



Illinois
Department of Commerce
& Economic Opportunity
OFFICE OF BROADBAND
JB Pritzker, Governor



UNIVERSITY OF ILLINOIS SYSTEM

Closing the Digital Divide in Illinois

BEAD Deep-Dive Webinar: BEAD Awardee Selection and Scoring Criteria

August 28, 2024

BEAD Deep Dive Webinar Series:

Context and Goals



Context:

To align with NTIA requirements, BEAD-funded Connect Illinois Round 4 **differs from Connect Illinois Rounds 1-3**

The Illinois Office of Broadband aims to **help all interested applicants get familiar** with these requirements ahead of the subgrantee process



Goals:

Breaking down the BEAD process

- Walk through key elements and requirements of the Connect Illinois Round 4 subgrantee process
- Clarify specific components of the BEAD program requirements ahead of the subgrantee process
- Provide regular updates on Connect Illinois Round 4

Topics for Discussion Today

1

Recap of BEAD and progress to date

2

Overview of BEAD-funded Connect Illinois Round 4 review process

3

Introduction to Connect Illinois Round 4 Scoring Criteria

1

Recap of BEAD and progress to date

BEAD is a \$42B federal grant program that aims to bring high-speed internet to all Americans

\$42.45 billion

Funds provided for BEAD

The Broadband Equity, Access, and Deployment (BEAD) Program is a federal grant program that aims to get all Americans online by funding partnerships between states or territories, communities, and stakeholders to build infrastructure where high-speed internet is currently unavailable

Program highlights

Eligible entities

- All 50 States, District of Columbia, and Puerto Rico
- Other Territories: U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands

Example eligible uses of funds

- Planning for the deployment of high-speed Internet, including conducting research, collecting data, outreach, and training
- Deploying or upgrading Internet in un/underserved areas
- Improving service to community anchor organizations
- Installing Internet and Wi-Fi in multi-unit residential buildings
- Workforce development, including Registered Apprenticeships and pre-apprenticeships, community college and/or vocational training for broadband-related occupations to support deployment, maintenance, and upgrades

What are the goals of BEAD?



The BEAD Program awarded Illinois \$1.04 billion to connect all unserved and underserved locations to broadband over the next 5 years



Ensure universal coverage across all un/underserved locations in the state, maximizing deployment of end-to-end fiber, and only using non-fiber where fiber costs are extremely high¹



Prioritize projects providing broadband access to unserved and underserved locations and community anchor institutions, Wi-Fi equipment for Multi-Dwelling Units (MDUs) then other digital equity and inclusion priorities²



Run subgrantee selection process within one year of approval of the Initial Proposal, and complete implementation within four years of receipt of funds³



Focus on improving broadband affordability through a low-cost broadband service option, and a middle-class affordability plan⁴

