 6.3 Project Infrastructure

### 6.3.1 Project Type

Applicants must select whether they plan to develop a Priority and/or Non-Priority Broadband Project for each Project Area included in the application. It is important to note that different scoring rubrics will be applied to priority and Non-Priority Projects. (Refer to **Appendix A** for Priority Broadband Project Scoring Criteria and **Appendix B** for Non-Priority Broadband Project Scoring Criteria)

Project Types are defined below:

- Priority Broadband Projects: BEAD priority projects are those that fulfill two key criteria:
  - ✓ The first criterion focuses on delivering broadband service that adheres to the speed, latency, reliability, consistency in quality of service, and other criteria defined under BEAD NOFO for reliable highspeed broadband that the Assistant Secretary shall determine. In other words, priority projects must offer high-quality broadband services that meet specific performance thresholds.
  - ✓ The second criterion requires that priority projects provide services via end-to-end fiber-optic facilities to reach end users. This ensures that projects are built using the most reliable and efficient technological infrastructure available, delivering the highest quality broadband service possible. Using fiber-optic architecture ensures that broadband services are both fast and futureproof, able to scale with the ever-growing needs of the communities that they serve.
- Non-Priority Broadband Projects: All other last-mile deployment projects providing a minimum speed of 100/20 Mbps which are not considered priority projects are defined as Non-Priority Projects.

While Part A: 100% Fiber based deployment is focused on priority projects and Part B - Fiber, reliable and alternative technologies is focused on non-priority projects, Applicants can select both options and provide details for evaluating the best technically feasible and cost-effective option for the same project area. The ACA has a strong preference towards end-to-end fiber solutions i.e., "Priority Broadband Projects" where it is financially feasible. ACA acknowledges the potential challenges and costs associated with fiber deployment in certain regions and areas and that reliable/alternative methods may be deemed necessary. In instances where an end-to-end fiber solution is impractical, Applicants are required to designate these locations as "Outliers" to either be excluded from Part A2 or propose reliable/alternative technologies under Part B, if applicable.

In instances where there are outliers/high-cost locations to be excluded under Part B solution, Applicants can identify those locations under Part B.

ACA expects "Outliers" to be extremely rare and occur only due to extreme impracticability and unreasonableness caused by geographical, topographical or excessive financial costs. Additionally, any locations identified as "Outliers" will provide critical information on the value for the EHCPLT and which locations may be impacted by the threshold.

The EHCPLT will not be determined until all Priority and Non-Priority Project Applications have been received and reviewed. ACA will evaluate "Outlier" locations and make the determination of whether the location should be served with fiber, an reliable/ alternative technology, or removed from the Project Area while considering the most cost-effective way to ensure 100% coverage for all unserved and underserved locations in the State of Arizona. If ACA determines alternative technologies best serves an outlier location, the corresponding project will then be deemed as an "Other Last-Mile Project" non-priority project and will be evaluated using the corresponding scoring criteria.



### 6.3.2 Infrastructure and Technology

Applicants are required to provide details of the proposed infrastructure in the Project Financials Workbook – “Deployment Details” (Attachment 8A1/8A2/8B) tab for:

- Part A1:100% Fiber based deployment
- Part A2:100% Fiber based deployment (Excluding outliers), and/or
- Part B: Fiber, reliable and alternative technologies deployment, if applicable.

While Applicants can choose to submit their Project Applications for Part A1, A2, and/or Part B, ACA encourages Applicants to provide details for all - Part A1, A2 and Part B, if applicable to evaluate the technical and financial feasibility for both the options.

Applicants will provide infrastructure and technology details for each Project Area for Part A1, A2 and B, if applicable including but not limited to:

- Total estimated miles of conduit to be deployed (Note: This mileage should be included in the buried fiber plant mileage)
- Total estimated miles of buried fiber plant to be deployed
- Total estimated miles of buried coaxial cable plant to be deployed
- Total estimated miles of aerial fiber (if fiber proposed) to be deployed
- Total estimated miles of aerial cable plant to be deployed
- Number of towers proposed to be deployed
- Number of towers to be collocated
- Number of towers new build
  - ✓ Applicants will provide a narrative on the proposed towers to be deployed, indicating if it would be a new build or collocation deployment. Additionally, Applicants will also provide the proposed ownership model for towers deployed – ownership or lease model.
- Average number of antennas per tower
- Average number of sectors per antenna
- Applicants to confirm if they plan to include MDU WIFI
- Applicants to confirm if the proposed project would include drop and install costs
- Applicants to confirm if the proposed project would include any facility/headend/POP costs
- Does the proposed project include Middle-Mile infrastructure?
- Applicants to confirm if the proposed project will include Middle-Mile infrastructure

In case an Applicant plans to include Middle-Mile Infrastructure, they will provide the details including:

- Total estimated miles of buried fiber plant to be deployed
- Total estimated miles of aerial fiber plant to be deployed

- Total estimate other types of middle mile infrastructure
- Provider Geo location(s) of the middle-mile tie up points with the last-mile infrastructure

### **6.3.3 Technology and Performance**

Applicants can select all applicable proposed technology options for the Project Area for both priority and non-priority projects for evaluating both Part A1/A2: 100% Fiber based deployment and/or Part B - Fiber, reliable and alternative technologies options for proposing the most technically feasible and cost-effective option for deployment in the selected Project Area both on the Project Application portal and in the Project Financials Workbook – “Deployment Details” tab (Attachment 8A1/8A2/8B) for each proposed technology.

#### **6.3.3.1. Priority Broadband Project**

##### **Technology**

Applicants will select all applicable network technologies and associated speeds that are proposed to be used for the delivery of Internet connectivity to the end-user premises in all Project Areas included in the Application. This includes the technology used for the actual connection to each individual premise for the Project Area. By selecting one of these technologies, the Applicant will confirm a maximum latency of 100 milliseconds (ms). The list of applicable network technologies and associated speeds include:

- FCC Code 50: XGS-PON: Up to 10 Gbps download and 10 Gbps upload or greater
- FCC Code 50: G-PON: Up to 2.5 Gbps download and 1 Gbps upload
- FCC Code 50: XG-PON: Up to 10 Gbps download and 2.5 Gbps upload
- FCC Code 50: E-PON: Up to 1 Gbps symmetrical

##### **Split Ratio for Deployment**

Applicants will also be required to select the split ratio that will be used for deployment between:

- Split Ratio 1:32
- Split Ratio 1:64

If the same split ratio is not used across deployment, the Applicant will provide the reasons and the nodes that do not conform to it.

#### **6.3.3.2. Non-Priority Broadband Project**

Applicants who intend to deploy Non-Priority Broadband Project must select all applicable network technology types they are proposing to use. The list of applicable network technologies include:

##### DOCSIS Based Deployment

- FCC Code 40: Hybrid fiber coaxial (HFC) DOCSIS 4.0
- FCC Code 40: Hybrid fiber coaxial (HFC) DOCSIS 3.1

Additionally, for DOCSIS Based Deployment, the Applicant will also provide the following details:

- Total download speeds (Mbps)
- Total upload speeds (Mbps)
- Maximum number of subscribers planned per service group

### Wireless Based Deployment

- FCC Code 70: Wireless using unlicensed spectrum 2
- Low Earth (LEO) satellite
- FCC Code 71: Wireless using licensed spectrum 4
  - ✓ If using wireless license spectrum, the Applicant will provide a list of the spectrum brands licensed for their organization

Additionally, for Wireless Based Deployment, Applicants will also provide the following details:

- Maximum download speeds per sector (Mbps)
- Maximum upload speeds per sector (Mbps)
- Maximum number of subscribers planned per sector
- Spectrum band(s) used in each Project Area

## **6.4 Open Access Network Options**

Applicants must specify if their organization intends to offer an open access network for the entire useful life of the network asset in the Project Application. If they do plan to provide open access, they should include a comprehensive narrative detailing their organization's open access policy. The policy must include the provision of wholesale last-mile broadband service for the life of the subsidized network, on fair, equal, and neutral terms to all retail providers. In addition, Applicants will provide information on whether the policy includes details on:

1. The number of fiber strands or conduits that will be identified as available for third-party access
2. The percentage of fiber strands out of the total count of fiber strands that will be identified as available for third-party access
3. Locations of the infrastructure that can be accessed by a third party
4. Whether in MDUs, property owners are given ownership of the internal wiring

Additionally, Applicants will provide a description of their planned wholesale services and rates.

## **6.5 Network Design**

Applicants must submit GIS files of the Project Area's network design, showing a proposed network that will deliver broadband service meeting or exceeding the performance requirements to all locations served by the Project including:

- The path layer distinguishing between aerial and underground to the extent possible. Acceptable file types for maps include PDF, SHP, KMZ/KML, MS Word file types.
- Location points, points containing network electronics and splitters, and polygons outlining all proposed service areas
- Identification of backhaul infrastructure and point(s) of internet connectivity can be submitted as well.
- If applicable, Applicants should show their existing fiber or cable network routes within and in close proximity to the Project Area defined by the Applicant. Include any applicable information about these existing assets, such as fiber density, available capacity, year of deployment, etc. Applicants should

also indicate the location of assets proposed for interconnection whether those assets are owned by the Applicant or not.

- If the project involves laying fiber-optic cables or conduits underground or along a roadway network, the network design should show the inclusion of preliminary interspersed conduit access points at regular and short intervals for interconnection by unaffiliated entities. Conduit access points and interconnections can be finalized once the grant is executed.
- If the project proposes to lay conduits, the network design should show the amount of excess conduit capacity and conduit access point intervals. Conduit access points and interconnections can be finalized once the grant is executed.

Applicants must confirm that the design and project plan submitted will be certified by a licensed professional engineer after award and prior to signing the grant agreement.

Additionally, Applicants must confirm if the Professional Engineer will be licensed in the State of Arizona. If the Professional Engineer will not be licensed in the State of Arizona, Applicants will explain if they intend to include the BEAD program waiver on PE Certification.

*Note: Subgrantees will be required to submit final detailed network designs after award, but prior to ACA's approval to proceed to construction. Final detailed network designs must be certified by a Professional Engineer. Additionally, upon completion, the subgrantee must obtain certification by a Professional Engineer confirming the deployed network was constructed and is operating as designed.*

### **6.5.1 Outlier Locations**

As per NTIA guidelines, ACA has a strong preference towards end-to-end fiber solutions where it is financially feasible. If the cost to serve a location using an end-to-end fiber solution is higher than a 1.5x multiple of the average cost to serve for the rest of the BSLs in the selected Project Area, the Applicant shall identify these locations as Outliers under Part A2 to either be excluded from the A2 solution in the "Outlier BSLs" tab of the Financial Workbook Templates or propose to serve those locations with a reliable/alternative technology and include them under Part B solution.

Under Part B, Applicants can define and identify Outliers/ High-cost locations within their chosen Project Area that are relatively expensive to serve and plan to exclude these locations from their application. They shall provide a list of the BSL ID Number, if applicable in the "Outlier BSLs" tab of the Financial Workbook Templates.

The identification of Outliers should only occur based on the extreme impracticability of end-to-end fiber deployment because of geography, topography, or excessive cost. Applicants will be required to describe what makes the identified locations as Outliers in the Project Application.

ACA will evaluate "Outlier" locations and make the determination of whether the location should be served with fiber, a reliable/ alternative technology, or removed from the Project Area to be served by a separate project while considering the most cost-effective way to ensure 100% coverage for all unserved and underserved locations in the State of Arizona. In the event that ACA determines alternative technologies best serve an outlier location, the corresponding project will then be deemed as an "Other Last-Mile Project" non-priority project and will be evaluated using the corresponding scoring criteria.

## **6.6 Scalability and Resiliency**

### **6.6.1 Network Scalability and Resiliency**

Applicants are required to furnish detailed information regarding the scalability and resilience of their networks for each Project Area included in the Project Application. This should encompass a description of the redundancies in both network and power sources for no less than 50% of the BEAD-eligible locations included within the project scope.

Applicants will explain how the proposed network design guarantees scalability to accommodate the connectivity needs of the Project Area over the network's entire lifespan. Additionally, Applicants must outline their organization's strategy for retrofitting and/or hardening the current broadband infrastructure to resist potential damage and degradation due to climate threats, including a timeline for when the network resiliency process is expected to begin and be completed.

Applicants will be required to commit to burying at least 75% of the fiber network in the Project Area for priority projects. If not, they must specify the percentage of the fiber network their organization plans to install underground or bury.

Applicants will be required to commit to burying at least 50% of the fiber network in the Project Area for non-priority projects, if applicable. If not, they must specify the percentage of the fiber network their organization plans to install underground or bury.

Furthermore, Applicants are required to specify any additional measures for network resiliency that their organization intends to implement.

### **6.6.2 Network Outages**

Applicants must confirm that appropriate measures will be taken to ensure that the network's outages do not exceed, on average, 48 hours over any 365-day period except in the case of natural disasters or other force majeure occurrences. In the case that Applicants are unable to meet this requirement, they must provide an explanation.

Applicants will describe the network design and measures that their organization is planning to take to address the requirement stated above. In the case of climate risks, Applicants must provide details on the planned speeds of restoring service in case of the planned network outage.

### **6.6.3 Climate Assessment**

Applicants will provide an initial assessment of potential climate risks impacting the proposed project, for each Project Area included in the Application.

Resilient Design: In areas with identified elevated risk, Applicants are encouraged to deploy resilient infrastructure that is less vulnerable to disaster damage. Applicants will describe how the proposed network design will withstand, respond to, and recover rapidly from disruptions caused by climate conditions. Designing climate-resilient infrastructure includes:

- Consideration of aerial and buried infrastructure
- Elimination of single points of failure throughout the network
- Design of self-healing network topologies

- Design of network architecture that provides optical redundancy

Examples of the strategy include elevating structures, employing wet and dry flood-proofing to improve flood damage resistance, deploying buried infrastructure, using wind bracing to improve structural wind resistance, and adding lightning protection to towers. Ongoing inspections of infrastructure before expected periods of harsher weather are encouraged to determine any necessary additions or restructuring.

Network Infrastructure Resiliency and Climate Readiness Measures: Applicants will provide details on measures regarding network infrastructure resiliency and climate readiness including:

- Extreme Weather-Related Risks: Applicants must explain how organization is planning to utilize established climate hazard identifications and processes to prepare for and actively manage extreme weather-related events during project deployment. The plan must include details regarding how these processes may be included in the description of risks and mitigation efforts. Additionally, include details on how organization is planning to utilize existing plans, procedures, and processes related to addressing climate and weather-related risks for broadband infrastructure.
- System Capacity, Redundancy, and Back-Up Features: Applicants will provide a plan to build and maintain critical infrastructure in areas of elevated risk that includes redundancy and additional hardening/resiliency. The design of broadband infrastructure should include back-up power options for vital operations and should be able to accommodate the full extremes of weather, temperatures, and other climate hazards. Along with that, Applicants will include a plan for additional in-home or onsite back-up power resource inclusion.
- Technology Platform: Given that extreme weather events may impact above ground infrastructure, it is imperative that Applicants consider which technology platform is best to withstand the identified climate threats. Appropriate technology platforms may include buried underground infrastructure as it is resilient to risks such as tornadoes, intense storms, severe winds, and the wearing and damaging impact of extreme heat or snow. Applicants will provide details on the appropriate technology platform selected to withstand the identified climate threats, particularly in light of extreme weather events.

