

# Agency-specific Content for the Notice of Funding Opportunity Connect Illinois Broadband Program NOFO ID: 3504-2942

For information about grants please visit <https://dceo.illinois.gov/aboutdceo/grantopportunities/granteeresources.html>.

## A. Program Description

### Notice of Funding Opportunity Intent

The Illinois Department of Commerce and Economic Opportunity (the “State” or “DCEO”) is issuing this Notice of Funding Opportunity (“NOFO”) to set forth the requirements for the BEAD-Funded Connect Illinois Round 4.

### Program Description

BEAD-Funded Connect Illinois Round 4 utilizes federal funds from the U.S. Department of Commerce’s National Telecommunications and Information Administration (NTIA) through the Broadband Equity, Access, and Deployment (BEAD) Program, which was authorized by the Infrastructure Investment and Jobs Act of 2021, Division F, Title I, Section 60102, Public Law 117-58, 135 Stat. 429 (November 15, 2021) (Infrastructure Act or Act), also known as the Bipartisan Infrastructure Law.

BEAD-Funded Connect Illinois Round 4 deploys broadband service to unserved and underserved locations. In accordance with the BEAD Program, this program prioritizes projects that provide fiber connectivity directly to the end-user while considering projects that use other technologies to ensure universal coverage.<sup>1</sup>

Definitions. The following terms are defined accordingly for the purposes of this NOFO and the BEAD-Funded Connect Illinois Round 4:

**“Assistant Secretary”** refers to the Assistant Secretary of Commerce for Communications and Information or the individual who holds any successor position.<sup>2</sup>

**“Alternative technology”** means any technology that does not qualify as Reliable Broadband Service, including Unlicensed Fixed Wireless (ULFW) and low-Earth orbit satellite (LEO), that meets the BEAD Program’s minimum technical requirements of speeds not less than 100 Mbps for downloads and 20 Mbps for uploads and latency less than or equal to 100 milliseconds.<sup>3</sup>

**“BEAD”** means the Broadband Equity, Access, and Deployment Program, authorized by the Infrastructure Investment and Jobs Act of 2021, Division F, Title I, Section 60102, Public Law 117-58, 135 Stat. 429 (November 15, 2021) (Infrastructure Act or Act), also known as the Bipartisan Infrastructure Law.

**“BEAD NOFO”** herein refers to the Broadband Equity, Access, and Deployment Program Notice of Funding Opportunity posted by the National Telecommunications and Information Administration (NTIA) to describe the requirements under which it will award grants for the BEAD Program.

**“Broadband Serviceable Location”** (also abbreviated as “BSL” or “location”) means a business or residential location in the United States at which fixed broadband Internet access service is, or can be, installed.<sup>4</sup>

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<sup>1</sup> For more details, please see NTIA, BEAD NOFO, page 7.

<sup>2</sup> NTIA, BEAD NOFO, page 11.

<sup>3</sup> NTIA, Broadband Equity, Access, and Deployment (BEAD) Program: Selecting the Most Robust, Affordable, Scalable Technology, [https://broadbandusa.ntia.gov/sites/default/files/2024-06/BEAD\\_Selecting\\_Technology\\_Policy\\_Notice\\_0.pdf](https://broadbandusa.ntia.gov/sites/default/files/2024-06/BEAD_Selecting_Technology_Policy_Notice_0.pdf), page 3.

<sup>4</sup> NTIA, BEAD NOFO, page 13.

**“Community Anchor Institution” (CAI)** means an entity such as a school or institute of higher education; a library; a health clinic, health center, hospital, or other medical provider; a public safety entity (e.g., a fire house, an emergency medical service station, a police station, or a public safety answering point); a public housing organization (including any public housing agency, HUD-assisted housing organization, or Tribal housing organization); a government building; a park; or a community support organization that facilitates wider use of broadband service by vulnerable populations, which include but are not limited to low-income individuals, unemployed individuals, children, the incarcerated, and aged individuals. Such community support organizations could include childcare centers, employment centers, re-entry support organizations, senior centers, and community-based organizations (CBOs).<sup>5</sup>

**“Consortium”** refers to a group of eligible entities bidding for BEAD deployment subgrants as a multi-entity partnership.

**“DCEO” or “State”** refers to the Illinois Department of Commerce and Economic Opportunity.

**“Deconfliction”** refers to the process by which projects with overlapping Project Area Unit(s) will be reviewed and adjusted to determine which applicant shall be awarded the overlapping project area unit(s). For details, refer to the State of Illinois, BEAD Initial Proposal, Volume II, Requirement 2.4.6,<sup>6</sup> and Section E of this NOFO.

**“Eligible Community Anchor Institution”** means a Community Anchor Institution that lacks access to gigabit-level broadband service. The list of Eligible Community Anchor Institutions was finalized at the conclusion of the BEAD Challenge Process and cannot be amended to add or remove additional Eligible Community Anchor Institutions.

**“Enforceable commitment”** is a commitment to deploy qualifying broadband to a location as a condition of another award for the provision of broadband service. The full list of awards counting toward an enforceable commitment can be found in the BEAD NOFO.<sup>7</sup>

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<sup>5</sup> State of Illinois, BEAD Initial Proposal, Volume I, pages 14 and 21-23

<sup>6</sup> State of Illinois, BEAD Initial Proposal, Volume II, pages 57-58

<sup>7</sup> NTIA, BEAD NOFO, page 36-37, footnote 52. “An enforceable commitment for the deployment of qualifying broadband to a location exists when the commitment to deploy qualifying broadband service to that location was made as a condition of:

- Any grant, loan, or loan guarantee provided by the State of Illinois to the provider of broadband service;
- Any grant, loan, or loan guarantee provided by the Secretary of Agriculture under:
  - Title VI of the Rural Electrification Act of 1936 (7 U.S.C. § 950bb et seq.), including any program to provide grants, loans, or loan guarantees under Sections 601 through 603 of that Act (7 U.S.C. § 950bb et seq.); and the Community Connect Grant Program established under Section 604 of that Act (7 U.S.C. § 950bb–3); or
  - The broadband loan and grant pilot program known as the “Rural eConnectivity Pilot Program” or the “ReConnect Notice of Funding Opportunity Program” authorized under Section 779 of Division A of the Consolidated Appropriations Act, 2018 (Public Law 115–141; 132 Stat. 348);
- Any high-cost universal service support provided under Section 254 of the Communications Act of 1934 (47 U.S.C. § 254), except in the case of the Rural Digital Opportunity Fund, in which a location will be considered to have an enforceable commitment for qualifying broadband only (a) after the Federal Communications Commission has announced in a Public Notice that RDOF support for that location is ready-to-authorize or is authorized, and (b) if the provider does not rely on satellite technologies to deliver service;
- Any grant provided under Section 6001 of the American Recovery and Reinvestment Act of 2009 (47 U.S.C. § 1305);
- Amounts made available for the Education Stabilization Fund established under the heading “DEPARTMENT OF EDUCATION” in Title VIII of Division B of the CARES Act (Public Law 116–136; 134 Stat. 564) and funded under the CARES Act, the Coronavirus Response and

