

VT-BEAD FULL PROPOSAL REVIEW, SCORING, AND NEGOTIATION GUIDE

VERMONT COMMUNITY BROADBAND BOARD

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CONTACT

Email the VCBB BEAD team at vcbb.bead@vermont.gov with questions. Questions will be answered via the [Frequently Asked Questions](#) page of the VCBB website.

ABBREVIATIONS & ACRONYMS

BEAD	Broadband Equity, Access, and Deployment
BSL	Broadband Serviceable Location
CAI	Community Anchor Institution
CUD	Communications Union District
EHCT	Extremely High Cost Per Location Threshold
FCC	Federal Communications Commission
ms	Milliseconds
Mbps	Megabits per second
NOFO	Notice of Funding Opportunity
NTIA	National Telecommunications and Information Administration
VT-BEAD	Vermont's BEAD program

DEFINITIONS

Broadband Equity, Access, and Deployment (BEAD) Program – A program authorized by the Infrastructure Investment and Jobs Act of 2021¹ that provides federal funding to the National Telecommunications and Information Administration (NTIA) to grant to states, Washington, D.C., and U.S. territories for broadband planning, deployment, mapping, equity, and adoption activities. Under the BEAD Program, Vermont is eligible to receive up to \$228,913,019, which will be administered by the Vermont Community Broadband Board.

¹ Infrastructure Investment and Jobs Act of 2021, Division F, Title I, Section 60102, Public Law 117-58, 135 Stat. 429 (November 15, 2021), also known as the Infrastructure Act or Bipartisan Infrastructure Law.

Broadband Serviceable Location (Location or BSL) – A business or residential Location in Vermont at which fixed broadband Internet access service is, or can be, installed. A BSL may be either Unserved, Underserved, or served; only Unserved and Underserved BSLs are eligible for BEAD funding.²

- **Served Location** – A Location that has broadband service offering speeds at or above 100 Mbps download / 20 Mbps upload and latency at home or below 100 milliseconds, after Vermont challenges and subsequent data alignments to capture enforceable commitments have been incorporated (see VCBB [ArcGIS Hub site](#) page).
- **Underserved Location** – A Location that is (a) not an Unserved Location, and (b) that has service offering only speeds below 100 Mbps download / 20 Mbps upload and/or latency above 100 milliseconds, after Vermont pre-modifications and challenges have been incorporated, as shown on the VCBB [ArcGIS Hub site](#) BEAD page.³
- **Unserved Location** – A Location that the Broadband DATA Maps⁴ show as without any broadband service or having broadband service offering only speeds below 25 Mbps download / 3 Mbps upload and/or latency above 100 milliseconds, after Vermont pre-modifications and challenges have been incorporated, as shown on the VCBB [ArcGIS Hub site](#) BEAD page.⁵

Community Anchor Institution (CAI) – An entity such as a school, library, health clinic, health center, hospital or other medical provider, public safety entity, institution of higher education, public 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.⁶

Communications Union District (CUD) – A body politic and corporate consisting of two or more towns and cities for the purpose of delivering communications services and the operation of a communications plant. For the purposes of this RFA, CUDs are considered municipally organized entities. A map of current CUDs, as well as background information on CUDs in Vermont, can be found on the [VCBB website](#).⁷

² See the NTIA [BEAD NOFO](#) (p. 13) for the complete NTIA definitions of “location” and “broadband serviceable Location” Additional information is available from the FCC: [About the Fabric: What a Broadband Serviceable Location \(BSL\) Is and Is Not](#).

³ See the [BEAD NOFO](#) (p. 7 and 16) for more information about Underserved Locations.

⁴ As defined in the [BEAD NOFO](#) (p. 11), “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 (47 U.S.C. § 642(c)(1)).”

⁵ See the [BEAD NOFO](#) (p. 7 and 17) for more information about Unserved Locations.

⁶ See the [BEAD NOFO](#) (p. 11) for more information about community anchor institutions.

⁷ See also [Vermont Title 30, Chapter 82](#): Communications Union Districts (30 V.S.A. §§ 3051–3085)

Consortium – Two or more Prospective Subrecipients that jointly propose to serve a Final Project Area, with each Prospective Subrecipient taking responsibility for serving different BSLs within the Final Project Area.

Extremely High Cost Per Location Threshold (EHCT) – A cost threshold for the average of each Unserved/Underserved Location in a project area, above which VCBB may decline to select a proposal or seek to adjust the cost of a proposal if negotiations with a Prospective Subrecipient do not result in a cost commitment below that threshold.⁸ The EHCT is based on the amount of VT-BEAD funding requested per Location (i.e., does not include match), is set iteratively after receiving all BEAD Full Proposals, and may vary from project area to project area.

This process is explained in greater detail in the [Determination of Extremely High Cost Per Location Threshold](#) section of this document.

Final Project Area – An area defined by VCBB including, if applicable, consideration of any requested modifications to the Initial Project Area filed by Prospective Subrecipients during the Pre-proposal period.