## **6.7 National Environmental Policy Act (NEPA) and National Historic Preservation Act (NHPA)**

Applicants will provide a high-level description of the site and the surrounding area (e.g., developed land versus open space; adjacent natural resources; and any protected lands) and any natural or manmade geographic, physical, or other factors such as climate, historic sites, wildlife, etc., that may pose a risk to the development of the project including details related to flood zones from Federal Emergency Management Agency (FEMA) floodplain maps ([Flood Maps | FEMA.gov](#)) and impacted wetland or waterways from US Fish and Wildlife Service's (USFWS) National Wetlands Inventory wetland maps ([Wetlands Mapper | U.S. Fish & Wildlife Service](#)). This narrative is applicable to each Project Area included in the Application.

Additionally, Applicants will provide detailed plans on how the project will be implemented including outlining their approach to remaining compliant with the State Historical Preservation Act (SHPA), National Environmental Policy Act (NEPA) (42 U.S.C. part 4321 et seq.), National Historic Preservation Act (NHPA) (54 U.S.C. part 300101 et seq.), and any other environmental or national historic preservation requirements. Also, a completed NEPA plan for this project should be submitted if it is in place.

Additionally, Applicants will also recommend feasible plans to minimize adverse environmental and historical preservation impacts.

## **6.8 Make Ready / Project Preparedness**

Applicants must describe the make-ready activities that their organization has already completed or has planned for the proposed project (e.g., surveyed site, signed agreements, obtained necessary costs, prepared engineering designs, access to right of way, etc.). This description is applicable to each Project Area included in the Application. Applicants must include all prior activities, a complete description of the next steps for make-ready activity, and how project costs were estimated.

## **6.9 Timeline**

Applicants will provide a project timeline highlighting key milestones, and the number of months needed between signing of the grant agreement and the delivery of service to the last eligible BSL included in the Project Area. This timeline will be applicable to each Project Area included in the Application Part A1: 100% Fiber based Deployment, A2: 100% Fiber based Deployment excluding Outliers and/or B: Fiber, Reliable, and Alternative Technologies.

Applicants will develop and submit a detailed project schedule with key implementation phases and milestones for 25%, 50%, 75%, and 100% completion for Part A: 100% Fiber based Deployment, and/or Part B: Fiber, Reliable, and Alternative Technologies, if applicable.

This may include stages such as contracting, engineering, pole licensing, make-ready, permitting, construction, connections, etc. Each milestone represents a specific stage of the project's completion and the availability of service to the percentage of eligible BSLs and CAIs in the Project Area. The timeline should include a start date and expected end date for all phases.

Applicants are required to confirm that their organization will deploy the planned broadband network and begin providing services to each customer that desires broadband service within the Project Area not later than four (4) years after the date on which the subgrantee receives the subgrant from ACA.

## **6.10 Barrier and Permitting Requirements**

Applicants will identify any known critical crossings/permits related to the project, for each Project Area included in the Application. Permits/Critical crossings may include, but are not limited to, the following:

- State of Arizona Managed Lands
  - Arizona Department of Transportation Managed Rights of Way
  - Arizona Department of Environmental Quality
  - Arizona Department of Water Resources
  - Arizona State Land Department
  - Arizona State Parks Board
  - Game and Fish Department
  - Bridge Crossings
  - Drain Crossings
  - Other Crossings [If selected, Applicants will provide an explanation for the same]
- Federal Government Managed Lands
  - US Army Corps of Engineers Managed Properties
  - US Forest Service Managed Lands

- Department of the Interior Managed Lands
  - Railroad Crossings
  - Tribal Lands
  - Wetland Crossings
  - Significant Water Crossings
- Tribal Nations Managed Lands
  - Tribal Nations Managed Rights of Way
  - Bridge Crossings
  - Drain Crossings
  - Other Crossings [If selected, Applicants will provide an explanation for the same]
- Local Government Managed Lands
  - Local Government Managed Rights of Way
  - Bridge Crossings
  - Drain Crossings
  - Other Crossings [If selected, Applicants will provide an explanation for the same]

### **6.10.1 Barrier Identification**

Based on the selection above, Applicants will identify potential obstacles and challenges associated with each Project Area. Applicants will provide:

- Detailed description on the critical crossings/permits related to this project. Additionally, Applicants will describe any steps or plans that their organization has undertaken with regards to the permitting processes for the identified critical crossings and/or permits.
- Detailed description of any concerns or issues encountered related to critical crossings or permits for the project.
- Description on any potential supply chain issues and a plan to overcome them.
- Description on any workforce related issues that could potentially delay the project deployment and a plan to overcome them.
- Description of potential concerns/issues related to inclement weather that may impact the timeline of this project.
- Description on any other barriers or concerns that may impact the timeline of this project .

## **6.11 Project Financials**

Applicants are required to confirm that they will use grant funds as specified in the BEAD NOFO.

### **6.11.1 Letter of Credit (LOC)**

*Note: Please note that Applicants do not need to provide the actual Letter of Credit or the performance bond at the Pre-registration or Application phase. That will be required later in the process prior to final award, based on the actual amount to be awarded. (Sample LOC to be submitted prior to the final award is provided in Appendix E)*



*At this Project Application phase, an Applicant must submit a commitment to provide the Letter of Credit or performance bond, up to a specified dollar amount.*

*The commitment to provide a Letter of Credit must be a letter from an eligible bank or from a credit union that is insured by the FDIC and have a Weiss Bank Safety Rating of B- or higher, committing to provide such a Letter of Credit if an award is made, including reference to the terms of the Model Letter of Credit and a maximum amount for the Letter of Credit that the institution would be willing to provide.*

*The commitment to provide a performance bond must be a letter from a company holding a certificate of authority as an acceptable surety on federal bonds, as identified in the Department of Treasury Circular 570 committing to issue a Performance Bond reflecting the maximum bonding value that the company is willing to provide.*

*The submission requirements for a commitment letter for an LOC or a surety letter for a performance bond to be provided as part of this Project Application are further outlined in the options below:*

If opting for an LOC as per the BEAD NOFO, Applicants must confirm that they will obtain and submit an LOC from a bank on a per project basis in the amount of 25% of the subaward prior to the signing the grant agreement.

If confirmed, Applicants must submit a letter from a bank meeting the eligibility requirements consistent with those set forth in 47 C.F.R. § 54.804(c)(2) committing to issue an irrevocable standby letter of credit in a value of no less than 25 percent of the subaward amount.

Additionally, Applicants must also confirm that they will also submit an opinion letter from legal counsel clearly stating, subject only to customary assumptions, limitations, and qualifications, that in a proceeding under Title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the “Bankruptcy Code”), the bankruptcy court would not treat the letter of credit or proceeds of the letter of credit as property of the winning Subgrantee’s bankruptcy estate under Section 541 of the Bankruptcy Code prior to signing the grant agreement.

### **6.11.2 LOC – Waiver Options**

BEAD originally mandated that states require deployment subgrantee to obtain a Letter of Credit from an eligible bank valued at least 25% of an award’s amount as described in 5.11.1-Letter of Credit above. However, the NTIA subsequently issued a Notice of Programmatic Waiver allowing states to ease this requirement. The notice provided four different options for extending additional flexibility to subgrantees. If applying for an LOC waiver, Applicants will be required to choose and confirm whether their organization will obtain and submit for each Project Area from the options detailed out below:

- **Option # 1- LOC from a Credit Union:** Subgrantee may obtain the Letter of Credit from a credit union substantially similar to the model letter of credit established by the FCC in connection with the Rural Digital Opportunity Fund (RDOF). Subgrantees can use any United States credit union that:
  - (a) is insured by the National Credit Union Administration; and
  - (b) has a credit union safety rating issues by Weiss of B- or better
- **Option # 2 - Performance Bond:** Subgrantee may obtain a qualified performance bond instead of obtaining a Letter of Credit from a company holding a certificate of authority as an acceptable surety on federal bonds as identified in the Department of Treasury Circular 570 in a value of no less than 100 percent of the subaward amount.

- **Option # 3 - Reduction of LOC upon completion of project milestones:** Subgrantee may step down the amount of the Letter of Credit or performance bond based on progress toward completion of project milestones.
- **Option # 4 - Alternative initial 10% LOC or 10% Performance Bond:** Subgrantee may obtain a Letter of Credit or performance bond for only 10% of the subaward amount if:
  - ✓ ACA issues funding on a reimbursable basis;
  - ✓ The reimbursement for periods of no more than six months; and
  - ✓ The subgrantee commits to maintain a letter of credit or performance bond in the amount of 10% of the subaward until it has demonstrated to satisfaction of ACA that it has completed the buildout of 100% of locations to be served by the project or until the period of performance of the subaward has ended, whichever occurs first.

ACA is adopting Options # 1, # 2, and # 4 for its implementation of BEAD Program (i.e., **Option # 3 is NOT allowed**) as these options provide more flexibility to subgrantee in the amount of the Letter of Credit or Performance Bond.

For availing the ACA BEAD program's LOC waivers, Applicants can select one of the below options (Option # 1, # 2, or # 4) for each Project Area included in the Application. Additionally, Applicants will need to provide supporting documentation regarding the financial surety option selected below:

**If Option # 1 - LOC from a Credit Union** is selected, Applicants will confirm that their organization will obtain and submit a Letter of Credit on a per project basis in the amount of 25% of the subaward prior to the final award from a credit union.

If Applicants provide confirmation to the above, they must confirm that the Letter of Credit from a credit union will be substantially similar to the model letter of credit established by the FCC in connection with the Rural Digital Opportunity Fund (RDOF) and will use any United States credit union that is insured by the National Credit Union Administration; and has a credit union safety rating issued by Weiss of B- or better.

If confirmed, Applicants must submit a commitment letter from the credit union committing to issue an LOC to the subgrantee valued at no less than 25% of the subaward amount prior to signing the grant agreement.

In addition to a Letter of Credit, Applicants will need to confirm their organization will also submit an opinion letter from legal counsel clearly stating, subject only to customary assumptions, limitations, and qualifications, that in a proceeding under Title 11 of the United States Code, 11 U.S.C. § et seq. (the "Bankruptcy Code"), the bankruptcy court would not treat the letter of credit as property of the winning Subgrantee's bankruptcy estate under Section 541 of the Bankruptcy Code prior to signing the grant agreement.

**If Option # 2 – Performance Bond** is selected, Applicants must confirm the following:

- Organization will provide a Performance Bond equal to 100% of the BEAD subaward amount in lieu of a Letter of Credit on a per project basis, acceptable in all respects to ACA prior to signing of the grant agreement.
- Performance Bond will be issued by a company holding a certificate of authority as an acceptable surety on federal bonds, as identified in the Department of Treasury Circular 570.

If Applicant confirms the above, they must submit a letter from an acceptable surety company committing to issue a Performance Bond to the prospective subgrantee. The letter must reflect the bonding amount

equal to the total subaward. (*Sample Surety Letter to be submitted with this Project Application is provided in Appendix F*)

**If Option # 4 - Alternative initial 10% LOC or 10% Performance Bond** is selected, Applicants must confirm the following:

- Organization commits to maintain a letter of credit or performance bond in the amount of 10% of the subaward until it has demonstrated to satisfaction of the ACA that it has completed the buildout of 100% of locations to be served by the project or until the period of performance of the subaward has ended, whichever occurs first.

If Applicant confirms the above, Applicants must submit a letter from the bank committing to issue an irrevocable standby Letter of Credit from a bank that meets the program eligibility requirements consistent with those set forth in 47 C.F.R. § 54.804(c)(2). This should be valued at no less than 10% of the subaward amount; or

If Applicant confirms the above, Applicants must submit a letter from an acceptable surety company committing to issue Performance Bond to the prospective subgrantee. The letter must reflect bonding amount equal to at least 10% of the subaward for the project.

### 6.11.3 Project Match Details

Applicants must provide a summary information about project funding sources in the table below on the Project Application portal and the Project Financials Workbooks – “Summary Output” Tab (Attachment 8A1/A2/B)

- Part A1 - 100% Fiber based deployment (Including CAIs and Outliers); and/or
- Part A2 - 100% Fiber Based Deployment (Including CAIs but excluding Outliers); and/or
- Part B – Fiber, reliable and alternative technologies deployment.

Note: Arizona will regard all cash, loans, federal grants, and state grants as cash match.

**Table 1: Project Match Details**

| Category   | Total |
|--|-------|
| Total Project Cost   | \$ -  |
| Total Grant Amount Requested                                     | \$ -  |
| Total Match Amount   | \$ -  |
| Total Match Percentage ( <i>Must be Min. of 25% w/o waiver</i> ) | %     |

### 6.11.4 Matching Funds Details

Applicants will provide details of matching funds in the table below and submit evidence of the committed matching funds (e.g., letter from bank stating the loan amount). Additionally, Applicants will upload evidence of the committed matching funds to the Project Application portal (e.g., letter from bank stating the loan amount).

Note: ACA will regard all cash, loans, federal grants, and state grants as cash match.

**Table 2: Match Fund Details**

| Match Sources Type | Amount | Secured (Yes /No) |
|--------------------|--------|-------------------|
| Cash               | \$ -   | Y/N               |
| Loan(s)            | \$ -   | Y/N               |
| Federal Grant      | \$ -   | Y/N               |
| In-Kind            | \$ -   | Y/N               |

**6.11.4.1. In-Kind Matching Funds**

In addition to Cash Match, matching funds may be provided in the form of in-kind contributions, as long as such contributions are made consistent with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards set forth at 2 C.F.R. Part 200.

In-kind contributions, which may include third-party in-kind contributions, are non-cash donations of property, goods, or services, which benefit a federally assisted project, and which may count toward satisfying the non-federal matching requirement of a project's total budgeted costs when such contributions meet certain criteria. The program allows for in-kind matches from non-federal sources, such as private entities, state and local governments, and tribal governments that can be used to cover the costs of construction of broadband infrastructure.