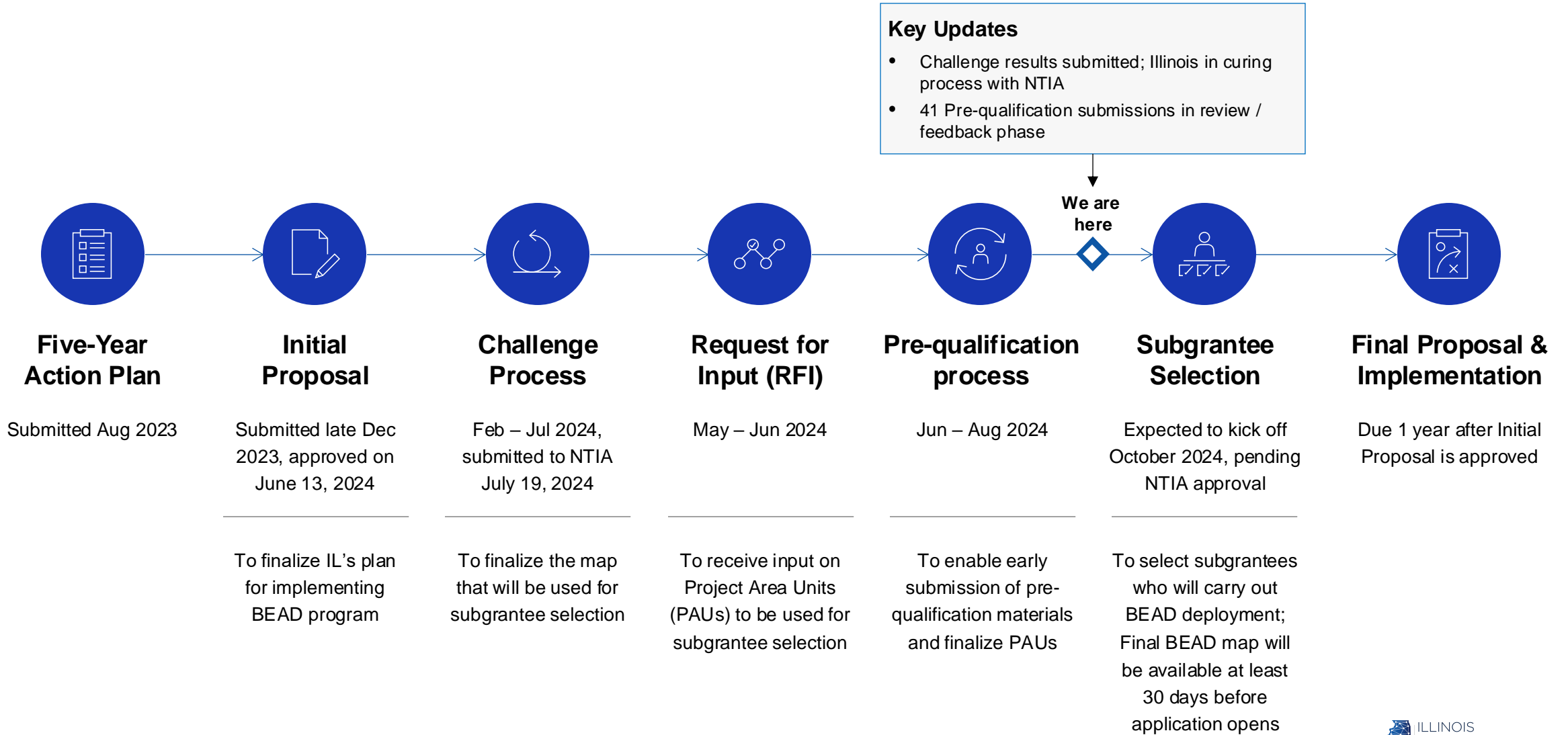
1. Page 14 of BEAD NOFO, on the definition of Priority Broadband Project
2. Page 33 of BEAD NOFO, on the allocation of grant funds
3. Page 65 of BEAD NOFO, on deployment deadlines and benchmarks
4. Page 42-46 of BEAD NOFO, on inclusion of affordability in the BEAD scoring criteria

Source: [BEAD.NOFO](#)