Final Proposal – VCBB’s final submission to the NTIA for BEAD grant funding that details how VT-BEAD will ensure that every Location in Vermont has access to a reliable, affordable, and highspeed broadband connection, drawing on all funding available to accomplish this goal, including but not limited to BEAD Program funds.⁹

Funded Network – Any broadband network deployed and/or upgraded with BEAD program funds.¹⁰

Full Proposal – A Prospective Subrecipient’s bid for providing broadband service to each Unserved and Underserved Location within a Final Project Area. The full proposal must also demonstrate compliance with Gating Criteria and provides information to inform the number of points awarded for each of the Scoring Criteria.

Gating Criteria – A set of evaluation criteria that are required of each Prospective Subrecipient to be eligible for BEAD funding. If these criteria are not met, the Prospective Subrecipient is ineligible for BEAD funding, absent a waiver from the NTIA.¹¹

⁸ See the [BEAD NOFO](#) (p. 13) for more information about extremely high cost per Location thresholds.

⁹ Internet For All Broadband Equity, Access, and Deployment (BEAD) Program Final Proposal Guidance for Eligible Entities, p. 4.

¹⁰ See the [BEAD NOFO](#) (p. 13) for more information about funded networks.

¹¹ Adapted from NTIA’s [Tricky Topics to Watch Out for in the Initial Proposal](#) (p. 6). The one exception to the statement that, "If these criteria are not met, the Prospective Subrecipient is ineligible for BEAD funding," is the instance where VCBB requests and is granted a waiver from the NTIA at the time of Final Proposal.

Initial Project Area – The area defined by the boundaries of a Communications Union District (CUD) in those regions of the state where a CUD has been formed, or by the boundaries of a municipality in regions where no CUD has been formed. Prospective Subrecipients may request modifications to an Initial Project Area during the Pre-proposal period.

Letter of Credit – A requirement subject to a programmatic waiver allowing for the substitution of performance bonds.¹² Where applicable, the Letter of Credit must be modeled after the VCBB Model Letter of Credit in Addendum 2 of the [VT-BEAD RFA](#).¹³

Middle Mile Infrastructure – Any broadband infrastructure that does not connect directly to an end-user Location, including a community anchor institution. This includes (i) leased dark fiber, interoffice transport, backhaul, carrier-neutral internet exchange facilities, carrier-neutral submarine cable landing stations, undersea cables, transport connectivity to data centers, special access transport, and other similar services; and (ii) wired or private wireless broadband infrastructure, including microwave capacity, radio tower access, and other services or infrastructure for a private wireless broadband network, such as towers, fiber, and microwave links.¹⁴ As outlined by the BEAD NOFO (p. 69), any subrecipient that has received VT-BEAD funds for construction of Middle Mile Infrastructure must permit other broadband service providers to interconnect with its funded Middle Mile Infrastructure network facilities on a just, reasonable, and nondiscriminatory basis.

National Telecommunications and Information Administration (NTIA) – An agency within the U.S. Department of Commerce that is responsible for overseeing the BEAD Program and distributing BEAD funding to states.

Notice of Funding Opportunity (NOFO) – The Notice of Funding Opportunity (NOFO) for the Broadband Equity, Access, and Deployment (BEAD) Program describes how NTIA intends to administer the BEAD Program.

Other Last-Mile Broadband Deployment Project – A project that is not a Priority Broadband Project.

Pre-proposal – A Prospective Subrecipient’s submission that notifies the VCBB of its intent to participate in VT-BEAD, identifies any requested modifications to the Initial Project Area(s) for which it intends to submit a Full Proposal, and answers questions to provide basic information about its forthcoming Full Proposal and to indicate readiness to meet BEAD Gating Criteria. In most instances, filing a Pre-proposal for an Initial Project Area is required to have a Full Proposal considered for the corresponding Final Project Area. Filing a Pre-proposal for an Initial Project Area also constitutes a commitment to file

¹² See the [BEAD NOFO](#) (p. 72–73) for more information about the letter of credit.

¹³ See [BEAD Letter of Credit Waiver](#) notice and the definition for “Comparable Evidence for Letter of Credit.”

¹⁴ See the [BEAD NOFO](#) (p. 13–14) for more information about middle mile infrastructure.

a Full Proposal for the corresponding Final Project Area.

Priority Broadband Project – A project that will provision service via end-to-end fiber-optic facilities to each end-user premises. Any project that might otherwise qualify as a Priority Broadband Project may be disqualified from Priority Broadband Project status, with the approval of the Assistant Secretary of Commerce for Communications and Information, on the basis that the Location surpasses the VCBB’s Extremely High Cost per Location Threshold (EHCT), or for other valid reasons subject to approval by the Assistant Secretary.¹⁵

Project – A set of Locations within a Final Project Area to which a subrecipient commits to constructing and deploying infrastructure for the provision of broadband service. The Project must include every Unserved and Underserved Location within the Final Project Area and may also include a subset of served Locations (within the same Final Project Area) that the Prospective Subrecipient has identified as essential to completing the project. The number of served Locations in the Project may in no case exceeds 20% of the total number of Locations in the Project.¹⁶

Prospective Subrecipient – An entity that meets VT-BEAD Gating Criteria and, by filing a Pre-proposal, commits to participate in VT-BEAD. For Initial Project Areas where no entity files a Priority Broadband Project Pre-proposal, a Prospective Subrecipient may also include an entity that files a Full Proposal for the corresponding Final Project Area.