Depending on the particular property or service and the applicable federal cost principles, in-kind match could include:

- Employee or volunteer services
- Equipment
- Supplies
- Indirect costs
- Computer hardware and software items that were purchase no later than 1 year prior to the execution of the grant agreement
- Use of facilities

In the broadband context this could also include, consistent with federal cost principles:

- Access to rights of way
- Pole attachments
- Conduits
- Easements, or
- Access to other types of infrastructure

### 6.11.5 Matching Waiver Request (Conditional)

Applicants need to confirm if their Project Area includes high-cost areas as defined by NTIA and listed in the following link : [High-Cost Areas.xlsx](#)

Applicants will also need to confirm their intention to apply for a match waiver. The waiver request should describe the special circumstances underlying the reason it is not feasible to provide the minimum match requirement of 25% of the project cost. Additionally, they must document any efforts made to obtain matching fund commitments for the project from capital funding sources and explain how a waiver would serve the public interest and advance the goals of the BEAD Program.

Note: Match waivers are not guaranteed, and ACA may request additional information to assist in making its determination.

#### 6.11.5.1. How to Request a Match Waiver

Applicants will submit a match waiver request to ACA, who will then share the request with the Assistant Secretary for the final determination. This request should describe the special circumstances underlying the request and explain how a waiver would serve the public interest and effectuate the purposes of the BEAD Program. The Assistant Secretary retains the discretion to waive any amount of the match, including up to the full 25% requirement. Additionally, ACA may request further information to assist in making its determination.

### 6.11.6 Project Cost Estimation

Applicants are required to provide project cost details to serve each eligible BSL in the project area for the technology solution(s) they are proposing for Part A1/A2 and/or Part B in the Project Financials Workbook – “Cost Estimation” tab for each technology type (Attachment 8A1/8A2/B):

- Part A1 – 100% Fiber based deployment ( 100% BSLs in the Project Area)
- Part A2 - 100% Fiber based deployment excluding Outliers
- Part B – Fiber, reliable and alternative technologies.

ACA encourages Applicants to provide estimations for all parts A1/A2 and/or B to evaluate and prioritize all project applications for proposing the most technically feasible and cost-effective solution for effective broadband deployment through the BEAD program.

Note: ACA requires that the project cost provided should include all costs, and that the project cost should not be subject to any conditions.

#### 6.11.6.1. A1: 100% Fiber Based Deployment (Attachment 8A1)

Applicants will provide the average cost to serve per location and total cost to serve for all unserved and underserved BSLs using fiber technology:

| Number of BSLs to be Served | Average Cost to Serve per BSL with Fiber Technology | Total Cost to Serve BSLs included in the Project Area |
|-----------------------------|---|---|
|                             |   |   |

Applicants will provide the average cost to serve per CAI location and total cost to serve proposed CAIs using fiber technology in the Project Area.

| Number of CAIs to be Served | Average Cost to Serve per CAIs | Total Cost to Serve CAIs included in the Project Area |
|-----------------------------|--------------------------------|---|
|                             |                                |   |

Based on these inputs, the Applicants will provide the total cost to serve the Project Area through A1: 100% Fiber Based Deployment.

**6.11.6.2. A2: 100% Fiber Based Deployment (Attachment 8A2)**

Applicants will provide the average cost to serve per location and total cost to serve for all non-outlier proposed unserved and underserved BSLs using fiber technology:

| Number of BSLs to be Served | Average Cost to Serve per BSL with Fiber Technology | Total Cost to Serve BSLs included in the Project Area |
|-----------------------------|---|---|
|                             |   |   |

Applicants will provide the average cost to serve per CAI location and total cost to serve proposed CAIs using fiber technology in the Project Area.

| Number of CAIs to be Served | Average Cost to Serve per CAIs | Total Cost to Serve CAIs included in the Project Area |
|-----------------------------|--------------------------------|---|
|                             |                                |   |

Applicants will provide the average cost to serve per location and total cost to serve the identified Outliers by using fiber technology in the Project Area to be excluded from the A2 Fiber based Application or propose to serve through reliable/ alternative technology under Part B:

| Number of Outliers proposed to be excluded | Average Cost to Serve per Outlier with Fiber Technology | Total Cost to Serve Outliers in the Project Area |
|--|---|--|
|  |   |  |

Based on these inputs, the Applicants will provide the total cost to serve the Project Area through A2: 100% Fiber Based Deployment excluding Outliers.

**6.11.6.3. Fiber, Reliable and Alternative Technologies (Attachment 8B)**

If Applicant plans to choose a mix of fiber, reliable and/or alternative technologies for eligible BSLs, Applicants should provide the following inputs:

Applicants should provide the average cost to serve per location and total cost to serve for select fiber only BSLs and CAIs.

| Number of BSLs to be Served using Fiber Technology | Technology Type | Average cost to Serve per BSL with Fiber Technology | Total Cost to Serve the Proposed BSLs |
|--|-----------------|---|---------------------------------------|
|  |                 |   |                                       |

|                             |                        |   | using Fiber Technology                          |
|-----------------------------|------------------------|---|---|
|                             | Fiber Based Deployment | \$  |   |
| Number of CAIs to be Served | Technology Type        | Average cost to Serve per CAI with Fiber Technology | Total Cost to Serve CAIs using Fiber Technology |
|                             | Fiber Based Deployment | \$  |   |

If choosing reliable and/or alternative technologies for select eligible BSLs, Applicants must provide the average cost to serve per BSL and the total cost to serve proposed BSLs with a reliable and/or alternative technology:

| Number of BSLs to be Served with Reliable /Alternative Technology | Technology Type | Average cost to Serve per BSL with Reliable / Alternative Technology | Total Cost to Serve BSLs with Reliable/Alternative Technology |
|---|-----------------|--|---|
|   | <Dropdown List> | \$   |   |
|   | <Dropdown List> | \$   |   |
|   | <Dropdown List> | \$   |   |

If the Applicants plans to identify and exclude any High-Cost BSLs / Outliers included in the Project Area from the Application, Applicants should provide the location details in the

| Number of High Cost BSLs/Outliers to be excluded |  |
|--|--|
| BSL IDs  |  |

Based on the above inputs, Applicants will provide the total project cost for Part B - Mixed deployment of fiber, reliable, and alternative technologies

### 6.11.7 Project Financials Workbook (Detailed Information Intake)

Applicants will be required to populate and upload the Project Financials excel workbook for Part A1- 100% Fiber based deployment and/or A2 - 100% Fiber based deployment excluding Outliers and/or Part B– Fiber, reliable and alternative technologies deployment), which can be found in on the Project Application portal and will include detailed information covering:

- High-level project budget information

- Capital costs
- Operating costs
- Breakdown of BSLs proposed to be served by technology type and cost to serve each BSL
- List of outliers, in A2 and B for exclusion, if applicable
- List of CAls, proposed technologies, and cost to serve
- Project Cost Estimation
- Project Infrastructure – Deployment details
- Details on funding sources and matching
- Capital investment schedule the demonstrates that the Applicant will achieve complete build-out and service initiation within four years of the final award
- Project pro forma financials and cashflow
- ✓ The duration should be for not less than a 10-year period, or the length of any expected debt or capital leases, whichever is longer.
- ✓ Applicants will identify any periods during which the project is expected to have a net operating revenue loss and identify the expected source of funds to cover such losses.
- ✓ Applicants will demonstrate the availability of funds to cover all project costs exceeding the grant amount, along with the ongoing financial capacity to meet eligible project expenses.
- ✓ Applicants will also include the following in the Project Financials workbook:
  - Revenue and Operating Expenses
  - Net Operating Revenue
  - Net Income
  - Unlevered and Levered Free Cash Flows
  - Other Capital Sources
  - Net Cash

In the Project Application, Applicants will also provide budget narrative that explains the assumptions used in the pro forma and any expected financial challenges. Additionally, Applicants will provide any additional related analyses that establish the sustainability of the proposed project.



## **6.12 Project Workforce**

### **6.12.1 Equitable Workforce Development and Job Quality**

Applicants must provide a narrative for each Project Area included in the Application demonstrating their commitment to investing appropriately in cultivating a skilled and diverse workforce to fulfill job requirements and meet the infrastructure buildout timelines submitted in the application. In the narrative, Applicants must provide the following:

- Organization's efforts towards the development of a suitably skilled workforce by providing or supporting employees' attainment of occupational training, certification, and licensure
- Details of training partnerships with local providers to establish in-house training programs that give their employees industry-specific knowledge and skills
- Details regarding the creation of equitable on-ramps to broadband-related jobs by promoting partnerships with workforce boards, training partners, labor and community organizations, or participation in employer-led collaboratives.
- Approach to providing diverse job opportunities and hiring from underrepresented groups through activities such as participating in diversity job fairs, offering internships to students from diverse backgrounds, creating training programs to prepare these individuals for roles in the broadband industry, and/or publicly reporting workforce demographic data.

### **6.12.2 Fair Labor and Employment Laws**

*Applicants will provide the following information related to fair labor practices and a highly skilled workforce. It is important to note that these questions may have already been answered during the preregistration phase. If not answered at the preregistration phase, then these questions are project-specific and must be answered as part of the current application phase.*

If not submitted during the preregistration phase, Applicants must submit a signed attestation of compliance with federal and State labor and employment laws for the past three years by an Officer/Director-level employee of the entity (e.g., President, Chief Executive Officer, Chief Financial Officer, Treasurer, or equivalent position). It should also certify that the Applicant and its contractors or subcontractors will ensure a track record of compliance with federal labor and employment laws. If a new provider, the potential Applicant must commit to robust labor and employment standards and protections, including compliance with federal labor and employment laws for BEAD-funded Projects in the future.

In case of a violation in the last three years, the Applicant must disclose the nature of the violation and the corrective steps taken to avoid similar incidents and ensure future compliance.

Applicants will indicate whether they are planning to use contractors or subcontractors related to the Project Application. If the Applicant is planning to use contractors or subcontractors, the Applicant should provide documented and signed evidence of the contractor's and/or subcontractor's compliance with federal and state labor and employment laws for the past three years. It should also certify that the Applicant and its contractors or subcontractors will ensure a track record of compliance with federal labor and employment laws. The attestation provided must be signed by an Officer/Director level employee of the Applicant (e.g., President, Chief Executive Officer, Chief Financial Officer, or equivalent position).

In case of a violation in the last three years, the Applicant must disclose the nature of the violation and the corrective steps taken by the contractor/subcontractor to avoid similar incidents and ensure future compliance.

Based on the information provided to the above requirements, Applicants must certify that they have disclosed any instances in which it or its contractors or subcontractors have been found to have violated laws such as the Occupational Safety and Health Act, the Fair Labor Standards Act, or any other applicable labor and employment laws for the preceding three years.

Additionally, all Applicants must submit their organization's plan, along with plans from affiliated contractors or subcontractors, on monitoring and ensuring adherence to labor and employment laws. The plan should also include steps for internal audits and investigations to identify and correct any potential violations of labor rules and regulations, maintaining records of worker classifications, hours worked, wages earned, and other relevant employment documentation, as well as addressing any employee complaints or grievances.

### **6.12.3 Workforce Arrangement**

Applicants must confirm and provide details on their organization's plan to directly employ their workforce, hire a subcontracted workforce, or utilize a combination of both, to perform work for the proposed project.

The Applicant must provide a detailed description on the nature of their workforce arrangement for the workforce consisting of directly employed individuals, subcontracted personnel, or a combination of both.

If the Applicant plans on utilizing a combination of both a directly employed workforce and a subcontracted workforce to perform work for the proposed project, the Applicant should provide the percentage breakdown of the directly employed and subcontracted workforce.

Applicants must provide comprehensive details about the projected wage structures for employees, contractors, or subcontractors who will work directly on the construction of BEAD-funded network deployment projects.

Applicants must provide information on their organization's labor and employment practices regarding wage, fringe benefits, and overtime payments, as well as ongoing verification for the duration of the projects.

Additionally, Applicants must outline the measures their organization will take to ensure the implementation of workplace safety committees that are authorized to raise health and safety concerns in connection with the delivery of deployment project(s).

### **6.12.4 Appropriately Compensated Workforce**

Applicants are required to either certify their adherence to the Davis-Bacon Act or state prevailing wage laws. Applicants have an option to submit any of the following options:

**Option 1 - Davis-Bacon Act:** If Applicant plans to certify compliance with the Davis-Bacon Act, they must provide a certification stating that, for the relevant project, all laborers and mechanics employed by contractors and subcontractors in the performance of such project are paid wages at rates no less than those prevailing, as determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the "Davis-Bacon Act"). These rates should align with those for corresponding classes of laborers and mechanics employed on projects of a similar character to the contract work in the civil subdivision of the State (or the District of Columbia) where the work is to be performed.

**Option 2 – State Prevailing Wage:** If an Applicant plans to certify compliance with the state prevailing wage, they must provide a certification stating that, for the relevant project, all laborers and mechanics employed by contractors and subcontractors in the performance of such project are paid wages at rates no less than those prevailing for the corresponding classes of laborers and mechanics employed on projects

of a similar character to the contract work in the civil subdivision of the State of Arizona where the work is to be performed. These rates should be determined by the state prevailing wage.

**Option 3 - Project Employment and Local Impact Report:** If an Applicant does not certify compliance with Davis-Bacon or State Prevailing Wage, they will submit a certification as part of the application for providing a project employment and local impact report. The report must include the details regarding number of contractors and subcontractors working on the project, number of workers on the project hired directly and through a third party, wages and benefits of workers on the project by classification and whether those wages are at rates lower than those prevailing.

Based on the option selected above, Applicants must provide a comprehensive plan detailing their organization's contractors', and subcontractors' strategies to comply with applicable wage laws, pay prevailing wages and benefits, and collect the required certified payrolls.

### **6.12.5 Project Labor Agreements**

Applicants must confirm whether the project will include a project labor agreement, meaning a pre-hire collective bargaining agreement consistent with section 8(f) of the National Labor Relations Act (29 U.S.C. 158(f)) that outlines their dedication to employing project labor agreements.

If an Applicant plans to include a project labor agreement, they must provide a comprehensive and transparent plan, emphasizing their commitment to upholding the terms of the project labor agreements.

If an Applicant does not intend to incorporate a project labor agreement into their plans, they must provide a justification for their organization's decision to exclude a project labor agreement from their project and complete the Project Continuity Plan section of the application.

### **6.12.6 Local Hire Provisions**

Applicants are required to specify whether the project will prioritize local hires.

If an Applicant intends to prioritize local hires, they must provide a narrative on their organization's approach to prioritizing local hires for the proposed project.

### **6.12.7 Unionized Neutrality**

Applicants are required to submit a written policy on union neutrality. Additionally, they must confirm that their organization refrains from using intimidation, retaliation, or coercion against employees who intend to organize or join a union.

### **6.12.8 Labor Peace Agreements**

Applicants must confirm that their organization commits to the use of labor peace agreements to ensure the BEAD deployment project schedule remains on-track.

If Applicants plans to commit to the use of labor peace agreements, the must provide the following:

- Details on how their organization plans to address labor peace agreements.
- A plan or strategy outlining how their organization intends to maintain labor peace throughout the project duration. This plan may include details on how they intend to foster a positive labor-management

relationship, how they will respond to any labor disputes, and how they will ensure compliance with any applicable labor laws or regulations.