**“Extremely High Cost Per Location Threshold” (EHCPLT)** is a cost per location above which the State has the option to decline to select a proposal if using an alternative technology meeting the BEAD Program’s technical requirements would be less expensive. The EHCPLT will be utilized during the subgrantee selection process.<sup>8</sup>

**“GATA”** refers to the Grant Accountability and Transparency Act [30 ILCS 708].

**“Hard-to-serve Project Area Unit”** is a Project Area Unit that the State has designated as hard to serve, meeting at least one of the following criteria:

- Has a high proportion of unserved BSLs;
- Contains a high proportion of BSLs that have had little provider interest in prior Connect Illinois grant rounds, federal grant rounds, or outcomes of previous grant rounds (i.e., Connect Illinois Rd 1, Rd 2, and Rd 3);
- Is in a Persistent Poverty County<sup>9</sup>; or
- Is in a High-Cost Area (HCA).

The State will publish the list of hard-to-serve Project Area Units before the subgrantee process commences.

**“High-cost area” (HCA)** is an unserved area which NTIA has determined that the cost of building out broadband service is higher, as compared with the average cost of building out broadband service in unserved areas in the United States.<sup>10</sup> In the State of Illinois, this specifically refers to the following Census Block Groups (by FIPS ID), based on the NTIA’s determination as of August 2024: 170230601005 (Clark County), 171018808003 (Lawrence County), 171030001003 (Lee County), 171239613001 (Marshall County), 171599779003 (Richland County), and 171979800001 (Will County).<sup>11</sup> Project areas consisting of only Project Area Units in High-Cost Areas are exempt from the minimum 25 percent matching funds requirement.<sup>12</sup>

**“Illinois BEAD Map”** (also known as “Project Area Selection Tool”) is an interactive map created for the Illinois Office of Broadband and available via its website for purposes of administering the BEAD-Funded Connect Illinois Round 4.

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Relief Supplemental Appropriations Act (CRRSA Act), and the American Rescue Plan Act (ARP Act);

- Amounts made available for the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) established under the American Rescue Plan Act of 2021 (Public Law 117–2; 135 Stat. 4) (ARPA);
- Amounts made available for the Capital Projects Fund established by Section 604 of the Social Security Act, as added by Section 9901 of ARPA; or
- Any other grant, loan, or loan guarantee provided by, or funded in whole or in part by, the federal government or a State or Territorial government for the provision of broadband service.”

<sup>8</sup> NTIA, BEAD NOFO, page 13.

<sup>9</sup> “Persistent Poverty Counties” means any county, including county equivalent areas in Puerto Rico, that has had 20% or more of its population living in poverty over the past 30 years, as measured by the 1990 and 2000 decennial censuses and the 2011–2015 5- year data series available from the American Community Survey of the Bureau of the Census. Three counties (Alexander, Jackson, and Pulaski County) are categorized as persistent poverty county in 2023 according to ACS data (<https://www.census.gov/content/dam/Census/library/publications/2023/acs/acs-51%20persistent%20poverty.pdf>).

<sup>10</sup> NTIA, BEAD NOFO, page 13.

<sup>11</sup> For details, refer to NTIA, BEAD NOFO, page 13. High-Cost Area designation from NTIA, “BEAD Allocation Methodology,” accessed August 1, 2024, <https://www.internetforall.gov/program/broadband-equity-access-and-deployment-bead-program/bead-allocation-methodology>; county information from FCC, “2020 Census Blocks by State,” accessed August 1, 2024, <https://www.fcc.gov/general/2020-census-blocks-state>.

<sup>12</sup> For more details, refer to State of Illinois, BEAD Initial Proposal, Volume II, Page 55

**“Must-include Project Area Unit”** means a Project Area Unit within an application that the applicant has identified as necessary to make the project viable. Applicants must indicate which Project Area Units are must-include Project Area Units upon application submission. During the deconfliction process, if an application’s “must-include Project Area Units” conflict with the project area of a preliminarily selected project, the applicant will have the option to withdraw their application, and the application will not be automatically descope during deconfliction.<sup>13</sup>

**“NTIA-approved challenge process dataset”** means the complete list of locations and Community Anchor Institutions within Illinois that are eligible for BEAD grant funds, including whether a particular location is an unserved location, underserved location, or eligible CAI.

**“Priority Broadband Project”** is a project that will provision service via end-to-end fiber-optic facilities to each end-user premise.<sup>14</sup>

**“Program”** refers to the Connect Illinois Broadband Grant Program that uses federal Broadband Equity, Access, and Deployment (BEAD) dollars as a funding source.

**“Project”** means an undertaking by a subgrantee to construct and deploy infrastructure for the provision of broadband service. A “project” may constitute a single Project Area Unit or a grouping of Project Area Units in which not less than 80 percent of broadband-serviceable locations served by the project are unserved locations or underserved locations.<sup>15</sup>

**“Project area”** means a set of Project Area Units that applicants propose to serve in a subgrantee application. Applicants may pick any number of Project Area Units to form a project area; however, applicants may not split up a Project Area Unit when defining their project area. Project Area Units within a project area are not required to be contiguous.<sup>16</sup>

**“Project Area Unit (PAU)”** means a collection of unserved and underserved locations and CAIs that are eligible for inclusion in an application. Applicants cannot break up a Project Area Unit into smaller collections of unserved and underserved locations and CAIs. Project Area Units do not overlap and collectively contain all unserved and underserved locations and eligible CAIs in the state. Only unserved and underserved locations without an enforceable commitment will be included in Project Area Units.<sup>17</sup>

**“Reference cost”** means the per-Project Area Unit cost benchmark established by the State to represent the estimated financial need to serve the given Project Area Unit. Reference costs are established based on CostQuest Associates’ (CQA) Net Present Value estimation assuming a greenfield buildout. The reference cost of a project area is calculated as the sum of the reference costs of the PAUs.<sup>18</sup>

**“Reliable Broadband Service”** means broadband service that the Illinois BEAD map shows to be accessible to a location via (i) fiber-optic technology; (ii) cable modem / hybrid fiber-coaxial technology; (iii) digital subscriber line (DSL) technology; or (iv) terrestrial fixed wireless technology using an entirely licensed spectrum or a hybrid of licensed and unlicensed spectrum.<sup>19</sup>

**“State”** means the State of Illinois.

**“Subgrantee”** means an entity that receives grant funds from the BEAD-Funded Connect Illinois Round 4 to carry out eligible activities.<sup>20</sup>

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<sup>13</sup> Illinois BEAD Initial Proposal, Volume II, Page 56

<sup>14</sup> NTIA, BEAD NOFO, page 14.