Prospective Winner – The Prospective Subrecipient that has been preliminarily selected as the winner using the processes for [Selecting Full Proposals to Score](#) and [Scoring Proposals](#), pending determination that the entity’s proposal is below or can be negotiated below the final EHCT. Due to the iterative process used to set the EHCT, the Prospective Winner cannot be determined to be the winner until after the final iteration of the EHCT has been completed; a proposal that is below a preliminary EHCT is not guaranteed to be below the final EHCT for that area.

Reliable Broadband Service – Broadband service accessible via (i) fiber-optic technology; (ii) Cable Modem/ Hybrid fiber-coaxial technology; (iii) digital subscriber line (DSL) technology; or (iv) terrestrial fixed wireless technology utilizing entirely licensed spectrum or using a hybrid of licensed and unlicensed spectrum. Technology types that do not constitute Reliable Broadband Service include satellite, services using entirely unlicensed spectrum, and technologies not specified by the FCC for purposes of the Broadband DATA Maps.¹⁷

Scoring Criteria – Evaluation criteria that will be used to assign values or points to Full Proposals from competing Prospective Subrecipients. Scoring criteria are not requirements, but VCBB will determine which proposals to select for funding by allotting

¹⁵ See the [BEAD NOFO](#) (p. 14 and 42) for more information about priority broadband projects.

¹⁶ See the [BEAD NOFO](#) (p. 14) for more information about projects.

¹⁷ See the [BEAD NOFO](#) (p. 15 and 28) for more information about reliable broadband service.

points based on these criteria.¹⁸

Subrecipient – An entity chosen by VCBB to receive BEAD grant funds from the State of Vermont to carry out BEAD-eligible activities.¹⁹

Vermont Community Broadband Board (VCBB) – VCBB is the entity responsible for administering Vermont’s NTIA-Approved Broadband Equity, Access and Deployment Program (VT-BEAD). Vermont Act 71 of 2021 established the Vermont Community Broadband Board, consisting of five members and an Executive Director, within the Department of Public Service (PSD). VCBB staff are State of Vermont employees under the PSD.

VT-BEAD – Vermont’s NTIA-approved Broadband Equity, Access, and Deployment (BEAD) Program.

¹⁸ Adapted from NTIA’s [Tricky Topics to Watch Out for in the Initial Proposal](#) (p. 6).

¹⁹ See the [BEAD NOFO](#) (p. 15) for more information about the term “subrecipient.”

FULL PROPOSAL SELECTION PROCESS

REVIEW, SCORING, AND NEGOTIATION PROCESS OVERVIEW

The VCBB will review and score VT-BEAD project Full Proposals and negotiate with prospective subrecipients through a transparent, fair, open, and competitive process that prioritizes end-to-end fiber networks and ensures that all Unserved locations and as many Underserved locations as possible are served by the end of the VT-BEAD program. This document outlines that process and is meant as a companion document to the VCBB Request for Applications (RFA) for VT-BEAD Subrecipients and builds upon definitions and acronyms outlined in that document.

After the VT-BEAD full proposal submission window has closed, the VCBB will review submissions using the process outlined in the [Selecting Full Proposals to Score](#) section, as described below, including assessing both gating and scoring criteria. The VCBB will set the Extremely High Cost Per Location Threshold(s) (EHCT) using an iterative process that takes into consideration available funding and ongoing negotiations with prospective subrecipients. For project areas that do not receive any Full Proposals, or where all of the Full Proposals do not meet the necessary gating criteria or cannot be negotiated below the project area's iterative EHCT, the VCBB will follow the process outlined in the [Project Areas Without Any Eligible Full Proposals](#) section of this document.

The VCBB VT-BEAD Full Proposal review group (Reviewers) will include state employees from the VCBB and potentially other state agencies as well as members of the VCBB's contracted VT-BEAD services support team. All members will be required to certify that they will comply with 3 V.S.A. § 1203, which requires individuals to avoid any conflict of interest or appearance of conflict of interest by recusing themselves from the matter presenting such conflict of interest or the appearance of a conflict of interest. Whether a conflict of interest or the appearance of a conflict of interest exists is to be determined from the viewpoint of a reasonable person with knowledge of the relevant facts.

At the end of the review, scoring, and negotiation process, the VCBB will ensure that VT-BEAD will fund deployment of broadband service of at least 100/20 Mbps and at most 100ms latency to all Unserved locations and as many Underserved locations as possible in the state. In the instance that VT-BEAD funding is insufficient to reach all Underserved locations, the VCBB will strategically prioritize funding to Underserved locations based on the considerations outlined in the [Negotiations with Prospective Subrecipients](#) section of this document. In the instance that VT-BEAD funding is sufficient to reach all Unserved and Underserved locations, any remaining money will be used to provide Community Anchor Institutions in the state with 1 Gbps / 1 Gbps service.

Once subrecipients have been selected and negotiations are complete, the VCBB will:

- Meet with NTIA to ensure the VCBB followed its selection process as outlined in Vermont's VT-BEAD Initial Proposal Volume 2;
- Present the preliminarily selected proposals to the VCBB Board and publicly post on the VCBB website the preliminary list of selected subrecipients;
- Post Vermont's VT-BEAD Final Proposal for a 14-day public comment period;
- Make any resulting adjustment and submit the Final Proposal for use of VT-BEAD funding to the NTIA.