### **6.12.9 Appropriately Skilled Workforce**

Applicants must provide plans regarding the use of appropriately skilled workforce, including plans to prioritize the employment of workers through training programs such as joint labor-management training programs or Registered Apprenticeships. These plans should have a particular focus on groups that have historically been underrepresented.

Regarding Education and Training Providers, Applicants must provide plans to partner with local educational institutions, vocational training centers, and online learning platforms to develop and deliver industry-specific curricula.

Regarding Registered Apprenticeships and Pre-Apprenticeships, Applicants must provide plans to promote Registered Apprenticeships and pre-apprenticeships integrated with other high-quality work-based learning programs.

Regarding Engagement with Employers and Unions, Applicants must provide plans to coordinate with employers and unions to tailor training to industry needs. The plan must include a comprehensive training framework, measures to ensure that members of the workforce have industry-recognized training and credentials, a holistic approach to recruitment and job creation, and plans to partner with various organizations.

Additionally, Applicants must provide plans to promote a culture that prioritizes workforce safety and effectiveness within their organization, along with the affiliated subcontractors.

### **6.12.10 Appropriately Credentialed Workforce**

#### **6.12.10.1. Credential Verification Process**

Applicants must provide plans regarding the verification of qualifications, certifications, and licenses of their workforce to ensure that the BEAD workforce possesses the necessary skills.

#### **6.12.10.2. Credential Passport System**

Applicants must confirm if their organization plans to introduce a system that details each worker's skills, qualifications, and experience.

If Applicant confirms the introduction of Credential Passport System, they must provide details on the planned credential passport system.

#### **6.12.10.3. Recognition of Prior Learning**

Applicants must provide plans that highlight the integration of workers' previous work experience, skills, and experiences that were obtained outside of formal education.

### **6.12.11 Misclassification of Workers**

Applicants must provide a description of the steps that are taken to prevent the misclassification of workers, including detailed information about their organization's workforce classification methodologies.

### **6.12.12 Unionized Workforce**

Applicants must confirm if their organization's or contractor's, or subcontractor's workforce is unionized.

If an Applicant confirms that the organization's or contractor's, or subcontractor's workforce is not unionized, they must provide the details that are required in Workforce Plan and Project Workforce Continuity Plan sections below.

### **6.12.13 Workforce Plan**

If an Applicant's workforce is not unionized, the Applicant must provide a clear breakdown of job roles, and the corresponding full-time equivalent (FTE) positions required for the project. This requirement includes roles within any contractor or subcontractor that their organization employs.

Additionally, for each job title required to carry out the proposed work (including contractors and subcontractors), Applicants should provide the details including:

- Details on any on-the-job training programs their organization offers or requires for each position related to the proposed work. This information should also include any relevant certification or licensure requirements, such as OSHA 10, OSHA 30, confined space, traffic control, or other applicable training. Additionally, Applicants must outline the plans to ensure that all workers obtain the necessary certifications for their specific positions.
- Description of the professional certifications in place and any in-house training programs offered or required to guarantee the project deployment is completed to a high standard. Also, articulate any in-house training programs their organization plans to offer.

Applicants must also include the details on any procurement and retention methods for Minority Business Enterprises (MBEs), Women's Business Enterprises (WBEs), and Local Small Businesses (LSBs) in the workforce plan. If known, Applicants must provide certification of MBE/WBE/LSB partners participating in the BEAD funding project.

### **6.12.14 Project Continuity Plan**

If an Applicant's project will not include a project labor agreement and the workforce is not unionized, the Applicant must upload a Project Workforce Continuity Plan consistent with the requirements provided in the BEAD NOFO, including:

- Steps taken and to be taken to ensure the project maintains a ready supply of appropriately skilled and unskilled labor. This is to guarantee competent completion of construction throughout the life of the project (as required in Section IV.C.1.e). This should include a description of any required professional certifications and/or in-house training, registered apprenticeships, labor-management partnership training programs, and partnerships with entities like unions, community colleges, or community-based groups.
- Steps taken and to be taken to minimize risks of labor disputes and disruptions that could jeopardize the timeliness and cost-effectiveness of the project.
- Steps taken and to be taken to ensure a safe and healthy workplace, avoiding delays and costs associated with workplace illnesses, injuries, and fatalities. This should include descriptions of safety training, certification, and/or licensure requirements for all relevant workers (e.g., OSHA 10, OSHA 30, confined space, traffic control, or other training required for workers employed by contractors). It should also encompass issues raised by workplace safety committees and their resolution.

- The name of any subcontracted entity performing work on the project, and the total number of workers employed by each such entity, disaggregated by job title; and
- Steps taken and to be taken to ensure that workers on the project receive wages and benefits sufficient to secure an appropriately skilled workforce in the context of the local or regional labor market.

### 6.13 Local Support and Community Engagement

Applicants must engage in consultations with local government entities and/or tribal nations that intersect the proposed Project Area. Applicants must indicate if they have consulted with local government entities and/or tribal nations to discuss qualifications and plans within the Project Area. This confirmation is applicable to each Project Area included in the Application.

If the Applicants have met with local government entities and/or tribal nations, they should indicate if their organization has received letters of support from them.

Applicants will provide the letters of support received and provide confirmation that it includes any financial commitments from the relevant Local or Tribal Government, diversity, any commitments made by the relevant Local or Tribal Government(s) (including direct or in-kind commitments like right of way access or permitting assistance), and recognition of the potential Applicant's coordination efforts in the community through the letter(s) of support.

Additionally, Applicants will provide their engagement plan to support coordination with Local and Tribal Communities in the BEAD Program. This plan should include awareness campaigns, integration with the Digital Navigator program, organization of meetings, development of outreach materials, and facilitation of community workshops, among other coordination activities.

### 6.14 Affordability

If an Applicant is applying for a Priority Broadband Project:

Applicants will provide details of the most affordable total price for 1 Gbps symmetrical service in the Project Area for five years after the project completion for each Project Area included in the Application. The price must include all recurring charges to subscribers, including all taxes, fees and charges imposed on the subscriber, and detail all non-recurring fees.

**Table 3: Monthly Cost and Non-Recurring Fees Details**

| Minimum Speed                             | Monthly Cost | Non-recurring Fees |
|---|--------------|--------------------|
| 1 Gbps/1Gbps (Priority Broadband Project) | \$ -         |                    |

If an Applicant is applying for Non-Priority Project:

Applicants will provide details of the most affordable total price for the 100/20 Mbps service in the Project Area for five years after project completion for each Project Area included in the Application. The price must include all recurring charges to subscribers, including all taxes, fees, and charges imposed on the subscriber, and detail all non-recurring fees.

**Table 4: Monthly Cost and Non-Recurring Fees Details**

| Minimum Speed  | Monthly Cost | Non-recurring Fees |
|--|--------------|--------------------|
| 100 Mbps/20 Mbps (Other Last-Mile Broadband Project) | \$ -         |                    |

## 6.15 Low-Cost Broadband Service Option

Applicants are required to provide a Low-Cost Broadband Service Option at a cost of [\$30] per month or less, which encompasses all costs and additional charges unless a waiver is granted by ACA, in which case the price is not to exceed [\$50].

Regarding Low-Cost Broadband Service Option, Applicants must confirm the following which is applicable to each Project Area included in the Application:

- Confirm participation in any successor broadband subsidy programs or any future programs, which will allow eligible subscribers to apply the subsidy to the proposed service option
- Confirm that at least one low-cost broadband service option will be provided for the entire service territory of the proposed project
- Confirm that end users are allowed to apply the Lifeline subsidy to the service price
- Confirm that prospective consumers will be informed of the existence of the Lifeline program benefits and the process of enrollment and application for the subsidies

Applicants must describe/upload details of an existing or proposed low-cost broadband service plan. The details should explain subscriber qualifications, speed, latency, cost, and any available subsidies for subscribers.

Additionally, Applicants will provide the details of their organization's approach to notifying each address in the proposed Project Area that a low-cost plan and federal subsidies will be available upon project completion (e.g., online, print, radio, etc.). Applicants must also provide their marketing plans and accompanying budget to educate potential and existing qualifying consumers about low-cost plans and federal subsidies. Include any information on equitable considerations, such as how they plan to communicate with consumers who may not speak English.

Regarding Service Characteristics Requirements, Applicants must confirm the following:

- Confirm that the service will consistently and reliably provide download speeds of at least 100 Mbps and upload speeds of at least 20 Mbps
- Confirm that the service will provide typical latency measurements of no more than 100 milliseconds
- Confirm that the service is not subject to data caps, surcharges, or usage-based throttling, and adheres only to the same acceptable use policies that apply to all other broadband internet access service plans offered to home subscribers
- Confirm that the service will be installed within 10 calendar days of a service request once the network is operational

For allowing the ability to upgrade, Applicants must also confirm and provide details that in the event their organization later offers a low-cost plan with higher downstream and/or upstream speeds, they will allow



eligible subscribers who are already subscribed to a low-cost broadband service option to upgrade to the new low-cost offering at no cost.

In case Applicants confirms the above, they must provide plans to upgrade the low-cost broadband service option.

Applicants must indicate whether the low-cost monthly service plan is priced at \$30, which encompasses all costs and additional charges. If otherwise, Applicants must confirm their application for a waiver from ACA, and that the value of the low-cost plan included in the waiver request does not exceed \$50.

### **6.15.1 Waiver Requirements**

If applying for a waiver, Applicants must clearly provide the specific reasons for requesting a waiver and provide evidence of a need for the waiver, supported by data, research, cost models, or assessments. Applicants must also confirm that the request aligns with applicable laws, regulations, and policies.

Additionally, Applicants must describe how granting the waiver will serve the public interest or benefit the community and explain how it aligns with broader policy goals or societal needs.

Furthermore, Applicants must conduct and provide a cost-benefit analysis to demonstrate that the benefits of granting the waiver outweigh any potential drawbacks.

### **6.15.2 Middle Class Affordability**

Regarding Middle Class Affordability, Applicants must confirm the following:

- Confirm that the broadband infrastructure to be deployed will offer a middle-class service option throughout the useful life of the network assets.
- Confirm that prospective customers will be informed of the option by making the plan information publicly available and easily accessible.
- Confirm that a middle-class service option will be available at locations within the area(s) awarded under the BEAD Program.

## **6.16 Minority Business Enterprises (MBEs)/Women's Business Enterprises (WBEs)/Labor Surplus Firms (LSF) Inclusion**

Applicants must provide a narrative for each Project Area included in the Application about their organization's plan to address the six requirements for contracting with M/WBEs and Labor Surplus Area Firms:

1. Placing qualified small and minority-owned businesses and women-owned business enterprises on solicitation lists.
2. Assuring that small and minority-owned businesses, and women-owned business enterprises are solicited whenever they are potential sources.
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority-owned businesses, and women-owned business enterprises.
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority-own businesses, and women-owned business enterprises.



5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
6. Requiring prime contractors, if subcontracts are to be let, to take these affirmative steps.

Applicants must also commit to adhere with the six affirmative steps (above) for contracting with MBE, WBE, and LSFs provided in 2 CFR Part 321.

### **6.16.1 Program Development and Implementation**

Applicants must provide details of their plan to develop curriculum and training programs in collaboration with educational institutions, training providers, and industry experts, ensuring alignment with the specific skill needs identified for each broadband deployment phase. Additionally, they must outline plans to prioritize the creation of flexible, accessible, and responsive programs that can adapt to changing demands.

Applicants must also provide details on the development of apprenticeship programs that cater to the unique needs of MBEs/WBEs suppliers in each deployment phase. Additionally, they must share plans to collaborate with industry associations and businesses to offer hands-on training and real-world experience to apprentices.

### **6.16.2 Outreach and Partnerships**

Applicants must provide plans to engage with MBEs/WBEs stakeholders, including businesses, associations, and local communities, to communicate the benefits of available training programs and apprenticeships for different phases of broadband deployment.

### **6.16.3 Monitoring and Evaluation**

Applicants must provide plan to establish Key Performance Indicators (KPIs) for measuring the success of training programs, apprenticeships, and workforce initiatives during each phase of broadband deployment. In addition, Applicants must detail how they are planning to monitor indicators such as the number of program participants, employment rates, and employer satisfaction, with specific focus on MBEs/WBEs suppliers.

Additionally, Applicants must provide their plan to regularly gather feedback from MBEs/WBEs suppliers and program participants which will be crucial in identifying areas that require adjustments or improvements.

### **6.16.4 Reporting and Documentation**

Applicants must describe their plan to maintain comprehensive records that document program implementation, outcomes, and lessons learned during each phase of broadband deployment. Applicants must provide regular progress reports to relevant stakeholders and funding agencies to demonstrate the impact on MBEs/WBEs suppliers.

## **6.17 Cybersecurity and Supply Chain Risk Management Compliance**

### **6.17.1 Cybersecurity Risk Management Plan**

Applicants will be required to submit a cybersecurity management plan. If not submitted during the preregistration phase or if further updates have been made to the plan submitted during the preregistration phase, Applicants should submit the latest updated plan as part of the Project Application. If significant

changes are made to the plan, a new version should be promptly submitted to ACA within 30 days (applicable until the end of the period of performance). In the case of prospective subgrantees who are not yet providing service, they must demonstrate readiness to operationalize the cybersecurity risk management plan upon providing service after the grant is awarded.

Applicants must provide their cybersecurity risk management plan that includes the following criteria:

- Operational status: The potential Applicant must have a cybersecurity risk management plan that is operational before a grant is awarded if the potential Applicant is already providing services prior to the grant award. In the case of potential Applicants who are not yet providing service, they must demonstrate readiness to operationalize the cybersecurity risk management plan upon providing service after the grant is awarded.
- NIST Framework and Executive Order Compliance: The cybersecurity risk management plan must be based on the latest available version of the National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity, which is currently Version 2.
- Security and Privacy Controls: The plan must also adhere to the standards and controls outlined in Executive Order 14028 and must specify the particular security and privacy controls being implemented.
- Evaluation and Updates: Establish a process for periodic evaluation and assessment of the cybersecurity risk management plan. Ensure that the plan will be regularly reviewed and updated to address emerging cybersecurity risks and challenges/significant events.

Applicants are required to provide the detailed and the most updated plan prior to signing of the grant agreement.

### **6.17.2 Supply Chain Risk Management Compliance**

Potential Applicants are required to submit a supply chain risk management plan that is being used to safeguard the integrity of their supply chain. If not submitted during the preregistration phase or if further updates have been made to the plan submitted during the preregistration phase, Applicants should submit the latest updated plan as part of the Project Application. If significant changes are made to the plan, a new version should be promptly submitted to ACA within 30 days (applicable until the end of the period of performance). In the case of prospective subgrantees who are not yet providing service, they must demonstrate readiness to operationalize the cybersecurity risk management plan upon providing service after the grant is awarded.