<sup>15</sup> NTIA, BEAD NOFO, page 14.

<sup>16</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 56.

<sup>17</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 56.

<sup>18</sup> For details, refer to State of Illinois, BEAD Initial Proposal, Volume II, pages 41-42.

<sup>19</sup> NTIA, BEAD NOFO, page 15.

<sup>20</sup> NTIA, BEAD NOFO, page 15.

**“Tribal Government”** means the governing body of any Indian or Alaska Native Tribe, band, nation, pueblo, village, community, component band, or component reservation, individually recognized (including parenthetically) in the list published most recently as of the date of enactment of this Act pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. § 5131).<sup>21</sup>

**“Tribal Lands”** means (A) any land located within the boundaries of — (i) an Indian reservation, pueblo, or rancheria; or (ii) a former reservation within Oklahoma; (B) any land not located within the boundaries of an Indian reservation, pueblo, or rancheria, the title to which is held — (i) in trust by the United States for the benefit of an Indian Tribe or an individual Indian; (ii) by an Indian Tribe or an individual Indian, subject to restriction against alienation under laws of the United States; or (iii) by a dependent Indian community; (C) any land located within a region established pursuant to section 7(a) of the Alaska Native Claims Settlement Act (43 U.S.C. § 1606(a)); (D) Hawaiian Home Lands, as defined in section 801 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. § 4221); or (E) those areas or communities designated by the Assistant Secretary of Indian Affairs of the Department of the Interior that are near, adjacent, or contiguous to reservations where financial assistance and social service programs are provided to Indians because of their status as Indians; and the term.<sup>22</sup> A Resolution of Consent is required from each Tribal Government for broadband deployment projects in its Tribal Land.<sup>23</sup>

**“Uniform Guidance”** refers to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR 200.

**“Underserved location”** means a broadband-serviceable location that is (a) not an unserved location, and (b) shown by the NTIA-approved challenge process dataset as lacking access to reliable broadband service with (i) a speed of 100 Mbps or above for download, (ii) a speed of 20 Mbps or above for upload, and (iii) latency less than or equal to 100 milliseconds.<sup>24</sup>

**“Unserved location”** means a broadband-serviceable location that the NTIA-approved challenge process dataset shows as (a) having no access to broadband service, or (b) lacking access to reliable broadband service offered with (i) a speed of 25 Mbps or above for download, (ii) a speed of 3 Mbps or above for upload, and (iii) latency less than or equal to 100 milliseconds.<sup>25</sup>

## Program History

Connect Illinois is authorized by Section 605-20 of Department of Commerce and Economic Opportunity Law [20 ILCS 605] and The Broadband Infrastructure Advancement Act [220 ILCS 81]. Connect Illinois represents an integral and strategic component of both the comprehensive 2019 Rebuild Illinois infrastructure program and the State’s five-year economic plan to expand economic opportunity and reduce socio-economic gaps through equity investment.

Through multiple rounds of competitive matching grants, Connect Illinois aims to achieve ubiquitous, statewide broadband access for homes, businesses, and community anchor institutions. At the same time, Connect Illinois has sought progress in digital equity and inclusion while leveraging investment in new broadband infrastructure to advance use and innovation in such areas as agriculture, economic development, education, and telehealth.

## Performance Goals and Measures

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<sup>21</sup> NTIA, BEAD NOFO, page 16.

<sup>22</sup> NTIA, BEAD NOFO, pages 15-16.

<sup>23</sup> NTIA, BEAD NOFO, page 48. For details on the NTIA requirements on the Resolution of Consent, please refer to the NTIA BEAD Final Proposal Guidance, 71-72 ([https://broadbandusa.ntia.gov/sites/default/files/2024-09/BEAD\\_Final\\_Proposal\\_Guidance.pdf](https://broadbandusa.ntia.gov/sites/default/files/2024-09/BEAD_Final_Proposal_Guidance.pdf)).

<sup>24</sup> NTIA, BEAD NOFO, page 16.

<sup>25</sup> NTIA, BEAD NOFO, page 17.

The primary goal of the Program is to make progress toward achieving universal broadband access statewide and digital equity by 2030. Details of these goals are included in the State's BEAD Five-Year Action Plan and Initial Proposal Volumes I and II.

Subgrantees will be required to submit performance data to the State on a quarterly basis, as well as to report the completion of project milestones as defined in each subgrantee's award agreement. Subgrantees will be required to submit reports on program performance metrics, which will include but not be limited to:

- Number of unserved BSLs that are now served (i.e., 100/20 Mbps);
- Number of underserved BSLs that are now served (i.e., 100/20 Mbps);
- Number of BSLs with access to minimum 100/100 Mbps broadband service;
- Number of schools, libraries, and public health-related entities with access to minimum 1 Gbps symmetrical broadband service;
- Number of other eligible CAls with access to 1 Gbps symmetrical broadband service.

For more details on reporting requirements, please refer to Section F of this NOFO.

#### Other Information

N/A

## **B. Funding Information**

This grant program is utilizing federal funds received from the U.S. Department of Commerce's National Telecommunications and Information Administration (NTIA) through the Broadband Equity, Access, and Deployment (BEAD) Program authorized by the Infrastructure Investment and Jobs Act of 2021, Division F, Title I, Section 60102, Public Law 117-58, 135 Stat. 429 (November 15, 2021) (Infrastructure Act or Act), also known as the Bipartisan Infrastructure Law, appropriated by the General Assembly.<sup>26</sup> Total amount of funding expected to be awarded through this NOFO is \$1,000,000,000.

The State expects the period of performance to be four years from the day the subgrant agreement is executed.<sup>27</sup> Execution of grant agreements and the subsequent release of funds to awardees is subject to the NTIA's approval of Illinois's BEAD Final Proposal. Upon completion of the award, subgrantees shall be capable of performing a standard broadband installation of qualifying broadband service to an end-user, at a standard installation charge, within 10 business days of a service request.<sup>28</sup>

#### ***Eligible costs***

**Eligible costs in general:** Per the BEAD NOFO V.H.1, BEAD grant recipients may only use federal award funds and any non-federal cost share committed to an award to pay for allowable costs under the BEAD program.<sup>29</sup> Costs must be reasonable, necessary, allocable, and allowable for the proposed project and conform to generally accepted accounting principles.<sup>30</sup> Funds committed to an award may only be used to cover allowable costs incurred during the period of performance, in addition to pre-award expenses and allowable closeout costs incurred during the grant closeout process.<sup>31</sup> Such pre-

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<sup>26</sup> NTIA, BEAD NOFO, page 5

<sup>27</sup> NTIA, BEAD NOFO, page 65, emphasis added: "Eligible Entities shall ensure that each subgrantee deploys its Funded Networks and begins providing broadband service to each customer that desires broadband service not later than four years after the **date on which the subgrantee receives the subgrant** for the applicable network."