At the time of Full Proposal submission, Subrecipients building projects eligible for the initial 20 percent of VT-BEAD funding may begin to incur allowable costs and enter into a grant agreement with the VCBB, as further outlined in Initial Proposal Volume 2, the VT-BEAD RFA, and the FAQ. All other subrecipients may enter into a grant agreement with VCBB upon approval of the Final Proposal by the NTIA. The Subrecipient must ensure that implementation activities (including but not limited to site preparation, demolition, construction, ground disturbance and fixed installation) do not begin prior to the completion of all environmental and historic preservation requirements, as outlined in this section.

The Subrecipient may undertake or allow limited permissible, non-implementation activities under NEPA to proceed using award funds prior to the completion of the EHP review process, including the following:

- Limited Permissible Activities
 - Pre-construction planning, including collecting information necessary to complete environmental reviews;
 - Applications for environmental permits;
 - Studies including, but not limited to, Environmental Assessments (EA), wetland delineations, biological assessments, archaeological surveys, and other environmental reviews and analyses;
 - Administrative costs;
 - Pre-award application costs;
 - Activities supporting consultations required under the NHPA, the Endangered Species Act, and the Clean Water Act; and/or
 - Limited, preliminary procurement, including the purchase or lease of equipment, or entering into binding contracts to do so; the purchase of applicable or conditional insurance; and/or funds used to secure land or building leases (including right-of-way easements).
- Non allowable activities
 - Implementation activities (site preparation, demolition, construction, ground disturbance, fixed installation, or any other implementation activities) may not begin prior to the completion of all EHP requirements as outlined in this Section.

SELECTING FULL PROPOSALS TO SCORE

The VCBB will select Subrecipients in a single round of full proposal submission to ensure that prospective subrecipients put their final, best offer forward for the project area. However, the VCBB also reserves the right to run additional competitive application rounds if necessary to ensure that all locations are covered. After the Full Proposal submission window closes, the VCBB will select the Full Proposals to be scored through the following process. There are three categories of proposals:

- A. Priority Broadband Projects
- B. Other Last-Mile Broadband Deployment Projects that provide a Reliable Broadband Service
- C. Other Last-Mile Broadband Deployment Projects that do not provide a Reliable Broadband Service but provide at least 100/20 Mbps with at most 100ms latency

The VCBB will evaluate Full Proposals in the above order until the process results in a prospective winner. The Reviewers will follow the following sequence of questions listed below. A visual “decision tree” that encapsulates these below steps will be provided separately.

A. Priority Broadband Projects

1. Did the project area receive any Priority Broadband Project Full Proposals?
 - If **yes**, continue to **step #2**
 - If **no**, jump directly to **step #5**
2. How many Priority Broadband Project Full Proposals for the project area satisfy all necessary gating criteria, as outlined in the [Checking Gating Criteria](#) section, after any relevant curing has taken place?
 - If **two or more** score those proposals as detailed in the [Scoring Proposals](#) section. The highest-scoring proposal is the prospective winner; continue to **step #3** with that proposal.
 - If **exactly one**, proposal is deemed the prospective winner; continue to **step #3** with that proposal.
 - If **none**, jump directly to **step #5**
3. Is the prospective winner’s Priority Broadband Project full proposal below the EHCT for that Final Project Area, as outlined in the [Determination of Extremely High Cost Per Location Threshold](#) section?
 - If **yes**, the prospective winner becomes the winner, subject to, the possibility that negotiations in other Final Project Areas may result in a change to the EHCT for the winner’s Final Project Area. The VCBB may continue to negotiate with prospective winners as necessary, and may consider other proposals for the Final Project Area if negotiations do not result in agreement on the changes necessary to meet a future iteration of the EHCT.

- If **no**, negotiate with the prospective winner to reduce the cost of the proposal.²⁰ If these negotiations succeed, proceed to **step #4**. If these negotiations fail, return to **step #2** and consider the other Priority Broadband Project proposals until either: (1) a Priority Broadband Project can be negotiated below the EHCT (proceed to step #4 with that proposal); or (2) all Priority Broadband Projects are eliminated (continue to step #5).
4. Was non-fiber technology introduced to the proposal as a result of negotiations?
- If **yes**, the proposal is now an Other Last-Mile Broadband Deployment Project and will be scored against similar projects as outlined in B and C below. Proceed to **step #5** with this proposal.
 - If **no**, the prospective winner becomes the winner, pending the possibility that negotiations in other project areas may result in a change to the EHCT for the prospective winner's project area in future iterations of the EHCT calculation.
- B. Other Last-Mile Broadband Deployment Projects that provide a Reliable Broadband Service
5. Did the project area receive any Other Last-Mile Broadband Deployment Project Full Proposals that provide a Reliable Broadband Service?
- If **yes**, continue to **step #6**
 - If **no**, jump directly to **step #8**
6. How many Other Last-Mile Broadband Deployment Project Full Proposals that provide a Reliable Broadband Service for the project area satisfy all necessary gating criteria, as outlined in the [Checking Gating Criteria](#) section, after any relevant curing has taken place?
- If **two or more**, score those proposals as detailed in the [Scoring Proposals](#) section. The highest-scoring proposal is the prospective winner; continue to **step #7** with that proposal.
 - If **exactly one**, that proposal is deemed the prospective winner; continue to **step #7** with that proposal.
 - If **none**, jump directly to **step #8**
7. Is the prospective winner's Other Last-Mile Broadband Deployment Project full proposal to provide Reliable Broadband Service below the EHCT for that project