Applicants are required to submit a supply chain risk management plan that is being used to safeguard the integrity of their supply chain. The plan should comply with the following:

- Operational status: The potential Applicant must have a supply chain risk management plan that is operational before the grant is awarded if the potential Applicant is already providing services prior to the grant award. In the case of potential Applicants who are not yet providing service, they must demonstrate readiness to operationalize the supply chain risk management plan upon providing service after the grant is awarded.
- Key Practices and Guidance: The supply chain risk management plan must be based on the key practices described in the NIST publication NISTIR 8276, "Key Practices in Cyber Supply Chain Risk Management: Observations from Industry." The plan must also incorporate relevant supply chain risk management guidance from NIST, including NIST 800-161, "Cybersecurity Supply Chain Risk

Management Practices for Systems and Organizations." The plan should clearly specify the supply chain risk management controls that will be implemented.

- Evaluation and Updates: The supply chain risk management plan must be reevaluated and updated on a periodic basis. The plan should be regularly reviewed and updated as events warrant to address evolving supply chain risks and challenges/significant events.

In accordance with the BEAD Initial Proposal Volume II guidance, Applicants that rely on network facilities owned or operated by a third party must obtain cybersecurity and supply chain risk management processes and procedures from that network provider and provide the results.

Applicants are required to provide the detailed and the most updated plan prior to signing of the grant agreement.

## **6.18 Certifications**

Applicants will be asked to confirm compliance with the following for each Project Area included in the Application:

- Acknowledge that the grant application creates a binding obligation if accepted by ACA and cannot be withdrawn once submitted until ACA announces the conclusion of BEAD award process.
- Certify that their organization can and will commit to the grant application and that, if granted a grant award, any inconsistency or failure to follow-through on application details shall be considered a violation of the grant agreement and subject to claw-back of funds, at the discretion of ACA.
- Certify that their organization will adhere to prohibited communications rules as defined by the FCC until ACA announces final awards at the end of the BEAD award process.
- Confirm an agreement to comply with the BEAD requirements, including a non-collusion affidavit that the prices quoted in their applications have been independently determined, and that there has been no collusion with competing prospective contractor(s).
- Certify that their organization will engage in fair, equal and equitable business practices such as grant application safeguards against collusion, bias, conflicts of interest, arbitrary decisions, and other factors that could undermine confidence in the public process.
- Confirm that their organization understands that the grant will be implemented on a cost reimbursement basis for actual costs incurred, consistent with Section IV.C.1.b of the NOFO, with reimbursement periods of no more than six (6) months.
- Confirm that their organization understands that an amount equivalent to 10 percent (10%) of the amount shown to be due on each reimbursement payment request will be withheld until the project has been completed, and a final closeout review has been performed.
- Confirm that their organization will submit timely quarterly progress reports, commit to the details of their grant application, submit to technical reviews and financial audits, and uphold the grant agreement if awarded and signed.
- Acknowledge that all requested certifications asked throughout the applications are not exhaustive.
- Certify their organization will comply with The Infrastructure Act which explicitly prohibits subgrantees from using BEAD funding to purchase or support fiber-optic cable and optical transmission equipment manufactured in the People's Republic of China unless a waiver is granted by the Assistant Secretary.

- ✓ If no, Applicants will provide details of the waiver the Applicant is planning to apply for.
- Confirm that the project will serve every Unserved and Underserved location within each Project Area included in application.
- Certify their organization will comply with the National Environmental Policy Act (NEPA) (42 U.S.C. part 4321 et seq.) and National Historic Preservation Act (NHPA) (54 U.S.C. part 300101 et seq.) and any other environmental or national historic preservation requirements.
- Certify that their organization understands that NEPA analysis will be required for every project funded through the BEAD Program and agrees to provide sufficient information to allow for NEPA analysis such as a detailed project description, including applicable supporting documentation.
- Certify that their organization acknowledges the significance of minimizing the environmental and historic preservation impacts associated with construction in sensitive areas and will ensure that projects and eligible activities will be designed to minimize potential adverse impacts on the environment.
- Certify their organization will coordinate with other state offices experienced in administering federal grants and identifying subcontractors for environmental assessments (e.g., U.S. Army Corps of Engineers (USACE), U.S. Forest Service (USFS), and State or Local Historic Preservation Offices).
- Certify that their organization is aware that should further details be needed post-application approval for funding, ACA/NTIA reserves the right to retain funds under a specific award condition until the awardee provides the requisite additional information pertaining to environmental compliance.
- Certify the capability to complete and operate this grant project, and that the information provided is true and accurate to the best of their knowledge.
- Certify that an Arizona licensed Professional Engineer will be involved in certifying the final design, diagrams, project costs estimate, and other technical aspects of the project and will provide the necessary verification post award.
- Certify that the Applicant has read and will adhere both the [ACA Procurement and Grant Compliance policy](#) and the ACA Uniform terms and conditions (additional information can be found on ACA website [www.azcommerce.com/about-us/aca-policies/](http://www.azcommerce.com/about-us/aca-policies/)).
- Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment:
  - ✓ All funds made available through the BEAD Program for broadband infrastructure must comply with the prohibition on certain telecommunications and video surveillance services or equipment (2 CFR 200.216). This regulation prohibits federal funds from being used to purchase or install telecommunications and video surveillance equipment, services or systems produced from prohibited companies and/or their subsidiaries. In addition, for public safety installations, there is an extended list of vendors and requirements listed in the National Defense Authorization Act (Public Law 115-232, Section 889) which is the source legislation for this condition.
  - ✓ Certify their organization will not procure, obtain, extend or renew a contract to procure or obtain or enter into a contract to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

- ✓ Understand that telecommunications or video surveillance services provided by such entities or using such equipment is prohibited.
  - ✓ Understand that for the purposes of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities) is also prohibited.
  - ✓ Understand that telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country is prohibited.
  - ✓ Understand that if any equipment is installed on a federally funded project, their organization will bear the sole responsibility and cost of removing the prohibited equipment and replacing it with equipment acceptable to the State and Federal government.
- By signing this application, certify to the best of their knowledge and belief that the application is true, complete, and accurate, and the designs, costs and project plans are for the purposes and objectives set forth in the terms and conditions of the Federal award. Also, they are aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise.

## 7. Appendix A: Deployment Scoring Criteria - Priority Broadband Projects

The term “Priority Project” means a project that will provision service via end-to-end fiber-optic facilities to each end-user premises. The following criteria will apply to all “Priority Projects”. The criteria and weighting marked with an asterisk is mandated by the NTIA.

Each application can earn a maximum of 500 points. The evaluation criteria are categorized into primary and secondary segments, with 375 points allocated to the primary category and 125 points to the secondary category. Each of these categories encompasses several elements to be assessed and rated according to the specified considerations within each area. The details of each scoring category, subcategory, and relative weighting of each are described below in more detail. For the application to be considered for the BEAD Program funding, it has to receive minimum of 250 points or higher.

### Primary Scoring Criteria – 75%\* (Total 375 points)

**Minimal BEAD Program Outlay for Priority Projects - 250 Maximum Points:** Three elements will be evaluated as part of the minimal BEAD Program Outlay for priority projects.

- **Grant to Project Cost – 150 Maximum Points:** This category pertains to the overall grant funding requested 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 the table below:

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

- **Project Cost:** This is the total project cost submitted by the Applicant.
- **Subsidy Requested:** The amount of subsidy/ grant funding requested by the Applicant

| 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.

#### **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:

- **(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**

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.

- **Cost Reasonableness – 50 Maximum Points:** This category pertains to the cost reasonableness of the project.

**Reference Benchmark Cost** = Reference Price/ 75%

**Cost Reasonableness scoring** =  $(\text{Project Cost} / \text{Reference Benchmark Cost} - 1) * 100\%$

- **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.

| 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.

**Sample Application Scenario:**

Assume that an Applicant **ABC, Inc.** is applying for a project area **X** where:

- **(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

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.



- **Resiliency – 50 Maximum Points:** This category pertains to the network resiliency (such as the use of alternative power sources, retrofitting or hardening existing assets, the use of buried cables, etc.). Applications that propose to use technologies and network design that exhibit longer usable lives and resilience than what may be considered to be industry standard will score higher. Scoring for this criterion will be cumulative, in that each one of the resiliency criteria listed below addressed will be awarded points.

| Scoring  | Priority Projects Points |
|--|--------------------------|
| Applicant demonstrates network or power source redundancies for minimum of 50% of locations within the Project Areas | 10                       |
| Applicant demonstrates scalability in the network design   | 10                       |
| Applicant commits to retrofitting and/or hardening its existing broadband infrastructure assets                      | 10                       |
| Applicant commits to burying at least 75% of fiber cables within the Project Area                                    | 10                       |
| Applicant demonstrates other network resiliency measures   | 10                       |

- **Affordability for Priority Projects - 75 Maximum Points:** This section assesses the Applicant's commitment to delivering 1Gbps/1Gbps symmetrical services within the Project Areas specified in the application, at a price that is affordable for subscribers. The State Broadband Office will use the 80 percent of the FCC urban benchmark rate as the affordability standard. The State Broadband Office will use a graded scale for scoring criteria to incentivize affordability. The Applicant will be required to commit this pricing structure for a minimum of five (5) years of the project completion.

Under this section, Applicants will receive points if the cost of the 1 Gbps symmetrical service package is \$114.07 per month or lower, inclusive of all taxes, fees and charges imposed on the subscriber. The sliding scale is presented below.

| Scoring            | Priority Projects Points |
|--------------------|--------------------------|
| >\$114.07          | 0                        |
| \$114.07 - \$99.81 | 50                       |
| \$99.80 - \$85.55  | 65                       |
| <\$85.55           | 75                       |

Additionally, Applicants will be encouraged to provide a marketing plan as part of their application that incorporates mechanisms to improve knowledge of the availability of the low- cost broadband service option and to raise awareness of subsidy programs such as ACP.

- **Fair Labor Practices for Priority Projects - 50 Maximum Points:** Applicants are required to provide a written account of their historical adherence to federal labor and employment laws, as well as their intentions to continue adhering to these laws. In this category, the Arizona Commerce Authority State Broadband Office will evaluate and assign scores to the narrative responses provided by Applicants. Applications that furnish all necessary information and make a binding commitment to comply with the established labor requirements as stipulated in the BEAD NOFO will receive up to 50 points in this category. Applicants, that are new entrants in the industry, who do not have a previous record of



compliance with labor and employment laws can make forward looking commitments to strong labor and employment standards and protections with respect to BEAD funded projects. Points will be awarded based on the information provided for each aspect of the fair labor category. Applications that do not provide any response will receive 0 points in this category.

| Criteria  | Priority Projects Points |
|---|--------------------------|
| <p>Applicant has provided:</p> <ul style="list-style-type: none"> <li>• Certification from an Officer/Director-level employee (or equivalent) evidencing past compliance with federal labor and employment laws by the Applicant as well as all contractors and subcontractors; and/or</li> <li>• Only applicable to new entrants without a record of Federal labor and employment law compliance: Written confirmation that applicant is a new entrant without a record of past compliance and that the prospective subgrantee has provided specific, forward-looking commitments to compliance with Federal labor and employment laws with respect to BEAD-funded projects</li> </ul> | 15                       |
| Written confirmation of disclosing any instances in which the Applicant or its contractors or subcontractors have been found to have violated laws such as the Occupational Safety and Health Act, the Fair Labor Standards Act, or any other applicable labor and employment laws for the preceding three years.   |                          |
| Applicant has provided a plan along with plans from affiliated contractors or subcontractors, on monitoring and ensuring adherence to labor and employment laws including:  |                          |
| Information on applicable wage scales and wage and overtime payment practices for each class of employees expected to be involved directly in the physical construction of the broadband network  | 5                        |
| Plan for ensuring the implementation of workplace safety committees that are authorized to raise health and safety concerns in connection with the delivery of deployment projects  | 3                        |
| Plan for using a directly employed workforce, as opposed to a subcontracted workforce   | 3                        |
| Plan for paying prevailing wages and benefits to workers, including compliance with Davis-Bacon and Service Contract Act requirements, and collecting the required certified payrolls;  | 5                        |
| Plan for using project labor agreements (i.e., pre-hire collective bargaining agreements between unions and contractors that govern terms and conditions of employment for all workers on a construction project)   | 3                        |
| Plans for including local hiring  | 3                        |
| Commitments to union neutrality   | 2                        |
| Use of labor peace agreements   | 2                        |

| Criteria  | Priority Projects Points |
|---|--------------------------|
| Use of an appropriately skilled workforce, e.g., through Registered Apprenticeships or other joint labor-management training programs that serve all workers, particularly those underrepresented or historically excluded) | 4                        |
| Use of an appropriately credentialed workforce (i.e., satisfying requirements for appropriate and relevant pre-existing occupational training, certification, and licensure)  | 3                        |
| Steps to prevent the misclassification of workers   | 2                        |

## Secondary Selection Criteria for Priority Projects

- **Speed to Deployment for Priority Broadband Projects – 10 Maximum Points:** All recipients of BEAD Program funds designated for network deployment are required to use technologies that exhibit greater ease of scalability and execute the planned broadband network and commence delivering services to all subscribers seeking broadband services within the application Project Area(s) no later than four years after the subgrantee receives the award from the Arizona Commerce Authority State Broadband Office.

The State Broadband Office will assess applications based on their pledged speed of deployment using a sliding scale system as shown below. Additionally, the State Broadband Office will include penalties for not meeting the project schedule for the BEAD deployment project in the grant agreement for the corresponding project. The State Broadband Office will inform the prospective subgrantees on the terms and conditions of the grant agreement during the marketing campaign phase and throughout the subgrantee selection process.

| Deployment Schedule | Priority Projects Points |
|---------------------|--------------------------|
| < 24 months         | 10                       |
| 24 - 36 months      | 8                        |
| 36 - 42 months      | 6                        |
| 42 – 47 months      | 4                        |
| 48 months           | 0                        |

- **Technological Requirements for Priority Projects – 45 Maximum Points:** Two elements will be evaluated as part of the technological requirements.
  - For applications suggesting the adoption of technologies that offer enhanced scalability with reduced future expenditure for priority projects, the State Broadband Office will evaluate long-lasting capital assets using a sliding scale system.

| Technology   | Priority Project Points |
|--|-------------------------|
| Up to 10 Gbps download and 10 Gbps upload or greater | 35                      |

| Technology                                 | Priority Project Points |
|--|-------------------------|
| Up to 10 Gbps download and 2.5 Gbps upload | 25                      |
| Up to 2.5 Gbps download and 1 Gbps upload  | 20                      |
| Up to 1 Gbps symmetrical                   | 5                       |

- The BEAD program permits the state to offer points for open access wholesale opportunities to last-mile broadband service providers throughout the duration of the subsidized network's existence on a fair, equitable, and unbiased terms for all prospective retail service providers. Applicants pledging to offer open access wholesale broadband services at reasonable and non-discriminatory rates and conditions for the entire useful life of the network assets will earn points contingent on the open access details outlined in their application. Points will be awarded based on the information furnished for each component, including physical infrastructure, access points, network operations center, etc., of the open access category shown below.

| Open Access Details                  | Priority Project Points |
|--------------------------------------|-------------------------|
| Details regarding open access policy | 10                      |

- Local and Tribal Coordination for Priority Projects – 25 Maximum Points:** The BEAD Program advocates for the adoption of selection criteria that emphasize the Applicant's coordination with local and tribal governments with jurisdiction over the Project Areas they intend to serve. This regional and tribal coordination is intended to address connectivity gaps where broadband coverage is lacking, allowing tribes, counties, towns, and cities to coordinate with the prospective Applicants for their region. As part of the requirements for the BEAD Program, Applicants must consult with local and tribal authorities regarding their qualifications and plans within the Project Area. Points for this category will be awarded based on the degree of collaboration and support demonstrated. By conducting consultations and collaborating with local and tribal authorities, Applicants can enhance the effectiveness and success of their project proposal while promoting community involvement and support. Prospective Applicants can support the coordination of local and tribal communities in the BEAD Program by identifying key community stakeholders and organizing meetings, developing outreach materials, facilitating community workshops, etc.