Overview of the BEAD-funded Connect Illinois Round 4 timeline

PRELIMINARY TIMELINE - SUBJECT TO CHANGE

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS



2

Overview of Connect Illinois Round 4 review process

Application review approach for BEAD-funded Connect Illinois Round 4

AS OF AUGUST 28, 2024

Context

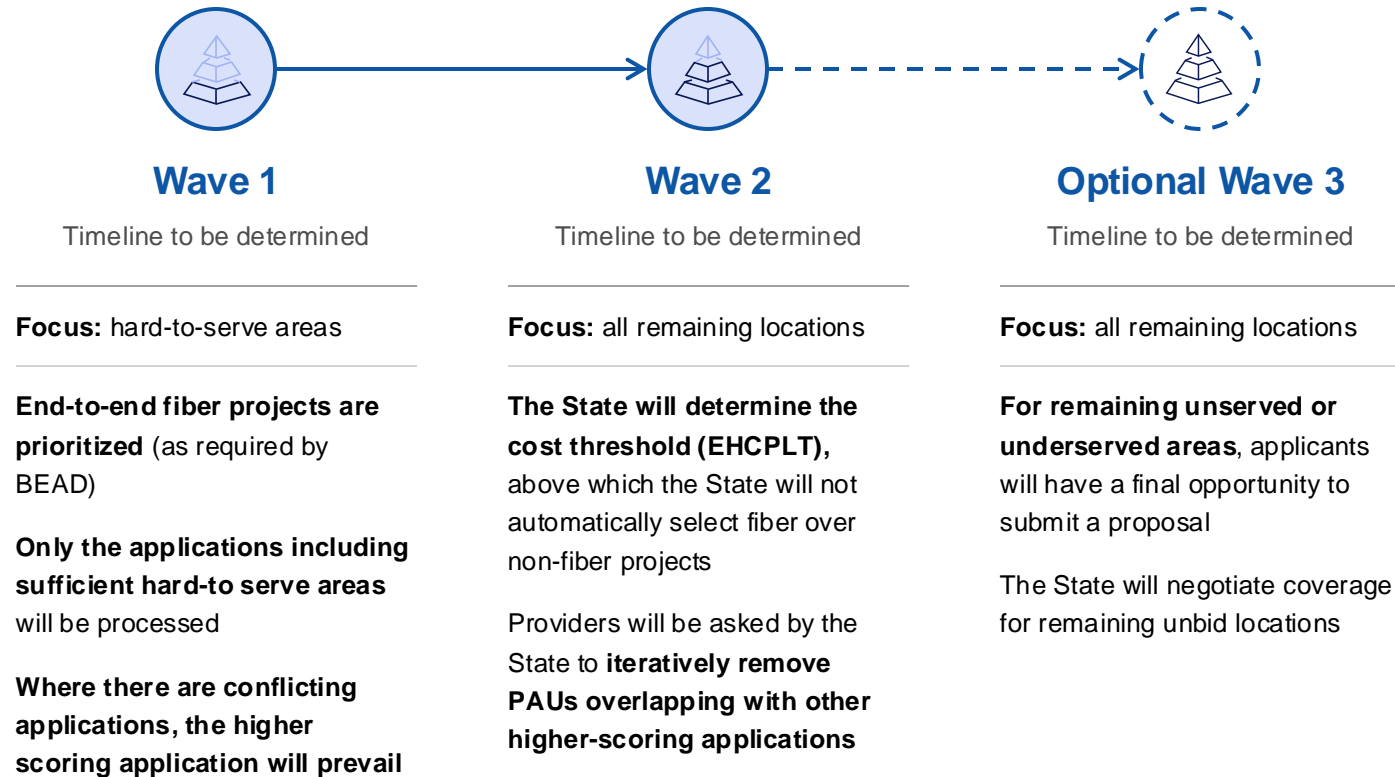
The BEAD program defines specific selection criteria and prioritization approach as it relates to which project will be awarded, based on technology type, amounts of bids received, and per-location cost

Connect Illinois Round 4 will leverage a three-wave subgrantee process that adopts a BEAD-compliant selection approach

Discussion topics

- A** Overview of Connect Illinois Round 4 subgrantee process and prioritization approach
- B** Introduction to BEAD's project selection and prioritization criteria

The subgrantee process consists of up to three waves to determine BEAD awardees, starting by focusing on hard-to-serve PAUs



Note: Timeline is tentative based on currently available information and may change subject to NTIA approval of the BEAD Challenge Process results

Source: Connect Illinois Initial Proposal Volume II

Key takeaways

All technologies can apply starting Wave 1 and are encouraged to do so

However, **only Priority Broadband Projects** (end-to-end fiber) will be provisionally awarded in Wave 1

Non-Priority Broadband Projects will be considered and provisionally awarded starting Wave 2, when the Extremely High-Cost Per Location Threshold (EHCPLT) has been determined

Deep dive to follow

Before we discuss further, let's define a few concepts and terms

Project Area Unit (PAU)

A collection of un/underserved locations and CAIs eligible for an application

PAUs do not overlap and collectively contain all un/underserved locations and eligible CAIs in the State

If awarded a PAU, a subgrantee must deploy to all included eligible locations

Reliable Broadband Service

- Fiber-optic technology
- Cable modem / hybrid fiber-coaxial technology
- Terrestrial fixed wireless technology using entirely licensed (or licensed-by-rule) spectrum, or a hybrid of licensed and unlicensed spectrum

Project Area

One or more PAUs that an applicant proposes to serve in an application (does not need to be contiguous)