²⁰ This negotiation may in some instances result in the removal of some addresses, as described in the VT-BEAD RFA and the VT-BEAD amended Initial Proposal Volume 2. These addresses may be added to a new project area, for with the VCBB will solicit proposals following the same process described in those documents and elaborated upon here.

area, as outlined in the [Determination of Extremely High Cost Per Location Threshold](#) section?

- If **yes**, the prospective winner becomes the winner, pending the possibility that negotiations in other project areas may result in a change to the EHCT for the prospective winner's project area in future iterations of the EHCT calculation. The VCBB may continue to negotiate with prospective winners as necessary, and may consider other proposals for the project area if negotiations do not result in agreement on the changes necessary to meet a future iteration of the EHCT.
- If **no**, negotiate with the prospective winner to reduce the cost of the proposal. If these negotiations succeed, the prospective winner becomes the winner with the same conditions as described above. If these negotiations fail, return to **step #6** and consider other Other Last-Mile Broadband Deployment Project Full Proposals to provide Reliable Broadband Service until either: (1) an Other Last-Mile Broadband Deployment Project Full Proposals to provide Reliable Broadband Service can be negotiated below the EHCT; or (2) all Other Last-Mile Broadband Deployment Project Full Proposals to provide Reliable Broadband Service are eliminated (continue to step #8).

C. Other Last-Mile Broadband Deployment Projects that do not provide a Reliable Broadband Service but provide at least 100/20 Mbps with at most 100ms latency

8. Did the project area receive any Other Last-Mile Broadband Deployment Project Full Proposals that do not provide a Reliable Broadband Service but provide at least 100/20 Mbps with at most 100ms latency?

- If **yes**, continue to **step #9**
- If **no**, follow the process for [Project Areas Without Any Eligible Full Proposals](#)

9. How many Other Last-Mile Broadband Deployment Project Full Proposals that do not provide a Reliable Broadband Service but provide at least 100/20 Mbps with at most 100ms latency for the project area satisfy all necessary gating criteria, as outlined in the [Checking Gating Criteria](#) section, after any relevant curing has taken place?

- If **two or more**, score those proposals as detailed in the [Scoring Proposals](#) section. The highest-scoring proposal is the prospective winner; continue to **step #10** with that proposal.
- If **exactly one**, that proposal is deemed the prospective winner; continue to **step #10** with that proposal.
- If **none**, follow the process for [Project Areas Without Any Eligible Full Proposals](#).

10. Is the prospective winner's Other Last-Mile Broadband Deployment Project Full Proposal that does not provide a Reliable Broadband Service but provides at least

100/20 Mbps with at most 100ms latency below the EHCT for that project area, as outlined in the [Determination of Extremely High Cost Per Location Threshold](#) section?

- If **yes**, the prospective winner becomes the winner, pending the possibility that negotiations in other project areas may result in a change to the EHCT for the prospective winner's project area in future iterations of the EHCT calculation. The VCBB may continue to negotiate with prospective winners as necessary, and may consider other proposals for the project area or the process for [Project Areas Without Any Eligible Full Proposals](#) if negotiations do not result in agreement on the changes necessary to meet a future iteration of the EHCT.
- If **no**, negotiate with the prospective winner to reduce the cost of the proposal. If these negotiations succeed, the prospective winner becomes the winner with the same conditions as described above. If these negotiations fail, return to **step #9** and consider other Other Last-Mile Broadband Deployment Project Full Proposals that do not provide Reliable Broadband Service but provide at least 100/20 Mbps with at most 100ms latency, until either: (1) a proposal can be negotiated below the EHCT; or (2) all proposals are eliminated (follow the process for [Project Areas Without Any Eligible Full Proposals](#)).

DETERMINATION OF EXTREMELY HIGH COST PER LOCATION THRESHOLD

The Extremely High Cost per Location Threshold (EHCT) is designed to maximize Priority Broadband Project deployments while ensuring that all Unserved and as many Underserved locations as possible ultimately gain access to high quality broadband. The VCBB will set the EHCT after the full proposal submission window has closed, and the value may vary from project area to project area to ensure low density areas are not disadvantaged in the funding allocation.

The VCBB will establish the EHCT through an iterative process that includes evaluation of project area density and available funding, and that occurs in tandem with negotiations with prospective subrecipients on fund requests, locations included in proposals, technology choices, and other factors. The preliminary EHCT calculation will be made based upon Full Proposals received and available funding. Subsequent iterations of EHCT calculations will take into consideration ongoing negotiations with prospective subgrantees.