Local and Tribal Governments may provide support for one or more Applicants within the BEAD Program with letters of support that will factor into the scoring criteria. The letters of support will be evaluated based on any financial commitments from the relevant Local or Tribal Government, diversity, any commitments made by the relevant Local or Tribal Government(s) (including direct or in-kind commitments like right of way access or permitting assistance), and recognition of the potential subgrantee's coordination efforts in the community through the letter(s) of support. The Engagement Plan will be scored based on the extent of commitments made by the prospective Applicant on community engagement, including ACP awareness campaigns, integration with Digital Navigator program, organizing meetings, developing outreach materials, and facilitating community workshops, among other coordination activities.

| Local and Tribal Coordination Details  | Priority Project Points |
|--|-------------------------|
| Letter of Support Provided   | 5                       |
| Letters of support include financial commitments/ any other commitments made by the relevant Local or Tribal Government(s) | 5                       |

| Local and Tribal Coordination Details  | Priority Project Points |
|--|-------------------------|
| Letters of support include recognition of the potential subgrantee's coordination efforts in the community through the letter(s) of support. | 5                       |
| Local and/or Tribal Coordination Engagement Plan   | 10                      |

- Community Anchor Institutions for Priority Projects – 20 Maximum Points:** The BEAD Program will promote digital equity and expand broadband access in unserved and underserved areas. CAIs play a key role in achieving these objectives by serving as critical community resources for education, healthcare, and emergency services. Applications that have included eligible CAIs as published by the State Broadband Office within the Project Area as part of the application will be scored. Twenty points will be awarded to an application that has the highest number of eligible CAIs included for the Project Area. Applications that do not include eligible CAIs within their Project Areas will receive 0 points in this category. Applications that include some eligible CAIs for the Project Area will be scored using a sliding scale system.

| Criteria   | Priority Projects Points |
|--|--------------------------|
| Highest number of CAIs proposed to be served out of (X) number of applications | = 20                     |
| Second highest CAIs proposed to be served                                      | = $20 * ((x-1)/x)$       |
| Third highest CAIs proposed to be served                                       | = $20 * ((x-2)/x)$       |
| Fourth highest CAIs proposed to be served and so on                            | = $20 * ((x-3)/x)$       |
| No eligible CAIs proposed to be served   | 0                        |

- Equitable Workforce Development and Job Quality for Priority Projects – 25 Maximum Points:** Applicants are required to present a narrative demonstrating their dedication to making appropriate investments in cultivating a skilled and diverse workforce to fulfill the job requirements and meet the infrastructure development deadlines outlined in their application. For this criterion, the Arizona Commerce Authority State Broadband Office will evaluate and assign scores based on the narrative responses provided. The State Broadband Office will evaluate Applicant's narrative provided in the application along with all the necessary information pertaining to workforce development and commit to fostering a skilled workforce, training program, educating workers about their rights and obligations related to union neutrality, and a particular emphasis on hiring locally for scoring application using a sliding scale system.

| Criteria   | Priority Projects Points |
|--|--------------------------|
| Applicants provided plans regarding the use of an appropriately skilled workforce by providing or supporting employees' attainment of occupational training, certification, and licensure. | 5                        |

| Criteria  | Priority Projects Points |
|---|--------------------------|
| Applicant provided details of training partnerships with local providers to establish in-house training programs that give your employees industry-specific knowledge and skills.   | 5                        |
| Applicant described plans on creating equitable on-ramps to broadband-related jobs, as demonstrated by partnership with workforce boards, training partners, labor and community organizations, or participation in employer led collaboratives.  | 5                        |
| Applicant described an approach to providing diverse job opportunities and hiring from underrepresented groups through activities such as participating in diversity job fairs, offering internships to students from diverse backgrounds, creating training programs to prepare these individuals for roles in the broadband industry, and/or publicly reporting workforce demographic data. | 5                        |
| Applicant provided a plan on union neutrality   | 2                        |
| Applicant described an approach to prioritizing local hires for the proposed project.   | 3                        |

## 8. Appendix B: Deployment Scoring Criteria – Non-Priority Broadband Projects

The following criteria will apply to all other last mile deployment projects providing a minimum speed of 100/20 Mbps which are not considered priority projects. The criteria and weighting marked with an asterisk are mandated by the NTIA.

Each application can earn a maximum of 500 points. The evaluation criteria are categorized into primary and secondary segments, with 375 points allocated to the primary category and 125 points to the secondary category. Each of these categories encompasses several elements to be assessed and rated according to the specified considerations within each area. The details of each scoring category, subcategory, and relative weighting of each are described below in more detail. For the application to be considered for the BEAD Program funding, it has to receive minimum of 250 points or higher.

### Primary Scoring Criteria – 75%\* (Total 375 points)

**Minimal BEAD Program Outlay for Priority Projects - 250 Maximum Points:** Three elements will be evaluated as part of the minimal BEAD Program Outlay for Non-Priority Projects.

- **Grant to Project Cost – 150 Maximum Points:** This category pertains to the overall grant funding requested 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 the table below:

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

- **Project Cost:** This is the total project cost submitted by the Applicant.
- **Subsidy Requested:** The amount of subsidy/ grant funding requested by the Applicant

| Scoring                              | Non-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.

#### 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:

- **(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**

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.

- **Cost Reasonableness – 50 Maximum Points:** This category pertains to the cost reasonableness of the project.

**Reference Benchmark Cost** = Reference Price/ 75%

**Cost Reasonableness scoring** =  $(\text{Project Cost} / \text{Reference Benchmark Cost} - 1) * 100\%$

- **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.

| Scoring   | Non-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.

**Sample Application Scenario:**

Assume that an Applicant **ABC, Inc.** is applying for a project area **X** where:

- **(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

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.

- **Resiliency – 50 Maximum Points:** This category pertains to the network resiliency (such as the use of alternative power sources, retrofitting or hardening existing assets, the use of buried cables, etc.). Applications that propose to use technologies and network design that exhibit longer usable lives and resilience than what may be considered to be industry standard will score higher. Scoring for this criteria will be cumulative, in that each one of the resiliency criteria listed below addressed will be awarded points.

| Scoring  | Non-Priority Projects Points |
|--|------------------------------|
| Applicant demonstrates network or power source redundancies for minimum of 50% of locations within the Project Areas | 10                           |
| Applicant demonstrates scalability in the network design   | 10                           |
| Applicant commits to retrofitting and/or hardening its existing broadband infrastructure assets                      | 10                           |
| Applicant commits to burying at least 50% of fiber cables within the Project Area                                    | 10                           |
| Applicant demonstrates other network resiliency measures   | 10                           |

- **Affordability for Non-Priority Projects - 75 Maximum Points:** This section assesses the Applicant's commitment to delivering 1Gbps/1Gbps symmetrical services within the Project Areas specified in the application, at a price that is affordable for subscribers. The State Broadband Office will use the 80 percent of the FCC urban benchmark rate as the affordability standard. The State Broadband Office will use a graded scale for scoring criteria to incentivize affordability. The Applicant will be required to commit this pricing structure for a minimum of five (5) years of the project completion. Under this section, Applicants will receive points if the cost of the 1 Gbps symmetrical service package is \$114.07 per month or lower, inclusive of all taxes, fees and charges imposed on the subscriber. The sliding scale is presented below.

| Scoring           | Non-Priority Projects Points |
|-------------------|------------------------------|
| >\$84.02          | 0                            |
| \$84.02 - \$73.52 | 50                           |
| \$73.52 - \$63.02 | 65                           |
| <\$63.02          | 75                           |

Additionally, Applicants will be encouraged to provide a marketing plan as part of their application that incorporates mechanisms to improve knowledge of the availability of the low- cost broadband service option and to raise awareness of subsidy programs such as ACP.

- **Fair Labor Practices for Non-Priority Projects - 50 Maximum Points:** Applicants are required to provide a written account of their historical adherence to federal labor and employment laws, as well as their intentions to continue adhering to these laws. In this category, the Arizona Commerce Authority State Broadband Office will evaluate and assign scores to the narrative responses provided by Applicants. Applications that furnish all necessary information and make a binding commitment to comply with the established labor requirements as stipulated in the BEAD NOFO will receive up to 50 points in this category. Applicants, that are new entrants in the industry, who do not have a previous



record of compliance with labor and employment laws can make forward looking commitments to strong labor and employment standards and protections with respect to BEAD funded projects. Points will be awarded based on the information provided for each aspect of the fair labor category. Applications that do not provide any response will receive 0 points in this category.

| Criteria  | Non-Priority Projects Points |
|---|------------------------------|
| <p>Applicant has provided:</p> <ul style="list-style-type: none"> <li>• Certification from an Officer/Director-level employee (or equivalent) evidencing past compliance with federal labor and employment laws by the Applicant as well as all contractors and subcontractors; and/or</li> <li>• Only applicable to new entrants without a record of Federal labor and employment law compliance: Written confirmation that applicant is a new entrant without a record of past compliance and that the prospective subgrantee has provided specific, forward-looking commitments to compliance with Federal labor and employment laws with respect to BEAD-funded projects</li> </ul> | 15                           |
| Written confirmation of disclosing any instances in which the Applicant or its contractors or subcontractors have been found to have violated laws such as the Occupational Safety and Health Act, the Fair Labor Standards Act, or any other applicable labor and employment laws for the preceding three years.   |                              |
| Applicant has provided a plan along with plans from affiliated contractors or subcontractors, on monitoring and ensuring adherence to labor and employment laws.  |                              |
| Plan for using a directly employed workforce, as opposed to a subcontracted workforce   | 3                            |
| Information on applicable wage scales and wage and overtime payment practices for each class of employees expected to be involved directly in the physical construction of the broadband network  | 5                            |
| Plan for ensuring the implementation of workplace safety committees that are authorized to raise health and safety concerns in connection with the delivery of deployment projects  | 3                            |
| Plan for paying prevailing wages and benefits to workers, including compliance with Davis-Bacon and Service Contract Act requirements, and collecting the required certified payrolls;  | 5                            |
| Plan for using project labor agreements (i.e., pre-hire collective bargaining agreements between unions and contractors that govern terms and conditions of employment for all workers on a construction project)   | 3                            |
| Plans for including local hiring  | 3                            |
| Commitments to union neutrality   | 2                            |
| Use of labor peace agreements   | 2                            |

| Criteria   | Non-Priority Projects Points |
|--|------------------------------|
| Use of an appropriately skilled workforce, e.g., through Registered Apprenticeships or other joint labor-management training programs that serve all workers, particularly those underrepresented or historically excluded | 4                            |
| Use of an appropriately credentialed workforce (i.e., satisfying requirements for appropriate and relevant pre-existing occupational training, certification, and licensure)   | 3                            |
| Steps to prevent the misclassification of workers  | 2                            |

## Secondary Selection Criteria for Non-Priority Projects

- **Speed to Deployment for Non-Priority Broadband Projects – 10 Maximum Points:** All recipients of BEAD Program funds designated for network deployment are required to use technologies that exhibit greater ease of scalability and execute the planned broadband network and commence delivering services to all subscribers seeking broadband services within the application Project Area(s) no later than four years after the subgrantee receives the award from the Arizona Commerce Authority State Broadband Office.

The State Broadband Office will assess applications based on their pledged speed of deployment using a sliding scale system as shown below. Additionally, the State Broadband Office will include penalties for not meeting the project schedule for the BEAD deployment project in the grant agreement for the corresponding project. The State Broadband Office will inform the prospective subgrantees on the terms and conditions of the grant agreement during the marketing campaign phase and throughout the subgrantee selection process.

| Deployment Schedule | Non-Priority Projects Points |
|---------------------|------------------------------|
| < 24 months         | 10                           |
| 24 - 36 months      | 8                            |
| 36 - 42 months      | 6                            |
| 42 – 47 months      | 4                            |
| 48 months           | 0                            |

- **Speed of Network and Other Capabilities for Non-Priority Projects – 45 Maximum Points:** Two elements will be evaluated as part of the technological requirements.
  - Applications will be scored based on the network speeds, latency, and other technical capabilities of technologies proposed for the Non-Priority Project. For applications suggesting the adoption of technologies that offer enhanced scalability with reduced future expenditure for Non-Priority Projects, the Arizona Commerce Authority State Broadband Office will evaluate long-lasting capital assets using a sliding scale system.

| Technology                            | Non-Priority Projects Points |
|---------------------------------------|------------------------------|
| Hybrid fiber coaxial (HFC) DOCSIS 4.0 | 35                           |
| Hybrid fiber coaxial (HFC) DOCSIS 3.1 | 25                           |
| Wireless using licensed spectrum 4    | 20                           |
| Wireless using unlicensed spectrum 2  | 10                           |
| Low Earth (LEO) satellite             | 5                            |

- Applicants pledging to offer open access wholesale broadband services at reasonable and non-discriminatory rates and conditions for the entire useful life of the network assets will earn points contingent on the open access particulars outlined in their application. Points will be awarded based on the information furnished for each component of the open access category shown in table below

| Open Access Details                  | Non-Priority Projects Points |
|--------------------------------------|------------------------------|
| Details regarding open access policy | 10                           |

- Local and Tribal Coordination for Non-Priority Projects – 25 Maximum Points:** The BEAD Program advocates for the adoption of selection criteria that emphasize the Applicant's coordination with local and tribal governments with jurisdiction over the Project Areas they intend to serve. This regional and tribal coordination is intended to address connectivity gaps where broadband coverage is lacking, allowing tribes, counties, towns, and cities to coordinate with the prospective Applicants for their region. As part of the requirements for the BEAD Program, Applicants must consult with local and tribal authorities regarding their qualifications and plans within the Project Area. Points for this category will be awarded based on the degree of collaboration and support demonstrated. By conducting consultations and collaborating with local and tribal authorities, Applicants can enhance the effectiveness and success of their project proposal while promoting community involvement and support. Prospective Applicants can support the coordination of local and tribal communities in the BEAD Program by identifying key community stakeholders and organizing meetings, developing outreach materials, facilitating community workshops, etc.