Applicants may pick any number of PAUs, but cannot split up a PAU

Alternative Technology

Any technology that does not qualify as Reliable Broadband Service but meets BEAD requirements of $\geq 100/20$ Mbps speed and ≤ 100 ms latency, e.g.:

- Unlicensed Fixed Wireless (ULFW)
- Low-Earth orbit satellite (LEO)

Priority Broadband Project

Project that will provision service using 100% end-to-end fiber-optic facilities to each end-user premise

Extremely High-Cost Per-Location Threshold (EHCPLT)

A per-location cost above which the State will not automatically select a Priority Broadband proposal if selecting a Reliable or Alternative Technology proposal meeting BEAD requirements would be less expensive

The BEAD program prioritizes awards based on technology type

Degree of prioritization per BEAD requirements



Reliable Broadband Service: Priority Broadband Project

End-to-end fiber-optic facilities to each end-user premise



Reliable Broadband Service: Non-Priority, Qualifying broadband

E.g., Cable modem / hybrid fiber-coaxial technology, terrestrial fixed wireless technology using licensed spectrum



Alternative technologies

E.g., Unlicensed Fixed Wireless (ULFW), Low-Earth orbit satellite (LEO)

Key takeaways

BEAD stipulates **Priority Broadband Projects (end-to-end fiber)** be prioritized over non-Priority Broadband Projects for subgrantee selection

Non-Priority, Reliable Broadband Service Projects may be considered if there are no Priority Broadband Project bids below the EHCPLT, or no Priority bids at all in a given area

Alternative technologies similarly may be considered if there are no Priority and non-Priority Reliable Broadband Project bids below the EHCPLT

When a PAU receives more than one eligible application, **BEAD stipulates the use of the State's defined competitive scoring process**

Deep dive to follow ►

3

Introduction to Connect Illinois Round 4 Scoring Criteria

Introduction to BEAD-funded Connect Illinois Round 4 scoring criteria

AS OF AUGUST 28, 2024

Context

Per BEAD program requirements, the Connect Illinois Round 4 will apply its **BEAD-compliant scoring criteria** to select provisional awards when there are multiple bids for a project area

Connect Illinois Round 4 has created its scoring criteria based on BEAD requirements while retaining consistency with previous rounds where possible

Discussion topics

- A Walkthrough of the Connect Illinois Round 4 scoring criteria**
- B Crosswalk of scoring criteria for Connect Illinois Rounds 3 and 4**

Overview: BEAD-backed Connect Illinois Round 4 scoring rubric

	Criteria	How it will be applied	Score, %
Primary¹	Minimal BEAD Program outlay: non-state match	More points will be assigned to the degree of nonstate match over 30%, as a greater nonstate match signifies more “skin in the game” and therefore financial risk assumed by the applicant	20%
	Minimal BEAD Program outlay: financial need with respect to reference cost	Points will be assigned based on how much the application’s required BEAD outlay deviates from the reference cost published by the state. More points will be assigned to applications with lower BEAD outlay compared to the reference cost	30%
	Affordability	Applicants will be scored based on the price they offer for either 1Gbps/1Gbps or 100/20Mbps: 1Gbps/1Gbps for Priority Broadband Projects and 100/20Mbps for other broadband projects	15%
	Fair Labor Practices	Applicants will be scored based on their demonstrated record of and plans to be in compliance with federal labor and employment laws, and submission of a project labor agreement	15%
			80%
Secondary / Additional²	Speed to deployment	Points will be assigned for enforceable deployment plans within two years of executed grant agreement	3%
	Speed of Network & Technical Capabilities	Points will be assigned based on performance levels and scalability of networks	4%
	Open Access	Points will be assigned based on subgrantee’s provision of open access	3%
	Local Coordination	Points will be assigned based on the breadth and depth of community support for the project (5%) and financial investment by community members and organizations (5%)	10%
			20%

1. I.e., BEAD-stipulated criteria that must collectively account for no less than 75% of total points

2. I.e., Other BEAD-stipulated criteria (Speed to Deployment, Speed of Network and Technical Capability), and additional criteria (Open Access, Local Coordination) that are not required but encouraged per the BEAD NOFO

Total 100%



Primary Scoring Criteria

Minimal BEAD Program Outlay: Non-State Match

20%
Scoring weight

Similar to scoring in previous Connect Illinois grant rounds, more points will be assigned to the degree of nonstate match over 30%, as a greater nonstate match signifies more “skin in the game” and therefore financial risk assumed by the applicant.