The VCBB will use a range of data and modeling to determine the EHCT, including the following formula:

1. Sum the value of all lowest cost Priority Broadband Project bids for Unserved and Underserved locations, for the state and for each project area (inclusive of subrecipient VT-BEAD funding requests and proposed matches).
 - If any Unserved or Underserved locations do not receive end-to-end fiber bids, reference average bids in other locations with a similar housing density (i.e., +/- 10 percent housing density calculated at the census block level) to estimate the cost. If there are no other bids in similar housing density areas (e.g., very remote locations that received no bids), then use a statistical model to estimate the cost.
2. Sum the total available funding for broadband deployments, including VT-BEAD funding, prospective subrecipient matches associated with proposals, and any other public funding (ARPA CPF, ARPA State and Local funding, etc.), that has not already been deduplicated as part of the VT-BEAD Challenge process and that is not already included as part of the prospective sub grantee bidder matches.
3. Using the difference between (1) and (2), establish an EHCT for each project area that is high enough to maximize deployment using end-to-end fiber, while still low enough to ensure that all Unserved and as many Underserved locations as possible will gain access to high quality broadband.
4. Use this value to negotiate proposals from prospective winners below the EHCT. Once these negotiations have taken place, again sum the total project cost for projects intended to serve Unserved and Underserved locations and use the difference between this number and the total available funding for broadband deployments (from step #2) to set a new EHCT.
5. Repeat step #4 in an iterative fashion as many times as necessary to arrive at a final EHCT number for each project area that maximizes Priority Broadband Project deployment while ensuring funding to all Unserved and as many Underserved locations as possible throughout the state.

NEGOTIATIONS WITH PROSPECTIVE SUBRECIPIENTS

If the prospective winner's proposal exceeds the EHCT, the VCBB will negotiate with the prospective winner to reduce costs to below the EHCT. Throughout this process, the VCBB will work to secure access to the most robust, affordable, and scalable technology achievable.

The VCBB may require the prospective winner to provide partial or complete cost analysis for each location in the proposed project area with the proposed technology for that location. Negotiation topics may include the amount of funding requested, amount of

matching funds required, requesting a waiver of certain requirements from NTIA, and as necessary the locations included in the Final Project Area or other relevant items. The VCBB may require prospective subrecipients, including those with bids below the EHCT, to remove some Underserved locations from their proposals to ensure that VCBB can prioritize deployment to Unserved locations with Priority Broadband Projects and to maximize the deployment of fiber statewide. If the prospective winner's proposal is a Priority Broadband Project, the negotiation may in some instances include integration of non-fiber technologies. In these cases, the VCBB will also consider and rescore the resulting proposal against any Other Last-Mile Broadband Deployment Projects, as detailed in the [Selecting Full Proposals to Score](#) section.

If the prospective winner's proposal is a Priority Broadband Project and the winner is unable to reduce costs to below the EHCT, the VCBB will consider any Other Last-Mile Broadband Deployment project proposals that provide Reliable Broadband Service and are below the EHCT. If no Reliable Broadband Service proposals can meet the EHCT, the VCBB will consider competing proposals from any Other Last-Mile Broadband Deployment project proposal. Should this circumstance arise, the VCBB will consult with the local community that would be served by the provider to determine whether less costly technology is viable to meet their needs or if other technologies may better serve the particular area. As per the BEAD NOFO, any technology that does not meet the Reliable Broadband Service definition must, at a minimum, be capable of providing service of 100/20 Mbps and latency less than or equal to 100 milliseconds at a lower cost.

The VCBB intends to include all Unserved and Underserved Locations in the state in a prospective winner's proposal. If VT-BEAD funding is insufficient to reach every Underserved location, the VCBB will prioritize funding to Underserved locations based on considerations including, but not limited to: providing coverage to the greatest number of households; funding locations that are less likely to be reached without funding assistance; making broadband available to communities with higher prevalence of low-income households; building to locations near already-approved project areas to efficiently extend the proposed networks to reach more people; and prioritizing funding for end-to-end fiber networks.

If at the end of negotiations there are Locations that have been removed from a winning proposal, the VCBB will create an inventory of those Locations and will treat those Locations using the process for [Project Areas Without Any Eligible Full Proposals](#), as outlined below.

PROJECT AREAS WITHOUT ANY ELIGIBLE FULL PROPOSALS

Once the Pre-proposal window has closed, the VCBB will solicit Full Proposals from any project areas that did not receive Pre-proposals, with the objective to ultimately receive at least one eligible Full Proposal for each Final Project Area in the state. In the event that a Final Project Area does not receive any Full Proposals, or the proposals received do not meet the necessary gating requirements or cannot be negotiated below the EHCT,

the VCBB will work with prospective subrecipients seeking to serve areas adjacent to these locations, or other known providers in the area, to negotiate a plan to serve all Unserved locations and as many Underserved locations as possible in the project area. This will include assessing the barriers the prospective subrecipient faced in submitting a full proposal and reviewing modifications the VCBB can make to ensure the locations are served. In negotiating with prospective subrecipients for these locations, the VCBB will abide by NTIA's direction to "seek out the most robust, affordable, and scalable technologies achievable under the circumstances particular to that location," while also considering any technology, including satellite technology.