<sup>28</sup> Note that, per the Broadband DATA Act, the term 'standard broadband installation' includes the initiation of fixed broadband internet access service through routine installation that can be completed not later than 10 business days after the date on which the service request is submitted.

For details, refer to Broadband DATA Act, accessed August 7, 2024, <https://www.congress.gov/bill/116th-congress/senate-bill/1822/text>.

<sup>29</sup> NTIA, BEAD NOFO, page 81-82.

<sup>30</sup> NTIA, BEAD NOFO, page 81-82.

<sup>31</sup> NTIA, BEAD NOFO, page 81.

award and closeout costs must be included in the applicant's proposed project budget for the BEAD-Funded Connect Illinois Round 4 to be considered.

The program will apply NTIA's guidance on the implementation of exceptions, adjustments, and clarifications to certain provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), codified at 2 CFR Part 200, and the application of related provisions of the Uniform Guidance to the BEAD program.<sup>32</sup> Details on eligible costs per the BEAD Program are included below.

**Eligible costs for last-mile broadband deployment projects:** Per the BEAD NOFO, eligible uses of funding in connection with last-mile broadband deployment projects include the following:

- Construction, improvement, and/or acquisition of the facilities and telecommunications equipment required to provide qualifying broadband service, including infrastructure for backhaul, middle- and last-mile networks, and multi-tenant buildings.
- Long-term leases (for terms greater than one year) of facilities required to provide qualifying broadband service, including indefeasible right-of-use (IRU) agreements.
- Deployment of internet and Wi-Fi infrastructure within an eligible multi-family residential building.
- Engineering design, permitting, and work related to environmental, historical, and cultural reviews.
- Personnel costs, including salaries and fringe benefits for staff and consultants who provide services directly connected to the implementation of the BEAD program (such as project managers, program directors, and subject-matter experts).
- Network software upgrades, including but not limited to cybersecurity solutions.
- Training for cybersecurity professionals who will work on BEAD-funded networks.
- Workforce development – including Registered Apprenticeships and pre-apprenticeships – and community college and/or vocational training for broadband-related occupations to support deployment, maintenance, and upgrades.<sup>33</sup>
- Reasonable financing costs that meet the definitions of 2 C.F.R. 200.

#### **Pre-award expenses and closeout costs**

- **Pre-award expenses and closeout costs:** BEAD-Funded Connect Illinois Round 4 will allow pre-award and closeout costs that are permissible per the BEAD Program. These costs should be included in the applicant's proposed program budget toward the requested BEAD fund outlay and clearly indicated as pre-award or closeout costs, respectively. The applicant will be scored against the amount of BEAD funds requested per the scoring criteria "Minimum BEAD Program outlay: Financial need with respect to reference cost," and as such is expected to prepare a competitive budget. The State will apply scrutiny to pre-award and closeout costs in the proposed budget to ensure cost-reasonableness and reserves the right to remove them from the proposed budget if they do not meet the BEAD requirement that costs be "reasonable, necessary, allocable, and allowable for the proposed project [...] and conforming to generally accepted accounting principles."<sup>34</sup>
  - **Pre-award expenses:** In line with 2 C.F.R. 200.458, pre-award costs shall be allowable only to the extent that they would have been allowable if incurred after the date of the BEAD award and only with the written approval of the NTIA.<sup>35</sup> If charged to the award, these costs must be charged to the initial budget period of the award, unless otherwise specified by the NTIA or the State.<sup>36</sup> The State will consider eligible costs for last-mile broadband deployment projects outlined above as allowable.
  - **Closeout costs:** The State will allow reasonable closeout costs in line with the below guidance from the Department of Commerce's Standard Terms and Conditions as of November 12, 2020:

<sup>32</sup> For details, refer to NTIA, "Policy Notice: Tailoring the Application of the Uniform Guidance to the BEAD Program - [https://broadbandusa.ntia.doc.gov/sites/default/files/2023-12/BEAD\\_Policy\\_Notice\\_of\\_Uniform\\_Guidance\\_Part\\_200\\_Exceptions\\_Related\\_Issues.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2023-12/BEAD_Policy_Notice_of_Uniform_Guidance_Part_200_Exceptions_Related_Issues.pdf)."

<sup>33</sup> NTIA, BEAD NOFO, page 39.

<sup>34</sup> NTIA, BEAD NOFO, page 81.

<sup>35</sup> 2 CFR 200.458

<sup>36</sup> 2 CFR 200.458

Reasonable, necessary, allowable and allocable administrative award closeout costs are authorized for a period of up to 120 calendar days following the end of the period of performance. For this purpose, award closeout costs are those strictly associated with close-out activities and are typically limited to the preparation of final progress, financial, and required project audit reports, unless otherwise approved in writing by the Grants Officer. A non-Federal entity may request an extension of the 120-day closeout period, as provided in 2 C.F.R. § 200.344 (Closeout).<sup>37</sup>

**Eligible costs as they pertain to locations that are not unserved or underserved:** Per the BEAD NOFO, up to 20 percent of the project may be composed of BSLs that are not unserved or underserved.<sup>38</sup> An applicant who chooses to include such locations must only select locations within the Project Area Unit(s) that comprise their Project Area. The applicant must submit a list of all selected locations that are not unserved or underserved as part of their application, and share the rationale for doing so to demonstrate how including these locations is necessary for the proposed project. The State will closely review funding requests for locations that are not unserved or underserved to ensure the efficient use of BEAD funds, and reserves the right to reject funding requests for these locations and to request a revised application that does not include these locations.

### ***Ineligible costs***

Costs that are ineligible for the BEAD program may not be paid for with matching funds committed to an award. The following costs are specifically identified as prohibited under the BEAD program:

- **Use of grant funds for covered communications equipment or services under the Secure and Trusted Communications Networks Act.** A subgrantee (including their contractors and subcontractors) may not use grant funds received under the BEAD program to purchase or support any covered communications equipment or service, as defined in Section 9 of the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. § 1608).
- **Profit and fees.** A profit, fee, or other incremental charge above the actual cost incurred by a subgrantee is not an allowable cost under this Program.
- **Use of grant funds to support or oppose collective bargaining.** A subgrantee may not use grant funds – whether directly or indirectly – to support or oppose collective bargaining.<sup>39</sup>

Additionally, indirect costs may not be included in this opportunity.

### ***Additional information regarding award execution and grant agreements***

**Award information:** Applicants must submit a project narrative that describes in detail how the award will be executed. The project narrative should include sufficient information regarding the project scope, the budget, and any additional information that would enable the DCEO to manage the grant agreement activity according to planned project performance expectations.

**Payment terms and use of fixed-amount subawards:** Funds will be disbursed through fixed-amount subawards based on the milestones defined in the grant agreement and in compliance with the NTIA's guidance on the implementation of exceptions, adjustments, and clarifications to certain provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), codified at 2 CFR Part 200, and the application of related provisions of the Uniform Guidance to the BEAD Program.