Scoring table for nonstate matching funds provided

Percent of eligible project costs covered by nonstate match	Points
60% or more	20
55-59.9%	17
50-54.9%	14
45-49.9%	11
40-44.9%	8
35-39.9%	5
30-34.9%	2
Less than 30%	0

Example scenario

Applicant X submits a bid for a Connect Illinois Round 4 award, where:

- Total project budget: \$20 million
- Requested grant funds: \$12 million
- Non-state match: \$8 million

Percent of eligible project costs covered by non-State match:

$$(\$8 \text{ million}) / (\$20 \text{ million}) = 40\%$$

Score for “Minimal BEAD Program outlay: non-state match”:

8 points (between 40-44.9%)

Primary Scoring Criteria

Minimal BEAD Program Outlay: Financial Need With Respect to Reference Cost

30%
Scoring weight

Points will be assigned based on how much the application's required BEAD outlay deviates from the reference cost published by the State. More points will be assigned to applications with lower BEAD outlay compared to the reference cost.

Scoring table for financial need with respect to reference cost¹

Application's BEAD outlay as a percentage of reference cost	Points
0-19.9%	30
20-39.9%	27
40-59.9%	24
60-79.9%	21
80-99.9%	18
100-119.9%	15
120-139.9%	12
140-159.9%	9
160-179.9%	6
180-199.9%	3
200% or more	0

1. Note, before the start of either wave of the subgrantee process, the State may adjust the alignment between percentage deviation and points allocated. The adjustments will be announced before the start of each application window.

Example scenario

Applicant X submits a bid for a Connect Illinois Round 4 award, where:

- Requested grant funds: \$12 million
- Reference cost for applied project area: \$15 million

Application's BEAD outlay as a percentage of reference cost:

$$(\$12 \text{ million}) / (\$15 \text{ million}) = 80\%$$

Score for "Minimal BEAD Program outlay: financial need with respect to reference cost":

18 points (between 80 – 99.9%)



Additional Context: Reference cost

A PAU's reference cost will be based on Cost Quest's net present value estimation, assuming greenfield buildout for the respective technology

Primary Scoring Criteria

Affordability

15%
Scoring weight

Applicants will be scored based on the price they offer for either 1Gbps/1Gbps or 100/20Mbps: 1Gbps/1Gbps for Priority Broadband Projects and 100/20Mbps for other broadband projects.

Affordability scoring for reference price and weight

#	Speed tier	Type of project	Monthly reference price
A	1G/1G	Priority Broadband Projects	\$100
B	100/20 Mbps	Other Last-Mile Broadband Deployment Projects	\$30

1 Applications offering price lower than reference price:

Upward adjustment to the baseline score of 7.5, up to maximum 15 points:

$$\text{Score} = 7.5 + 7.5 * [(\text{reference price} - \text{commitment price}) / \text{reference price}]$$

2 Applications offering price higher than reference price:

Downward adjustment to the baseline score of 7.5, down to minimum 0 points¹:

$$\text{Score} = 7.5 - 7.5 * [(\text{commitment price} - \text{reference price}) / \text{reference price}]$$

1. Note, by this calculation, if the commitment price is 200% above the reference price, the application will receive no points for this speed tier.

Example scenario

Applicant X submits a bid for a Connect Illinois Round 4 award, where:

- **Technology used:** End-to-end fiber (i.e., Priority Broadband Project)
- **Monthly price to be charged to customers for a 1Gbps symmetrical plan:** \$75

Score for “Affordability”:

9.4 points

$$7.5 + 7.5 * [(\$100 - \$75) / \$100]$$

$$= 7.5 + (7.5 * 25\%)$$

$$= 7.5 + 1.875$$

$$= 9.375$$

$$= \sim 9.38$$

Primary Scoring Criteria

Fair Labor Practices

15%
Scoring weight

Applicants will be scored based on their demonstrated compliance record and plans to comply with federal labor and employment laws, and submission of a project labor agreement.