CHECKING GATING CRITERIA

When confirming that a proposal meets all necessary Gating Criteria, reviewers must affirmatively certify the following or decide to move forward with scoring a proposal that is deficient in one or more of the criteria, pending the VCBB's decision to seek a waiver from the NTIA at the time of Final Proposal. If a proposal is incomplete or the VCBB requires additional information to assess gating criteria, the Full Proposal portal will alert the applicant to the deficiency, at which point the applicant will have 72 hours to provide the required information. In all cases reviewers will consider the totality of information provided to determine, in a pass/fail manner, whether the prospective subrecipient meets the minimum qualifications for all Gating Criteria outlined in the BEAD NOFO and Initial Proposal Volume 2. The gating categories for which reviewers will confirm information are:

1. Overall project specifications²¹
 - The proposed project serves every Unserved and Underserved location in the project area.
 - Served project locations do not exceed 20 percent of total projects locations.
 - The prospective subgrantee submitted a Pre-proposal, if required.²²
2. Managerial and operational capability²³
 - All prospective subrecipients have demonstrated that they are in good standing regarding their Federal Communications Commission obligations.²⁴
 - The prospective subrecipient demonstrates managerial and operational capability with respect to the proposed project.
3. Financial capability²⁵
 - Certifications and submissions are complete, and financial projections are consistent with the information provided in the audited financial statements.
 - Any assumptions are reasonable and in line with assumptions offered by similar proposals and are in line with industry-standard financial metrics.
 - Prospective subrecipient has provided evidence that it will secure a Letter of Credit or performance bond, in accordance with NTIA's Conditional Programmatic Waiver of the NOFO's Letter of Credit [Requirement](#).

²¹ Drawn from Vermont's BEAD Volume 2 submission to the NTIA.

²² See VT-BEAD RFA pgs. 8 and 18-21

²³ See BEAD NOFO pg. 73-75

²⁴ If the prospective subgrantee has provided a voice and/or broadband service it must certify it has filed Commission Form 477s and the Broadband DATA Act submission, as required during this time period, and has complied with the Commission's rules and regulations. Alternatively, a prospective subgrantee should explain any pending or completed enforcement action, civil litigation, or other matter in which it failed to comply or was alleged to have failed to comply with Commission rules or regulations.

²⁵ See BEAD NOFO pgs. 72-73

- Prospective subrecipient has sufficiently demonstrated an ability to cover expenses over the seven-year period of projections (the four years of the project, plus three additional years beyond the project period).
 - Prospective subrecipient will be able to maintain operations beyond the network deployment phase and has sufficiently demonstrated that the proposed project will be Net Present Value positive over the useful life of the network assets supported by VT-BEAD funds.
4. Technical capability²⁶
- The prospective subrecipient demonstrates technical capability with respect to the proposed project, and the proposed network can deliver broadband service that meets the requisite performance requirements to all locations served by the Project.
5. Relevant laws, policies, and requirements
- The prospective subrecipient demonstrates that it is capable of carrying out funded activities in a competent manner in compliance with all applicable Federal, State, Territorial, and local laws.
 - The prospective subrecipient will permit workers to create worker-led health and safety committees that management will meet with upon reasonable request.
6. Information on ownership and on other public funding
- The prospective subrecipient has provided the required information on ownership and other sources of public funding.
7. Low-cost service plan²⁷
- Proposed plan meets minimum requirements for low-cost service plan and is either less than \$30/month or provides compelling rationale for exceeding \$30/month. In no instance does it exceed \$75/month.
 - Prospective subrecipient's plan for marketing the low-cost service plan is likely to result in all customers being informed of this low-cost option, with no customers facing undue burden in selecting it.
8. Middle-class affordability option²⁸
- Prospective subrecipient has a lower cost, lower speed tier that will be offered to all consumers now and into the future, to ensure that all consumers have access to affordable high-speed internet.

²⁶ No. 4–5 See BEAD NOFO p. 74–76.

²⁷ See BEAD NOFO p. 66–68

²⁸ See BEAD NOFO p. 66

SCORING PROPOSALS

If a full proposal is selected for scoring, reviewers will award points based on the below rubric. The sum of the points for each category makes up the final points the proposal receives. The maximum possible number of points is 100.

SCORING RUBRIC

Primary Criteria	Maximum Points Allocation	
	Priority Broadband Projects	Other Last-Mile Broadband Deployment Projects
<p>Minimal BEAD Program Outlay</p> <p>The total BEAD funding that will be required to complete the project, calculated as total projected project cost minus the prospective subgrantee’s proposed match (which must, absent a request for a waiver, cover no less than 25 percent of the project cost). In comparing the project’s BEAD outlay and the prospective subgrantee’s match commitments, VCBB will consider the cost to the BEAD Program per location while accounting for any factors in network design that might make a project more expensive, but also more scalable or resilient. Full points are awarded to entities that demonstrate good value through a combination of minimizing amount of BEAD funding required for the project while also maximizing resiliency and reliability. Specific points are awarded on a sliding scale, decreasing as the BEAD funding requested increases, and decreasing with less scalable or resilient network design.</p> <p>For other last mile broadband deployment projects, the VCBB will take into account the type of technology proposed when considering the value of the amount of BEAD funding required.</p>	31	31