Local and Tribal Governments may provide support for one or more Applicants within the BEAD Program with letters of support that will factor into the scoring criteria. The letters of support will be evaluated based on any financial commitments from the relevant Local or Tribal Government, diversity, any commitments made by the relevant Local or Tribal Government(s) (including direct or in-kind commitments like right of way access or permitting assistance), and recognition of the potential subgrantee's coordination efforts in the community through the letter(s) of support. The Engagement Plan will be scored based on the extent of commitments made by the prospective Applicant on community engagement, including ACP awareness campaigns, integration with Digital Navigator program, organizing meetings, developing outreach materials, and facilitating community workshops, among other coordination activities.

| Local and Tribal Coordination Details  | Non-Priority Project Points |
|--|-----------------------------|
| Letter of Support Provided   | 5                           |
| Letters of support include financial commitments/ any other commitments made by the relevant Local or Tribal | 5                           |

| Local and Tribal Coordination Details  | Non-Priority Project Points |
|--|-----------------------------|
| Government(s)  |                             |
| Letters of support include recognition of the potential subgrantee's coordination efforts in the community through the letter(s) of support. | 5                           |
| Local and/or Tribal Coordination Engagement Plan   | 10                          |

- Community Anchor Institutions for Non-Priority Projects – 20 Maximum Points:** The BEAD Program will promote digital equity and expand broadband access in unserved and underserved areas. CAIs play a key role in achieving these objectives by serving as critical community resources for education, healthcare, and emergency services. Applications that have included eligible CAIs as published by the State Broadband Office within the Project Area as part of the application will be scored. Twenty points will be awarded to an application that has the highest number of eligible CAIs included for the Project Area. Applications that do not include eligible CAIs within their Project Areas will receive 0 points in this category. Applications that include some eligible CAIs for the Project Area will be scored using a sliding scale system.

| Criteria   | Non-Priority Projects Points |
|--|------------------------------|
| Highest number of CAIs proposed to be served out of (X) number of applications | = 20                         |
| Second highest CAIs proposed to be served                                      | = $20 * ((x-1)/x)$           |
| Third highest CAIs proposed to be served                                       | = $20 * ((x-2)/x)$           |
| Fourth highest CAIs proposed to be served and so on                            | = $20 * ((x-3)/x)$           |
| No eligible CAIs proposed to be served   | 0                            |

- Equitable Workforce Development and Job Quality for Non-Priority Projects – 25 Maximum Points:** Applicants are required to present a narrative demonstrating their dedication to making appropriate investments in cultivating a skilled and diverse workforce to fulfill the job requirements and meet the infrastructure development deadlines outlined in their application. For this criterion, the Arizona Commerce Authority State Broadband Office will evaluate and assign scores based on the narrative responses provided. The State Broadband Office will evaluate Applicant's narrative provided in the application along with all the necessary information pertaining to workforce development and commit to fostering a skilled workforce, training program, educating workers about their rights and obligations related to union neutrality, and a particular emphasis on hiring locally for scoring application using a sliding scale system.

| Criteria  | Non-Priority Projects Points |
|---|------------------------------|
| Applicants provided plans regarding the use of an appropriately skilled workforce by providing or supporting employees' attainment of occupational training, certification, and licensure.  | 5                            |
| Applicant provided details of training partnerships with local providers to establish in-house training programs that give your employees industry-specific knowledge and skills.   | 5                            |
| Applicant described plans on creating equitable on-ramps to broadband-related jobs, as demonstrated by partnership with workforce boards, training partners, labor and community organizations, or participation in employer led collaboratives.  | 5                            |
| Applicant described an approach to providing diverse job opportunities and hiring from underrepresented groups through activities such as participating in diversity job fairs, offering internships to students from diverse backgrounds, creating training programs to prepare these individuals for roles in the broadband industry, and/or publicly reporting workforce demographic data. | 5                            |
| Applicant provided a plan on union neutrality   | 2                            |
| Applicant described an approach to prioritizing local hires for the proposed project.   | 3                            |

## 9. Appendix C: Definitions

- **Applicant:** Those entities who may be interested in applying for BEAD broadband deployment projects in Arizona and are submitting Project Application information.
- **Assistant Secretary:** The term “Assistant Secretary” means the Assistant Secretary of Commerce for Communications and Information or the individual who holds any successor position.
- **Broadband DATA Maps:** The term “Broadband DATA Maps” means the maps created by the Federal Communications Commission under Section 802(c)(1) of the Communications Act of 1934 (47U.S.C. § 642(c)(1)).
- **Broadband; Broadband Service:** The term “broadband” or “broadband service” has the meaning given the term “broadband internet access service” in Section 8.1(b) of title 47, Code of Federal Regulations, or any successor regulation, meaning it is a mass-market retail service by wire or radio that provides the capability to transmit data to and receive data from all or substantially all internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up internet access service. This term also encompasses any service that the Commission finds to be providing a functional equivalent of the service described in the previous sentence or that is used to evade the protections set forth in this part.
- **Commission:** The term “Commission” means the Federal Communications Commission.
- **Community Anchor Institutions (CAIs):** The term “Community Anchor Institutions” mean a school, library, health clinic, health center, hospital or other medical provider, public safety entity, institution of higher education, public housing organization (including any public housing agency and HUD-assisted housing organization, or Tribal housing organization), or community support organization that facilitates greater use of broadband service by vulnerable populations, including, but not limited to, low-income individuals, unemployed individuals, children, the incarcerated, and aged individuals.
- **Director/Officer Level Employee:** The term “Officer/Director-level employee” of the entity may include roles such as President, Chief Executive Officer, Chief Financial Officer, Treasurer, or equivalent position.
- **Eligible Entity:** The term “Eligible Entity” means any State of the United States, the District of Columbia, Puerto Rico, American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands or, in the case of an application failure, a political subdivision or consortium of political subdivisions that is serving as a Substitute Entity.
- **Local Government:** Any unit, subdivision, authority, or consortium of local governments such as cities, townships, municipalities, etc.
- **Location; Broadband-Serviceable Location:** The terms “location” and “broadband serviceable location” mean “a business or residential location in the United States at which fixed broadband Internet access service is, or can be, installed.”
- **Outliers:** If the cost to serve a location using an end-to-end fiber solution is higher than a predefined multiple of the average cost to serve for the rest of the BSLs in the selected Project Area, the Applicant shall identify these locations as Outliers (“Outliers”).
- **Priority Broadband Project:** The term “Priority Broadband Project” means a project that will provision service via end-to-end fiber-optic facilities to each end-user premises.

- **Program:** The term “Program” means the Broadband Equity, Access, and Deployment Program.
- **Project Application:** Applicants must submit a project application in accordance with ACA’s guidelines and requirements for the BEAD program. The project application will include details on their infrastructure deployment plan and demonstrate a clear understanding of, and adherence to, all compliance and reporting obligations.
- **Project Area:** ACA will pre-define draft Project Areas for Arizona’s BEAD Program deployment projects throughout the state. The pre-defined Project Areas will be made available on the ACA’s website for review and comments by the potential Applicants and stakeholders. ACA will further refine and modify pre-defined Project Areas based on feedback received.
- **Project:** The term “Project” means an undertaking by a Subgrantee to construct and deploy infrastructure for the provision of broadband service. A “project” may constitute a single Unserved or Underserved broadband-serviceable location, or a grouping of broadband-serviceable locations in which not less than 80 percent of broadband-serviceable locations served by the project are Unserved Locations or Underserved Locations.
- **Qualifying Broadband Service:** To a location that is not a CAI, qualifying broadband is Reliable Broadband Service with (i) a speed of not less than 100 Mbps for downloads; and (ii) a speed of not less than 20 Mbps for uploads; and (iii) latency less than or equal to 100 milliseconds; “qualifying broadband” to a CAI is Reliable Broadband Service with a speed of not less than 1 Gbps for downloads and uploads alike and latency less than or equal to 100 milliseconds.
- **Reliable Broadband Service:** The term “Reliable Broadband Service” means broadband service that is accessible to a location via: i) fiber-optic technology (BDC technology code 50) ii) cable modem/hybrid fiber-coaxial (HFC) technology (technology code 40) iii) digital subscriber line (DSL) technology (technology code 10) iv) terrestrial fixed wireless technology utilizing entirely licensed spectrum (includes spectrum licensed by rule) or using a hybrid of licensed and unlicensed spectrum (technology codes 71 and 72).
- **Reliable and Alternative Technologies:** List of reliable and alternative technologies for this Project Application include FCC Code 40: Hybrid fiber coaxial (HFC) DOCSIS 4.0; FCC Code 40 ; Hybrid fiber coaxial (HFC) DOCSIS 3.1; FCC Code 70: Wireless using unlicensed spectrum 2; Low Earth (LEO) satellite and FCC Code 71: Wireless using licensed spectrum 4.
- **State:** The term “State” means, for the purposes of the BEAD Program, any State of the United States, the District of Columbia, and Puerto Rico. In this case, the State of Arizona.
- **Subgrantee:** The term “subgrantee” means an entity that receives grant funds from an Eligible Entity to carry out eligible activities.
- **Territory:** The term “Territory” means, for the purposes of the BEAD Program, American Samoa, Guam, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.
- **Underserved Location:** The term “Underserved Location” means a broadband-serviceable location that is (a) not an Unserved location, and (b) that the Broadband DATA Maps show as lacking access to Reliable Broadband Service offered with—(i) a speed of not less than 100 Mbps for downloads; and (ii) a speed of not less than 20 Mbps for uploads; and (iii) latency less than or equal to 100 milliseconds.
- **Unserved Location:** The term “Unserved Location” means a broadband-serviceable location that the Broadband DATA Maps show as (a) having no access to broadband service, or (b) lacking access to

Reliable Broadband Service offered with—(i) a speed of not less than 25 Mbps for downloads; and (ii) a speed of not less than 3 Mbps for uploads; and (iii) latency less than or equal to 100 milliseconds.



## 10. Appendix D: Resources

1. Arizona I Broadband Equity, Access & Deployment Program: <https://www.azcommerce.com/broadband/arizona-broadband-equity-access-deployment-program/>
2. Arizona I BEAD Five-Year Action Plan: [https://www.azcommerce.com/media/gfoj3qxx/arizona-bead-five-year-action-plan\\_final\\_08222023.pdf](https://www.azcommerce.com/media/gfoj3qxx/arizona-bead-five-year-action-plan_final_08222023.pdf)
3. Arizona I BEAD Initial Proposal, Volume I: [aca-bead-initial-proposal\\_volume-i-final-revision.pdf](#)
4. Arizona I BEAD Initial Proposal, Volume II: [https://www.azcommerce.com/media/owtphdsj/az\\_bead-initial-proposal-vol-ii\\_final\\_05\\_24\\_2024v6\\_ntia.pdf](https://www.azcommerce.com/media/owtphdsj/az_bead-initial-proposal-vol-ii_final_05_24_2024v6_ntia.pdf)
5. Arizona I BEAD Initial Proposal Volume II - Change Summary: <https://www.azcommerce.com/media/bmdarvhj/aca-bead-initial-proposal-vol-ii-changes-summary.pdf>
6. Arizona I BEAD Challenge Process: <https://www.azcommerce.com/broadband/arizona-broadband-equity-access-deployment-program/the-challenge-process/>
7. Arizona I BEAD Market Sounding: <https://www.azcommerce.com/broadband/arizona-broadband-equity-access-deployment-program/market-sounding/>
8. Arizona I BEAD Market Sounding FAQs: <https://www.azcommerce.com/media/kyuohnuq/market-sounding-faqs.pdf>
9. Arizona I BEAD Upcoming Webinars: <https://www.azcommerce.com/broadband/arizona-broadband-equity-access-deployment-program/upcoming-webinars/>
10. NTIA I Broadband Equity Access and Deployment Program: <https://broadbandusa.ntia.doc.gov/funding-programs/broadband-equity-access-and-deployment-bead-program>
11. NTIA I Broadband Equity Access and Deployment Program Overview: <https://www.internetforall.gov/sites/default/files/2022-05/BEAD%20Info%20Sheet%20-%20IFA%20Launch%20-%20Final.pdf>
12. NTIA I BEAD Notice of opportunity Funding (NOFO): <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf>
13. NTIA I BEAD State Broadband Office Resource Index: [https://broadbandusa.ntia.doc.gov/technical-assistance/BEAD\\_Resource\\_Index](https://broadbandusa.ntia.doc.gov/technical-assistance/BEAD_Resource_Index)
14. NTIA I BEAD FAQs: [https://broadbandusa.ntia.doc.gov/technical-assistance/BEAD\\_FAQs](https://broadbandusa.ntia.doc.gov/technical-assistance/BEAD_FAQs)
15. NTIA I BEAD Initial Proposal Funding Request Guidance: [https://broadbandusa.ntia.doc.gov/sites/default/files/2023-12/IPFR\\_Eligible\\_Entity\\_Guidance\\_12-07-2023.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2023-12/IPFR_Eligible_Entity_Guidance_12-07-2023.pdf)
16. NTIA I BEAD Initial Proposal Guidance Volume I and Volume II: [https://broadbandusa.ntia.doc.gov/sites/default/files/2023-10/BEAD\\_Initial\\_Proposal\\_Guidance\\_Volumes\\_I\\_II\\_10-2023.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2023-10/BEAD_Initial_Proposal_Guidance_Volumes_I_II_10-2023.pdf)
17. NTIA I BEAD Challenge Process Data Submission - Data Quality, File Formats, and Common Issues: [https://broadbandusa.ntia.doc.gov/technical-assistance/BEAD\\_Challenge\\_Process\\_Data\\_Submission](https://broadbandusa.ntia.doc.gov/technical-assistance/BEAD_Challenge_Process_Data_Submission)
18. NTIA I BEAD Model Challenge Process: <https://www.ntia.gov/sites/default/files/2023-09/bead-model-challenge-process.zip>