Scoring for Fair Labor Practices

Fair labor practices scoring sub-criteria	Points
1. Submission of a Project Labor Agreement (PLA)	7
2. No prior violations of compliance with federal labor and employment laws	5
3. Forward-looking commitment, with claw-back provision in case of future non-compliance	3

Note 1 A Project Labor Agreement (PLA) is a pre-hire collective bargaining agreement consistent with Section 8(f) of the National Labor Relations Act (29 U.S.C. 158(f)) and the Illinois Project Labor Agreements Act (30 ILCS 571)¹

Note 2 New entrants with no prior record of compliance will receive full points on (2)

Note 3 Details on labor standards that the State will require can be found in the State's BEAD Initial Proposal Volume II, Requirement 2.7.1 and 2.7.2.

1. For details, see (i) [National Labor Relations Act](#), National Labor Relations Board; and (ii) [Project Labor Agreements Act](#), Illinois General Assembly.

Example scenario

Applicant X submits a bid for a Connect Illinois Round 4 award, where:

- No PLA has been submitted
- Applicant is a newly established entity with no prior record of compliance
- Applicant submits a forward-looking commitment to future compliance with federal labor laws in line with BEAD Labor Standards requirements, including how it will ensure compliance in its and (sub)contractors' labor / employment practices, and how it will implement workforce safety committees

Score for "Fair Labor Practices":

8 points

0 points on Sub-criterion 1

5 points on Sub-criterion 2 as a new entrant

3 points on Sub-criterion 3

Secondary Scoring Criteria

Speed to Deployment

3%
Scoring weight

Points will be awarded to applicants with enforceable deployment plans that demonstrate that the project will be completed within two years of executed grant agreement.

Scoring for speed to deployment

Construction completion date	Points
Construction completed within two (2) years	3
Construction completed within four (4) years	0

Note 1 Per BEAD requirements, awardees must complete deployment and begin providing services within the full project area **not later than 4 years after receiving the award**

Note 2 The State will require a build-out timeline, milestones for project completion, and capital investment schedule certified by a professional engineer, as part of verifying the above commitment as well as confirming that the applicant meets BEAD requirements for technical capabilities

Note 3 Applicants will be **held accountable via the subgrantee agreement** to commitments made toward meeting the scoring criteria above

Example scenario

Applicant X submits a bid for a Connect Illinois Round 4 award, where:

- The applicant commits to an 18-month deployment completion timeline
- The Professional Engineer-certified build-out timeline, milestones, and capital investment schedule submitted as part of the application demonstrate complete buildout within 18 months from grant receipt

Score for “Speed to deployment”:

3 points

(Construction completed within two years)

Secondary Scoring Criteria

Speed of Network and Technical Capabilities

4%
Scoring weight

Points will be awarded based on performance levels and scalability of networks, specifically the best available speed after build.

Scoring for speed of network and technical capabilities

Best available speed and maximum latency after build	Points
100/20 Mbps, 100 ms	0
100/100 Mbps, 100 ms	2
1 Gbps/1Gbps, 100 ms	4

Example scenario

Applicant X submits a bid for a Connect Illinois Round 4 award, where:

- The applicant's Professional Engineer-certified network design and diagram demonstrates that the best available speed and maximum latency after build will be 5 Gbps symmetrical in speed and less than 80 ms in latency

Score for "Speed of Network and Technical Capabilities":

4 points

(Best available speed and maximum latency after build is better than 1 Gbps symmetrical and 100 ms latency threshold)

Secondary Scoring Criteria

Open Access

3%
Scoring weight

Points will be awarded based on the applicant's provision of open access wholesale last-mile broadband service for the life of the subsidized networks, on fair, equal, and neutral terms to all.