<p>Affordability</p> <p>Scoring for this criterion will be based on the applicant’s commitment to provide the most affordable total price to the customer for 1 Gbps/1 Gbps service in the proposed project area [100/20 Mbps for other last mile broadband deployment projects], both now and into the future.</p> <p>An applicant may demonstrate this commitment by providing the price of a 1G symmetrical plan and the number of years the applicant will commit to maintaining that price (adjusted for inflation). Three points will be awarded for each year of the commitment up to the maximum of 10 years/30 points. In addition, one point will be deducted for every ten dollars that a 1G symmetrical service exceeds the FCC Urban rate for Vermont.</p>	30	30
<p>Fair Labor Standards</p> <p>Ten points will be awarded based on demonstrated record of and plans to comply with Federal labor and employment laws. Prospective subgrantees will be required to include any official labor relations complaints acquired in the four years prior to the submission of the proposal. Existing entities with no violations will receive the full ten points. Existing entities with violations of federal labor and employment laws will get a deduction of two points per violation. New entrants without a record of labor and employment law compliance must be permitted to mitigate this fact by making specific, forward-looking commitments to strong labor and employment standards and protections with respect to BEAD-funded projects.</p> <p>Consistent with the NOFO directions at page 56-59, the remaining four points will be awarded to proposals that demonstrate how the approach will offer any of four elements that promote job quality and creation: (1) high-quality jobs (defined as offering a competitive wage, health benefits, etc.); (2) offer or leverage Vermont's apprenticeship programs; (3) prioritize hiring local workers; and (4) recruit from historically underrepresented populations facing labor market barriers and ensure that they have reasonable access to the job opportunities, following the affirmative steps outlined in requirement #9. One point will be awarded for offering one of the above elements, for a maximum of four points for proposals that will offer all four elements.</p>	14	14

Secondary Criteria	Priority Broadband Projects	Other Last-Mile Broadband Deployment Projects
<p>Community Input and Engagement</p> <p>Prospective subgrantees demonstrate that their proposed project reflects substantive engagement with the residents in the area they propose to serve to ensure their service meets the needs of the community, as well as a commitment to conduct regular engagement into the future. To satisfy this requirement, the applicant will need to provide evidence that demonstrates substantive engagement. Examples of such documentation could include:</p> <ul style="list-style-type: none"> • Letter(s) of support from community organizations, members, and/or local government. • Submission of minutes from several or more public meetings of municipalities that show substantive and reciprocal engagement over multiple months by the applicant and local officials in the project area engaged in a planning process. • Submission of one or more reports that have been previously submitted to the governance bodies in the communities in the project area by the applicant and evidence of two-way community discussions. • Documentation showing how community members are engaged in and contributing to development of plans in the project on an ongoing basis. • A description of the applicant's governance structure and how it involves community members in regular and routine decision making for the project. • A description of how the prospective subgrantee plans to continue to engage local communities. <p>Only entities that provide at least 4 of the 6 items will receive all points. Those entities that do not provide at least 4 of the 6 items will receive no points. The VCBB must explicitly approve any additional types of evidence offered by the prospective subgrantee as a substitute for any of the above items.</p>	12	5

<p>Local Coordination</p> <p>Points will be awarded to prospective subgrantees that demonstrate that their proposed project reflects coordination with local municipalities and regional planning commissions for the proposed project area and put forth a plan for ongoing local coordination into the future. (Please note that Vermont has no federally-recognized tribes). Points will also be awarded for demonstrating how the proposal is consistent with state broadband planning efforts to date. To satisfy this requirement, the applicant will need to provide evidence that demonstrates this local coordination. Evidence of local coordination could include:</p> <ul style="list-style-type: none"> • Demonstration of a written commitment to the project from all towns in the project area. • Submission of substantive reports and communications between the applicant and municipalities. • Examples and evidence of municipal or regional entities contributing to project planning on a recurring basis during the preparation of the eligible entity’s BEAD subgrant proposal. • Examples of municipal and regional entities pledging services and funds to the development of the applicant's project area. • Appointment letters of citizens to governance committees of the applicant. <p>The VCBB must explicitly approve any additional types of evidence offered by the prospective subgrantee as a substitute for any of the above items.</p>	11	5
<p>Speed to Deployment.</p> <p>Points will be awarded to the prospective subgrantee for its binding commitment to provision and begin providing broadband service to each customer that desires broadband service before the end of the four-year period allowed under the BEAD program for deployment. Prospective subgrantees will be awarded one point for each year that is less than the four years permitted under the BEAD program.</p>	2	2
<p>Speed of Network and Other Technical Capabilities</p> <p>Vermont will consider the speeds, latency, and other technical capabilities of the technologies proposed by prospective subgrantees seeking to deploy projects that are not Priority Broadband Projects. Proposals to use technologies that exhibit greater ease of scalability with lower future investment, such as hybrid fiber and fixed wireless or fixed wireless-only networks, can receive up</p>	N/A	13

to 10 points on a sliding scale based on percentage of fiber in the network, with one point for every 10% of fiber in the network. An additional 3 points will be awarded for a commitment to upgrade technology as it evolves to deliver faster speeds. Technologies such as satellite that have higher costs to upgrade and shorter capital asset cycles can receive up to 5 points based on the technology's demonstrated speed and latency capabilities.