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<sup>37</sup> Department of Commerce, "Standard Terms and Conditions," November 12, 2020, accessed July 25, 2024, [https://www.commerce.gov/sites/default/files/2020-11/DOC%20Standard%20Terms%20and%20Conditions%20-%202012%20November%202020%20PDF\\_0.pdf](https://www.commerce.gov/sites/default/files/2020-11/DOC%20Standard%20Terms%20and%20Conditions%20-%202012%20November%202020%20PDF_0.pdf).

<sup>38</sup> NTIA, BEAD NOFO, page 14, states that a project "may constitute [...] 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."

<sup>39</sup> NTIA, BEAD NOFO, page 82.



In accordance with the NTIA's "Policy Notice: Tailoring the Application of the Uniform Guidance to the BEAD Program," payments to subgrantees under fixed-amount subawards shall be made on a reimbursement basis in accordance with the terms of the grants. Pursuant to 2 CFR 200.201(b)(3), the subgrantees must certify in writing to the State at the end of the BEAD award that the broadband infrastructure project funded under the fixed-amount subaward was completed. Accordingly, a subgrantee receiving a fixed-amount subaward must certify to the State that the broadband infrastructure project was placed into service – as defined in 47 USC 1702(h)(4)(C) for last-mile broadband deployment projects or in the grant agreement for all other broadband infrastructure projects – by the end of the State's period of performance.<sup>40</sup>

**Specific reimbursement requirements for the NTIA Letter of Credit requirements:** Prior to entering into any subgrantee agreement, subgrantees must provide the State with an irrevocable standby letter of credit in the required form, acceptable in all respects to the State, in a value of no less than 25 percent of the subaward amount.<sup>41</sup> Alternatively, applicants may employ the BEAD Letter of Credit Waiver, which, among other things, allows subgrantees to maintain a letter of credit or performance bond in the amount of 10 percent of the subaward instead if reimbursements occur no less frequently than every six months.<sup>42</sup> For subgrantees employing this waiver option, the grant agreement may allow for interim milestone reimbursements when necessary to ensure reimbursements occur no less than every six months to ensure compliance with the relevant requirement.

**The release of this NOFO does not obligate the State to make an award.**

## C. Eligibility Information

An entity must be registered in the Grant Accountability and Transparency Act (GATA) Grantee Portal, <https://grants.illinois.gov/portal/>, at the time of grant application. The portal will verify that the entity:

- Has a valid FEIN number (<https://www.irs.gov/individuals/international-taxpayers/taxpayer-identification-numbers-tin#:~:text=You%20can%20use%20the%20IRS%27s,for%20Individual%20Taxpayer%20identification%20Number>);
- Has a current SAM.gov registration (<https://sam.gov>), SAM.gov registrations must be marked as "public" to allow the GATA Grantee Portal to expedite the review of the federal information;
- Has a valid UEI number (<https://sam.gov>);
- Is not on the Federal Excluded Parties List (verified at <https://sam.gov>);
- Is in Good Standing with the Illinois Secretary of State, as applicable ([https://www.cyberdriveillinois.com/departments/business\\_services/corp.html](https://www.cyberdriveillinois.com/departments/business_services/corp.html));
- Is not on the Illinois Stop Payment list (verified once entity is registered in GATA Grantee Portal); and
- Is not on the Department of Healthcare and Family Services Provider Sanctions list (<https://www.illinois.gov/hfs/oig/Pages/SanctionsList.aspx>).

Entities on the Illinois Stop Payment List and/or the Federal Excluded Parties List at time of application submission will not be considered for an award.

An automated email notification to the entity alerts them of "qualified" status or informs how to remediate a negative verification (e.g., not in good standing with the Secretary of State). A federal Debarred and Suspended status cannot be remediated.

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<sup>40</sup> NTIA, "Policy Notice: Tailoring the Application of the Uniform Guidance to the BEAD Program - [https://broadbandusa.ntia.doc.gov/sites/default/files/2023-12/BEAD\\_Policy\\_Notice\\_of\\_Uniform\\_Guidance\\_Part\\_200\\_Exceptions\\_Related\\_Issues.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2023-12/BEAD_Policy_Notice_of_Uniform_Guidance_Part_200_Exceptions_Related_Issues.pdf)."

<sup>41</sup> *Id.* at 72-73.

<sup>42</sup> For details, refer to NTIA, "BEAD Letter of Credit Waiver - <https://broadbandusa.ntia.gov/funding-programs/policies-waivers/BEAD-Letter-of-Credit-Waiver>."

Pursuant to the policy of the Illinois Office of the Comptroller, to receive grant funds from the State of Illinois, a grantee must be considered a regarded entity by the IRS for federal income tax purposes. Disregarded entities will not be eligible to receive grant funds.

**1. Eligible Applicants**

**Eligible participant type:** Entities that can deploy broadband are eligible to apply. Eligible entities include, but are not limited to, an incorporated business or partnership, a political subdivision, a nonprofit organization, a cooperative association, or a limited liability corporation organized for the purpose of expanding broadband access. As required by the Infrastructure Act, the State shall not exclude cooperatives, nonprofit organizations, public-private partnerships, private companies, public or private utilities, public utility districts, or local governments from eligibility for grant funds for broadband deployment projects.<sup>43</sup>

Participants leveraging Reliable Broadband Service technology or Alternative Technology are eligible to participate. BEAD-Funded Connect Illinois Round 4 will consider technology types in the prioritization approach outlined in the BEAD NOFO and Section E of this NOFO.

**Eligible participant qualifications:** As detailed in the BEAD NOFO, IV.D, and the State’s Initial Proposal Volume II, below is a high-level list of qualifications that subgrantees must meet to receive BEAD funding, among others.<sup>44</sup> These requirements will be incorporated into the BEAD-Funded Connect Illinois Round 4 process by including them in grant agreement terms and conditions, and grant-monitoring program requirements. Applications that do not meet the minimum qualifications outlined below, in the BEAD NOFO, IV.D, and other relevant sections, will not be considered for BEAD funding.

Category	Qualification
Overall	All certifications regarding relevant requirements, compliance, and other information pertinent to BEAD qualifications
Financial capabilities	Financial certification
	Evidence of sufficient funding
	Letter of credit and relevant details / supporting documents
	Financial statements
	Business plans
Managerial capabilities	Résumés
	Organizational chart(s)
	Managerial readiness
Technical capabilities	Technical qualifications
	Use of skilled and credentialed workforce
	Network design, diagram, project costs, build-out timeline and milestones for project implementation, all certified by a Professional Engineer
	Capital investment schedule
Legal and regulatory compliance	History of compliance
	Commitment to comply with all laws
	Occupational safety and health requirements
Operational capabilities	Years of service <i>[Applicable to prospective subgrantees that have provided a voice, broadband, and/or electric transmission or distribution service for at least two (2) consecutive years prior to the date of their application or that are wholly owned subsidiaries of such an entity]</i>
	Certification and evidence of timely FCC Form 477 and Broadband DATA Act submissions <i>[Applicable to prospective subgrantees that have provided a voice and/or broadband service]</i>

<sup>43</sup> For details refer to NTIA, BEAD NOFO, page 50-51.