19. NTIA I Smart Start - How to Plan and Prepare for National Environmental Policy Act (NEPA) Compliance for BEAD: [https://broadbandusa.ntia.doc.gov/technical-assistance/Smart\\_Start\\_NEPA\\_Compliance\\_for\\_BEAD](https://broadbandusa.ntia.doc.gov/technical-assistance/Smart_Start_NEPA_Compliance_for_BEAD)
20. NTIA I NEPA FAQs for BEAD Addendum: [https://broadbandusa.ntia.doc.gov/technical-assistance/FAQ\\_NEPA\\_for\\_BEAD](https://broadbandusa.ntia.doc.gov/technical-assistance/FAQ_NEPA_for_BEAD)
21. NTIA I NEPA for BEAD: Evaluating FirstNet PEIS Statement Sections for States/Territories: [https://broadbandusa.ntia.doc.gov/technical-assistance/DOC\\_NTIA\\_BEAD\\_Evaluating\\_FirstNet\\_PEIS](https://broadbandusa.ntia.doc.gov/technical-assistance/DOC_NTIA_BEAD_Evaluating_FirstNet_PEIS)
22. NTIA I Guidance on NTIA National Environmental Policy Act Compliance: [https://broadbandusa.ntia.doc.gov/technical-assistance/Guidance\\_on\\_NTIA\\_NEPA\\_Compliance\\_April\\_2024](https://broadbandusa.ntia.doc.gov/technical-assistance/Guidance_on_NTIA_NEPA_Compliance_April_2024)
23. NTIA I Environmental & Historical Preservation Fact Sheet: [https://broadbandusa.ntia.doc.gov/sites/default/files/2022-12/EHP\\_Fact\\_Sheet\\_2022.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2022-12/EHP_Fact_Sheet_2022.pdf)
24. NTIA I NHPA Section 106 Consultation Process Fact Sheet: [https://broadbandusa.ntia.doc.gov/sites/default/files/2022-12/NHPA\\_Sect\\_106\\_Consultation\\_Process\\_Fact\\_Sheet.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2022-12/NHPA_Sect_106_Consultation_Process_Fact_Sheet.pdf)
25. NTIA I Endangered Species Act (ESA) Section 7 Consultations Fact Sheet: [https://broadbandusa.ntia.doc.gov/technical-assistance/Endangered\\_Species\\_Act\\_Section\\_7\\_Consultations\\_Fact\\_Sheet](https://broadbandusa.ntia.doc.gov/technical-assistance/Endangered_Species_Act_Section_7_Consultations_Fact_Sheet)
26. NTIA I Environmental & Historical Preservation Fact Sheet: [https://broadbandusa.ntia.doc.gov/technical-assistance/EHP\\_Fact\\_Sheet\\_2022](https://broadbandusa.ntia.doc.gov/technical-assistance/EHP_Fact_Sheet_2022)
27. NTIA I BEAD Permitting: [https://broadbandusa.ntia.doc.gov/technical-assistance/What\\_is\\_Permitting](https://broadbandusa.ntia.doc.gov/technical-assistance/What_is_Permitting)
28. NTIA I Local Permitting Importance, Challenges, and Strategies: [https://broadbandusa.ntia.doc.gov/technical-assistance/Local\\_Permitting\\_Importance\\_Challenges\\_and\\_Strategies](https://broadbandusa.ntia.doc.gov/technical-assistance/Local_Permitting_Importance_Challenges_and_Strategies)
29. NTIA I Best Management Practices (BMP) and Mitigation Measures: [https://broadbandusa.ntia.doc.gov/technical-assistance/BMP\\_and\\_Mitigation\\_Measures](https://broadbandusa.ntia.doc.gov/technical-assistance/BMP_and_Mitigation_Measures)
30. NTIA I Examples and Best Practices of Streamlining Permitting: [https://broadbandusa.ntia.doc.gov/technical-assistance/Permitting\\_Best\\_Practices\\_Case\\_Studies](https://broadbandusa.ntia.doc.gov/technical-assistance/Permitting_Best_Practices_Case_Studies)
31. NTIA I Permitting Needs Assessment: [https://broadbandusa.ntia.doc.gov/technical-assistance/Permitting\\_Needs\\_Assessment](https://broadbandusa.ntia.doc.gov/technical-assistance/Permitting_Needs_Assessment)
32. NTIA I Environmental & Historical Preservation and Climate Resiliency Preparation Checklist: [https://broadbandusa.ntia.doc.gov/technical-assistance/EHP\\_Preparation\\_Checklist\\_2022](https://broadbandusa.ntia.doc.gov/technical-assistance/EHP_Preparation_Checklist_2022)
33. NTIA I NEPA Review: Environmental Assessments: [https://broadbandusa.ntia.doc.gov/technical-assistance/NEPA\\_Review\\_Environmental\\_Assessments](https://broadbandusa.ntia.doc.gov/technical-assistance/NEPA_Review_Environmental_Assessments)
34. NTIA I BEAD Match Primer: [https://broadbandusa.ntia.gov/technical-assistance/BEAD\\_Match\\_Primer](https://broadbandusa.ntia.gov/technical-assistance/BEAD_Match_Primer)
35. NTIA I Proposed BEAD Alternative Broadband Technology Guidance: <https://www.ntia.gov/sites/default/files/publications/bead-alternative-broadband-technology-policy-notice-for-public-comment-final.pdf>

## 11. Appendix E: Sample Letter of Credit

### Sample Letter of Credit from Bank or Credit Union

#### IRREVOCABLE STANDBY LETTER OF CREDIT

No. 123

*To be placed on Bank Letterhead*

*\*Fixed End Date Version*

[Name of Issuing Bank or Credit Union]

[Address of Issuing Bank or Credit Union]

Date of Issuance: \_\_\_\_\_

Amount: \_\_\_\_\_

Expiration Date: \_\_\_\_\_

#### BENEFICIARY

State of \_\_\_\_\_

*[State Broadband Office]*

Address Line 1

Address Line 2

#### LETTER OF CREDIT PROVIDER

*[Formal Name of Winning Bidder/Applicant]*

Address Line 1

Address Line 2

Dear Sir/Madam:

We hereby establish, at the request and for the account of *[Winning Bidder/Applicant]*, in your favor, as required under the Broadband Equity, Access, and Deployment Program Notice of Funding Opportunity at 72, § IV.D.2.a.ii (BEAD NOFO) issued by the National Telecommunications and Information Administration ("NTIA"), and the State of \_\_\_\_\_'s Initial Proposal Volume 2 approved by the NTIA, our Irrevocable Standby Letter of Credit No. \_\_\_\_\_ in the amount of *[State amount of Letter of Credit in words and figures]*.

Funds under this Letter of Credit are available to you against your draft in the form attached hereto as Annex A, drawn on our office described below, and referring to the number of this Letter of Credit, accompanied by your written and competed certificate signed by you substantially in the form of Annex B, attached hereto. Such draft and certificates shall be dated the date of presentation or an earlier date, which presentation shall be made at our office located at *Issuing Bank Address* and shall be effected either by personal delivery or delivery by a nationally recognized overnight delivery service. We hereby commit and agree to accept such presentation at such office, and if such presentation of documents appears on its face to comply with the terms and conditions of this Letter of Credit, on or prior to the terms and conditions of this Letter of Credit, on or prior to the Expiration Date, we will honor the same not later than

one (1) banking day after presentation thereof in accordance with your payment instructions. Payment under this Letter of Credit shall be made by *[check or wire transfer of funds]* to the payee and for the account you designate, in accordance with the instructions set forth in a draft presented in connection with a draw under this Letter of Credit.

Partial drawings are not permitted under this Letter of Credit. This Letter of Credit is not transferable or assignable in whole or in part.

This Letter of Credit shall automatically renew for one (1) year periods from the then current Expiration Date unless *[Issuing Bank]* gives written notice of non-renewal to *[State Broadband Office]* by a nationally recognized overnight delivery service with a copy to the *[State Broadband Office]* at *[Address]*, at least sixty (60) days but not more than ninety (90) days prior to the expiry thereof, or such earlier date as the Letter of Credit is terminated (the "Expiration Date"). Capitalized terms used herein but not defined herein shall have the meanings accorded such terms in the Order.

This Letter of Credit shall be canceled and terminated upon receipt by the undersigned of *[State Broadband Office]* certificate purportedly signed by two (2) authorized representatives of *[State Broadband Office]* in the form attached as Annex C.

This Letter of Credit sets forth in full the undertaking of the Issuer, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein, except only the certificates and the drafts referred to herein and the Internet Service Provider (ISP) (as defined below); and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such certificates and such drafts and the ISP.

This Letter of Credit shall be subject to, governed by, and construed in accordance with, the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the "ISP"), which is incorporated into the text of this Letter of Credit by this reference, and, to the extent not inconsistent therewith, the laws of the *[State]* including the Uniform Commercial Code as in effect in the State of \_\_\_\_\_.

If this Letter of Credit is issued by a United States Credit Union, the Credit Union must be insured by the [National Credit Union Administration](#); and (b) have a credit union safety rating issued by [Weiss Ratings](#) of B- or better to in order to provide a Letter of Credit.

Communications with respect to this Letter of Credit shall be addressed to us at our address set forth below, specifically referring to the number of this Letter of Credit.

Signature  
*[Name of Signatory / Title of Signatory]*

*[Name of Bank or Credit Union]*  
Signature of Authorized Agent

**ANNEX A**  
**Form of Draft**

To: *[Bank or Credit Union]*  
DRAWN ON LETTER OF CREDIT No: 123

AT SIGHT,

PAY TO THE ORDER OF THE *[State Broadband Office]* BY *[CHECK OR WIRE TRANSFER]*  
FUNDS TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Account (\_\_\_\_\_)   
AS *[State]* BEAD PROGRAM REPAYMENT.

*[AMOUNT IN WORDS]* DOLLARS AND NO/CENTS  
\$*[AMOUNT IN NUMBERS]*

*[State Broadband Office]*

By: \_\_\_\_\_  
*[State Broadband Office], Director*

**ANNEX B**

**Draw Certificate**

The undersigned hereby certifies to [*Name of Issuing Bank/Credit Union*] (the “Bank”), with reference to (a) Irrevocable Standby Letter of Credit No. 123 (the “Letter of Credit”) issued by the Bank in favor of [*State Broadband Office*] and (b) the Broadband Equity, Access, and Deployment (BEAD) Program’s Notice of Funding Opportunity at 72, § IV.D.2.a.ii, (BEAD NOFO), issued by the National Telecommunications and Information Administration on May 12, 2022, and the State of \_\_\_\_\_’s Initial Proposal Volume 2, approved by the NTIA (the “BEAD Program Requirements”), pursuant to which *Name of Selected Subawardee* (the “Provider”) has provided the Letter of Credit (all capitalized terms used herein but not defined herein having the meaning stated in the BEAD program Requirements), that:

The [*Name of Selected Subawardee*] has [describe the event that triggers the draw], which is evidenced by a letter signed by the Director of the [*State Broadband Office*] or [his/her] designee, dated \_\_\_\_\_, 20\_\_\_\_, a true and correct copy of which is attached hereto. Accordingly, a draw of the entire amount of the *Letter of Credit No. 123* is authorized.

OR

The [*State Broadband Office*] certifies that given notice of non-renewal of Letter of Credit No. 123 and failure of the account party to obtain a satisfactory replacement thereof, pursuant to the BEAD Program Requirements, [*State Broadband Office*] is entitled to receive payment of \$\_\_\_\_\_, representing the entire amount of Letter of Credit No. 123.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of [specify time of day] on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

[*State Broadband Office*]

By: \_\_\_\_\_  
[*State Broadband Office*], Director

**ANNEX C**

**Certificate Regarding Termination of Letter of Credit**

The undersigned hereby certifies to *[Name of Bank or Credit Union]* (the “Bank”), with reference to (a) Irrevocable Standby Letter of Credit No. 123 (the “Letter of Credit”) issued by the Bank in favor of *[State Broadband Office]*, and (b) the requirements set forth in the Broadband Equity, Access, and Deployment (BEAD) Program’s Notice of Funding Opportunity, issued by the National Telecommunications and Information Administration on May 12, 2022 (the “BEAD Program Requirements”) and the State of \_\_\_\_’s Initial Proposal Volume 2, approved by the NTIA (all capitalized terms used herein but not defined herein having the meaning stated or described in the BEAD Program Requirements), that:

(1) [include one of the following clauses, as applicable]

(a) The BEAD Program Requirements have been fulfilled in accordance with the provisions thereof; or

(b) *[Provider/Selected Subawardee]* has provided a replacement letter of credit satisfactory to the *[State Broadband Office]*.

(2) By reason of the event or circumstance described in paragraph (1) of this certificate and effective upon receipt by the Bank of this certificate (countersigned as set forth below), the Letter of Credit is terminated.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

*[State Broadband Office]*

By: \_\_\_\_\_  
*[State Broadband Office]*, Director

By: \_\_\_\_\_  
Name:  
Title:

## 12. Appendix F: Sample Surety Letter for Performance Bond

### Sample Letter Programmatic Waiver of Letter of Credit Commitment to Issue Performance Bond

Date of Issuance: \_\_\_\_\_

Amount of Bond: \_\_\_\_\_

#### OBLIGEE/BENEFICIARY

State of \_\_\_\_\_

[*State Broadband Office*]

Address Line 1

Address Line 2

#### GUARANTOR/SURETY COMPANY

Address Line 1

Address Line 2

Dear Sir/Madam:

We hereby establish, at the request and for the account of [*Subgrantee/Principal*], in your favor, as required under the Broadband Equity, Access, and Deployment Notice of Funding Opportunity at 72, § IV.D.2.a.ii (BEAD NOFO), the Programmatic Waiver regarding BEAD Letter of Credit Requirement (Oct. 23, 2023), issued by the National Telecommunications and Information Administration (“NTIA”), and as required by the State of \_\_\_\_\_’s Initial Proposal, Vol. 2, our commitment to issue a Performance Bond in the sum of [*State amount of Bond in words and figures*], on behalf of [*Subgrantee/Principal*] which sum represents 100% of the award sum.

The undersigned certifies that it possesses a [*State*] Certificate of Authority as an acceptable surety on federal bonds as identified in the Department of Treasury Circular 570, 2023 Revision) and, if an award is made, hereby commits to issue a Performance Bond in the requisite amount for [*Subgrantee/Contractor/Principal*] for 100% of the award amount, naming the [*State Broadband Office*] as the Obligee. It is understood and agreed that a Performance Bond must be secured prior to the [*Subgrantee/Principal*] entering into any award agreement with [*State Broadband Office*].

The undersigned further acknowledges the Performance Bond requirements may be modified under certain permissible events, such as where [*State Broadband Office*] issues funding on a reimbursable basis and the Subgrantee/Principal meets deployment milestones or, where [*State Broadband Office*] issues funding on a reimbursable basis consistent with the BEAD NOFO (Section IV.C.1.b) and reimbursement is for periods of no more than six months each.



The Performance Bond requirements will be presumed to be set at 100% of the subaward amount but may be modified in accordance with the terms and conditions set forth in the *[State]* Initial Proposal, Vol. 2, and at the discretion of *[State Broadband Office]*.

Sincerely,

*[Guarantor/Surety Company]*

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## 13. Appendix G: Project Cost Scoring and Examples

### 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

### 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.

### 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.