Scoring for open access and use of existing network

Category 1. Clear description of wholesale services offered and associated rates

Category 2. Evidence of retail ISP partners (e.g., signed commitments or contracts, letters of intent)

Category 3. Evidence of publicly available open access policy (e.g., screenshots of website listing)

Points will be awarded in the following manner:

- **3 points** if qualifying evidence is submitted for all 3 categories
- **2 points** if qualifying evidence is submitted for 2 out of the 3 categories
- **0 points** otherwise

Example scenario

Applicant X submits a bid for a Connect Illinois Round 4 award, where:

- It submits a clear description of its wholesale services offered and associated rates
- It submits a PDF of its open access policy and a website screenshot of its open access listing
- It fails to submit evidence of retail ISP partners

Score for “Open Access”:

2 points (2 out of 3 categories met)



Additional Context: NTIA's definition of “Open Access”

An arrangement where the subgrantee offers nondiscriminatory access to and use of its network on a wholesale basis to other providers seeking to provide broadband service to end-user locations, at just and reasonable wholesale rates for the useful life of the subsidized network assets

Secondary Scoring Criteria

Local Coordination: Evidence of Community Support

5%
Scoring
weight

Points will be awarded based on the breadth and depth of community support for the project. The State's evaluation of the evidence of community support will be similar to its evaluation in Connect Illinois, Round 3.

Examples of supporting evidence | Local Coordination: Evidence of community support

- A** Degree of "personalized" letters that reflect a broad spectrum of community members
- B** Degree to which project fits into an existing community strategic plan
- C** Recent survey that covers broad spectrum of community with statistically meaningful results regarding level of need, gaps, and project support
- D** Evidence of community outreach efforts to gauge interest in project
- E** Other community feedback that shows compelling need and project support, defined as letters of support and input from:
 - Community members
 - Local governments
 - Non-profits
 - Neighborhoods
 - Employers
 - Small businesses
 - Community Anchor Institutes
 - Other members of the community where a project is proposed

Local Coordination: Verified Financial Commitment from Community

5%
Scoring
weight

Points will be awarded based on financial investment by community members and organizations. The state's evaluation of verified financial commitment from community will be similar to its evaluation in Connect Illinois, Round 3.

Examples of supporting evidence | Local Coordination: Verified financial commitment

- A** The degree of financial contribution from community-based members and institutions
- B** In-kind resource commitments from community-based members and institutions
- C** Evidence to support verification of pledge

Crosswalk between the scoring rubric of Connect Illinois Round 4 and Round 3

The State seeks to maintain continuity of previous Connect Illinois rounds while also adhering to BEAD guidelines

As such, the State intentionally used scoring criteria from previous rounds but with adjustments to align with BEAD requirements

	Connect Illinois Round 4 Criteria	Connect Illinois Round 3 Criteria
Primary	Minimal BEAD Program outlay: non-state match	B1. Degree of Non-State Match
	Minimal BEAD Program outlay: financial need with respect to reference cost	B2. Demonstration of Financial Need
	Affordability	G1. Range of Service Packages G2. Price Points
	Fair Labor Practices	N/A
Secondary	Speed to deployment	N/A
	Speed of Network & Technical Capabilities	A1. Broadband Impact E1. Network Capacity and Scalability
	Open Access	D3. Leveraging Existing Resources and Operating Assets G4. Open Access, Wholesale Offerings
	Local Coordination	C1. Evidence of Community Support C2. Verified Financial Commitment from Community



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Next Webinar:

September 4, 12-1PM (every Wednesday)

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Illinois Office of Broadband**

<https://bit.ly/IOBPartner>

Primary Scoring Criteria

Fair Labor Practices – *Deep Dive on PLAs*

15%
Scoring weight

Applicants will be scored based on their demonstrated compliance record and plans to comply with federal labor and employment laws, and submission of a project labor agreement.

Scoring for Fair Labor Practices

Fair labor practices scoring sub-criteria	Points
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1. For details, see (i) [National Labor Relations Act](#), National Labor Relations Board; and (ii) [Project Labor Agreements Act](#), Illinois General Assembly.

Additional Context: Project Labor Agreement (PLA)

A Project Labor Agreement must:

- i. Set forth mutually binding procedures for resolving jurisdictional labor disputes and grievances
- ii. Guarantee against strikes, lockouts, or similar actions
- iii. Ensure a reliable source of labor
- iv. Set goals for woman and minority apprenticeship hours
- v. Permit the selection of the lowest responsible bidder, regardless of union status
- vi. Bind all contractors and subcontractors by including bid specifications in all relevant bid documents
- vii. Be signed by a bona fide labor organization. Subgrantees must provide contact information for the bona fide labor organization.

Details on Illinois-specific labor-related requirements to be provided during future webinar session