<sup>44</sup> For details, refer to NTIA, BEAD NOFO, pages 71-76.

	Certification of timely submission of qualifying operating and financial reports to relevant institutions [Applicable to prospective subgrantees that have operated only an electric transmission or distribution service]
	Narrative and evidence of operational capacity [Applicable to new entrants]
Ownership	Ownership information consistent with the requirements set forth in 47 C.F.R. § 1.2112(a)(1)-(7)
Stewardship of other public funding	Lack of federal debarment
	No previous history of incomplete projects
	Disclosure of other broadband projects in the State of Illinois
	Progress update on RDOF & CAFII awards in the State of Illinois
Labor requirements	History of compliance with labor laws
	Plans for ensuring compliance with federal labor and employment laws
	[If applicable] Certification that a project includes a project labor agreement (PLA), with a copy of the PLA

**Additional guidance for consortia participants:** Two or more entities otherwise eligible to bid for BEAD deployment subgrants may submit a bid as multi-entity partnerships and consortia. In these cases, the entity must submit the underlying consortium agreement between the parties, the consortium’s organizational structure, and the participants’ roles and relationships as part of the qualification process so that the State may assess whether the underlying obligations among the parties sufficiently meet the BEAD Program’s qualification requirements. Pursuant to the BEAD Program’s requirement to establish a fair, open, and competitive process for selecting subgrantees, any party that participates in a multi-entity partnership or consortium may join only one such entity. Applicants and any representatives thereof, shall not enter into any other combination, collusion, or agreement in regard to participation in the BEAD program. To this end, an entity cannot apply for PAU(s) simultaneously as an individual entity and as part of a consortium.<sup>45</sup>

The State will structure awards to multi-entity partnerships and consortia in a way that best serves the goals and the interests of the BEAD-Funded Connect Illinois Round 4 program. The State may, at its discretion, enter into subrecipient agreements with the individual entities in a multi-entity partnership or consortium, while in others it may require the multi-entity partnership or consortium to identify a lead subrecipient. No matter how the State structures the award, all subrecipient agreements will fully comply with the requirements of the BEAD Program, and all final subrecipients will meet BEAD qualification requirements.

## 2. Cost Sharing or Matching.

Except in certain specific circumstances, broadband network infrastructure deployment projects require the provision of matching funds of not less than 25 percent of total project costs.<sup>46</sup> The match can come from private and/or public sources available to the applicant. The Merit Review Process will award points to applications that leverage matching funds of 30 percent or more of total eligible project costs. Should an applicant be unable to meet the 25 percent match requirement, the applicant can petition the State to apply for a match waiver from the NTIA for their proposed project, which will be subject to the NTIA’s approval.<sup>47</sup> The NTIA, at its sole discretion, may choose to deny a full or partial waiver of the match requirement, in which case the application must be revised.<sup>48</sup>

**Match requirements:** All matching funds for BEAD-Funded Connect Illinois Round 4 must meet the requirements in 2 C.F.R. 200.306:

<sup>45</sup> See NTIA, BEAD NOFO, page 35 for details on the BEAD Program’s requirements for establishing a fair, open, and competitive process for selecting subgrantees.

<sup>46</sup> NTIA, BEAD NOFO, page 20.

<sup>47</sup> NTIA, BEAD NOFO, page 20.

<sup>48</sup> NTIA, Broadband Equity, Access, and Deployment (BEAD) Program: Selecting the Most Robust, Affordable, Scalable Technology, [https://broadbandusa.ntia.gov/sites/default/files/2024-06/BEAD\\_Selecting\\_Technology\\_Policy\\_Notice\\_0.pdf](https://broadbandusa.ntia.gov/sites/default/files/2024-06/BEAD_Selecting_Technology_Policy_Notice_0.pdf).

- Are verifiable from the non-federal entity's records
- Are not included as contributions for any other federal award
- Are necessary and reasonable to accomplish project or program objectives
- Are allowable under subpart E of 2 C.F.R. 200.306
- Are not paid by the federal government under another federal award, except where the federal statute authorizing a program specifically provides that federal funds made available for such program can be applied to matching or cost-sharing requirements of other federal programs (see "**Matches from other federal programs and entities**" below for details)
- Are provided for in the approved budget when required by the federal awarding agency
- Conform to other provisions of 2 C.F.R. 200.306, as applicable.<sup>49</sup>

**Match source:** Per BEAD NOFO III.B.1, a matching contribution may be provided by the subgrantee, the State of Illinois, a unit of local government, a utility company, a cooperative, a nonprofit or philanthropic organization, a for-profit company, a regional planning or governmental organization, a federal regional commission or authority, or any combination thereof.<sup>50</sup> Should state matching funds become available, the State will post the update on its BEAD website with a description of how the funds will become accessible in the subgrantee selection process. The State will also incorporate this information in the Illinois Broadband Connections newsletter to ensure all are aware of this opportunity.

**Match type:** Per BEAD NOFO III.B.4, matching funds may be provided in the form of either cash or in-kind contributions, so long as such contributions are 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:** In-kind contributions, which may include third-party in-kind contributions, are non-cash donations of property, goods, or services that benefit a federally assisted project and that may count toward satisfying the non-federal matching requirement of a project's total budgeted costs when such contributions meet certain criteria. In-kind contributions must be allowable and allocable project expenses. The rules governing allowable in-kind contributions are detailed and encompass a wide range of properties and services. Applicants are encouraged to thoroughly consider potential sources of in-kind contributions that, depending on the particular property or service and the applicable federal cost principles, could include employee or volunteer services, equipment, supplies, indirect costs, computer hardware and software, and use of facilities. In the broadband context this could include – consistent with federal cost principles – a waiver of fees associated with access to rights of way, pole attachments, conduits, or easements, or with access to other types of infrastructure.<sup>51</sup> The State notes that in-kind contributions of articles, materials, and supplies to a project are subject to the requirements of the Build America, Buy America (BABA) Act and the United States Department of Commerce's "Limited General Applicability Nonavailability Waiver of the Buy America Domestic Content Procurement Preference as Applied to Recipients of Broadband Equity, Access, and Deployment Program."<sup>52</sup>

**Matches from other federal programs and entities:** Per BEAD NOFO III.B.3, except as expressly provided for in the Infrastructure Act, funds from other Federal programs

<sup>49</sup> For details, see 2 C.F.R. 200.306 - <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.306>.

<sup>50</sup> NTIA, BEAD NOFO, page 20.

<sup>51</sup> NTIA, BEAD NOFO, page 21-22.

<sup>52</sup> For the full waiver, refer to Department of Commerce, Office of Acquisition Management, Build America Buy America, "National Telecommunications and Information Administration Limited General Applicability Nonavailability Waiver of the Buy America Domestic Content Procurement Preference as Applied to Recipients of Broadband Equity, Access, and Deployment Program," accessed August 6, 2024, <https://www.commerce.gov/sites/default/files/2024-02/BABA%20Waiver%20Signed.pdf>.

(including funds from the Commission's Universal Service Fund programs) may not be used as matching funds. The Infrastructure Act expressly provides that matching funds for the BEAD Program may come from a federal regional commission or authority and from funds that were provided to a subgrantee for the purpose of deploying broadband service under the Families First Coronavirus Response Act (Public Law 116-127; 134 Stat. 178); the CARES Act (Public Law 116-136; 134 Stat. 281); the Consolidated Appropriations Act, 2021 (Public Law 116-260; 134 Stat. 1182); or the American Rescue Plan Act of 2021 (Public Law 117-2; 135 Stat. 4), to the extent permitted by those laws. Loan funding issued through a federal agency, such as through the USDA ReConnect Program, may also be used as match funding. Subgrantees are encouraged to consider, and are expected to comply with, terms and conditions that may be associated with potential sources of matching funds and how those may impact the project overall.<sup>53</sup>

**Match documentation:** Consistent with prior Connect Illinois rounds, documentation to validate the availability of matching funds is required as part of the application. If additional financial partners will contribute to the matching funds, the application must also identify the financial partner(s) and provide documentation of the amount and availability of each partner's financial match. Examples of appropriate documentation include:

- A letter of credit;
- A letter confirming funds from a bank;
- A board resolution committing funding;
- Loan documentation.

The Evaluation Committee will scrutinize the documentation to verify the validity of the matching funds, including but not limited to verifying whether a project's proposed in-kind contributions meet the definition of in-kind contributions.

Subgrantee award agreements will require confirmation of the project's matching funds requirement and a description of how the subgrantee will provide the match. The match must be reported to the State at each project milestone and/or unit built and verified through documentation and subgrantee statements. The State will report on matching funds and drawdowns to the NTIA as part of its grant monitoring requirements and verify each match through Federal Program Officer monitoring.<sup>54</sup>

### 3. Indirect Cost Rate.

This grant opportunity is limited to capital improvement expenses. The grant will not compensate for indirect costs, overhead or administrative expenses associated with the execution of the program.

### 4. Freedom of Information Act/Confidential Information.

Applications and accompanying materials are subject to disclosure in response to requests received under provisions of the Freedom of Information Act (5 ILCS 140/1 et seq.). Information that could be proprietary, privileged, or confidential commercial or financial information should be clearly identified as such in the application materials. The State will maintain the confidentiality of that information only to the extent permitted by law.

### 5. Other, if applicable.

**Additional Program Requirements:** All applicants must be compliant, or agree to comply, with all federal and state laws and related regulations to be considered for an award, including, but not limited to:

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. Part 200
- The Department of Commerce Financial Assistance Standard Terms and Conditions

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<sup>53</sup> NTIA, BEAD NOFO, page 21.

<sup>54</sup> NTIA, "BEAD Match Primer," page 6, May 2024, accessed August 6, 2024, [https://broadbandusa.ntia.gov/sites/default/files/2024-05/BEAD\\_Match\\_Primer.pdf](https://broadbandusa.ntia.gov/sites/default/files/2024-05/BEAD_Match_Primer.pdf).

- General Terms and Conditions of the BEAD Program
- The Illinois Human Rights Act
- The Public Works Employment Discrimination Act

See Section F for additional details.

**Eligibility of beneficiaries of low-cost plans provided per the grant program:** As noted in the BEAD NOFO IV.C.2.c.i, the Infrastructure Act requires that each subgrantee receiving BEAD funding to deploy network infrastructure offer at least one low-cost broadband service option.<sup>55</sup> Low-cost broadband service options must remain available for the useful life of the network assets.<sup>56</sup> As outlined in the State’s BEAD Initial Proposal Volume II, the definition of a low-cost broadband service option is as follows:

- Costs \$30 or less per month, including all taxes, fees, and charges, with no additional, non-recurring costs or fees to the consumer. The monthly plan cost may be tied to the Producer Price Index, adjusting for inflation.
- Allows the end-user to apply the Affordable Connectivity Benefit or any related successor program subsidy to the service price.
- Provides the greater of (a) typical download speeds of at least 100 Mbps and typical upload speeds of at least 20 Mbps, or the fastest speeds the infrastructure is capable of if less than 100 Mbps/20 Mbps or (b) the performance benchmark for fixed terrestrial broadband service established by the Federal Communications Commission pursuant to Section 706(b) of the Communications Act of 1934, as amended.
- Provides typical latency measurements of no more than 100 milliseconds.
- Is not subject to data caps, surcharges, or usage-based throttling and is subject only to the same acceptable use policies to which subscribers to all other broadband internet access service plans offered to home subscribers by the participating subgrantee must adhere.
- If the subgrantee later offers a low-cost plan with higher speeds downstream and/or upstream, permits Eligible Subscribers to a low-cost broadband service option to upgrade to the new low-cost offering at no cost.<sup>57</sup>

The State may consider waivers to the \$30-per-month low-cost service offering requirement, such that subgrantees may modify the low-cost service offering to be up to \$40 per month.

As outlined in the State’s BEAD Initial Proposal Volume II, subgrantees are required to participate in the Affordable Connectivity Program (ACP) or any successor program, and Eligible Subscribers who qualify for a broadband service subsidy can apply the subsidy to the proposed service option. Should the ACP or any successor program expire or fail to be established, the proposed service option described herein will remain as described above.<sup>58</sup>

The State will apply the eligibility criteria that was used for the ACP to define Eligible Subscribers for the low-cost broadband service option. Per the FCC, a household was eligible for the ACP if a member of the household meets at least *one* of the criteria below:

- Has an income that is at or below 200 percent of the federal poverty guidelines;
- Participates in certain assistance programs, such as SNAP, Medicaid, Federal Public Housing Assistance, SSI, WIC, or Lifeline;
- Participates in Tribal-specific programs, such as the Bureau of Indian Affairs’ General Assistance, Tribal TANF, or a food distribution program on Indian Reservations;
- Is approved to receive benefits under the free and reduced-price school lunch program or the school breakfast program, including through the USDA Community Eligibility Provision in the 2019-2020, 2020-2021, or 2021-2022 school year;
- Received a Federal Pell Grant during the current award year; or

<sup>55</sup> NTIA, BEAD NOFO, page 66.

<sup>56</sup> NTIA, BEAD NOFO, pages 66-67.

<sup>57</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 126. For details, refer to NTIA, BEAD NOFO, pages 67-68.

<sup>58</sup> Ibid.

- Meets the eligibility criteria for a participating provider's existing low-income program.<sup>59</sup>

This requirement for a low-cost broadband service option will be included in enforceable grant agreements, where the subgrantee must commit to providing low-cost broadband service to subscribers who can confirm that they meet the eligibility criteria that was used for the ACP.

## D. Application and Submission Information

### 1. Address to Request Application Package.

Grant application forms are available at the web link provided in the “Grant Application Link” field of this announcement or by contacting the Program Manager:

Illinois Office of Broadband  
 Illinois Department of Commerce & Economic Opportunity  
 1101 S 2<sup>nd</sup> Street  
 Springfield, IL 62704  
 Email: [broadband@illinois.gov](mailto:broadband@illinois.gov)

### 2. Content and Form of Application Submission.

A standard application package must be submitted and reviewed by the State, which entails the following:

- **Entity Submission Form (Part 1):** Applicants shall submit materials required for BEAD qualification at the entity-level, including but not limited to:
  - Entity-specific qualifications;
  - State of Illinois Conflict of Interest disclosure;
  - State of Illinois Mandatory Disclosures; and
  - W-9 form.

This form should be submitted **once** per entity. Successful completion of the Entity Submission Form will generate an Entity Form ID, which must be submitted across all subsequent project and application form submissions. This Entity Form ID will be sent to the primary and secondary contact email addresses submitted in the application.
- **Project Submission Form (Part 2):** Applicants shall submit materials pertaining to the proposed BEAD-Funded Connect Illinois Round 4 project, for both meeting BEAD qualifications as well as for project scoring purposes. This includes but is not limited to:
  - Project-specific qualifications;
  - Additional project-specific materials for scoring;
  - Budget utilizing the template provided by the State for this project; and
  - State of Illinois Uniform Grant Application in fillable PDF format, with the signature page printed, signed, and submitted.

This form should be submitted for **each** proposed project by the given entity (i.e., multiple submissions would be needed if the same entity is applying for multiple projects). This submission must include the Entity Form ID generated above, with the same Entity Form ID submitted with **each** Project Form submission to link back to the entity materials submitted in Part 1. Each successful completion of the Project Submission Form will generate a Project Form ID that must be submitted as part of the subsequent application form response below. This Project Form ID will be sent to the primary and secondary contact email addresses submitted in the application.
- **Application Submission Form (Part 3):** Applicants must submit the Entity Form ID and the Project Form ID of the submissions they wish the State of Illinois to review, which count as the **official completion** of the application to the State of Illinois. **Only**

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<sup>59</sup> Federal Communications Commission, “FCC Launches Affordable Connectivity Program: Emergency Broadband Benefit Program Transitions to New Affordable Connectivity Program,” December 31, 2021, accessed July 31, 2024, <https://docs.fcc.gov/public/attachments/DOC-378908A1.pdf>.

**the materials associated with the IDs submitted through the Application Submission Form (<https://app.smartsheet.com/b/form/eaf6e7c3122f485eb7b6c4f11e82a6d2>) will be reviewed by the State of Illinois.** This form must be submitted for **each** proposed project that the entity wishes the State of Illinois to consider for the given Wave.

Please refer to the Application Guidebook for details on these requirements.

### **3. Unique Entity Identifier (UEI) and System for Award Management (SAM)**

Each applicant (unless the applicant is an individual or Federal or State awarding agency that is exempt from those requirements under 2 CFR 25.110(b) or (c), or has an exception approved by the Federal or State awarding agency under 2 CFR 25.110(d)) is required to:

- (i) Be registered in SAM. To establish a SAM registration, go to [www.SAM.gov](http://www.SAM.gov) and/or utilize this instructional link: [www.grants.illinois.gov](http://www.grants.illinois.gov) Resource Links tab. SAM.gov registrations must be “public.”
- (ii) Provide a valid UEI number in the GATA Grantee Portal registration.
- (iii) Continue to maintain an active SAM registration with current information at all times during which it has an active Federal, Federal pass-through or State award or an application or plan under consideration by a Federal or State awarding agency. The State awarding agency may not make a Federal pass-through or State award to an applicant until the applicant has complied with all applicable UEI and SAM requirements and, if an applicant has not fully complied with the requirements by the time the State awarding agency is ready to make a Federal pass-through or State award, the State awarding agency may determine that the applicant is not qualified to receive a Federal pass-through or State award and use that determination as a basis for making a Federal pass-through or State award to another applicant.

### **4. Submission Dates and Times.**

The application window for Wave 1 of this opportunity is January 23 – February 26, 2025. Application deadlines for Wave 2 and the optional Wave 3 will be published when available.

Application materials must be submitted to the State via electronic form in subsequent order as per the aforementioned process outlined in *Section 2. Content and Form of Application Submission*.

The State is under no obligation to review applications that do not comply with the above requirements. The State will not review applications that fail to meet the application deadline. The State may follow up should it have questions on any submission.

### **5. Intergovernmental Review, if applicable.**

N/A

### **6. Funding Restrictions.**

Restrictions can be found in Sections A., B., and C.

### **7. Other Submission Requirements.**

Documents stored in Google Docs or other cloud-based servers are not allowed.

Applicants may confirm receipt of the application and documents by contacting the program contact listed in this NOFO.

## **E. Application Review Information.**



**1. Criteria.**

**Scoring criteria:** The State intends to award grants to projects that help advance the Connect Illinois vision while demonstrating optimal use of BEAD funds. An Evaluation Committee team will review and evaluate all applications. This team will use standard criteria and associated point values to evaluate grant applications consistently and uniformly.

The criteria and associated weights outlined below, per the BEAD Initial Proposal Volume II, will be applied to information provided by the applicant in response to the requirements of this NOFO.<sup>60</sup> Applicants will be held accountable via the subgrantee agreement to commitments made toward the scoring criteria.

<b>Primary Criteria (80%)</b>	
<b>Minimum BEAD Program outlay: Non-state match</b> Points will be allocated based on the degree to which non-state match exceeds 30 percent.	20%
<b>Minimum BEAD Program outlay: Financial need with respect to reference cost</b> Points will be allocated based on how much the application's required BEAD outlay deviates from the reference cost published by the State.	30%
<b>Affordability</b> Points will be assigned based on the price the applicant offers for either 1Gbps/1Gbps for Priority Broadband Projects (end-to-end fiber) or 100/20Mbps for other broadband projects, compared to monthly reference prices outlined in Initial Proposal Volume II.	15%
<b>Fair labor practices</b> Points will be assigned based on the applicant's demonstrated record of and plans to comply with federal labor and employment laws and submission of a project labor agreement.	15%
<b>Secondary Criteria (20%)</b>	
<b>Speed to deployment</b> Points will be assigned based on enforceable deployment plans within two years of executed grant agreement.	3%
<b>Speed of network and technical capabilities</b> Points will be assigned based on performance levels and the scalability of networks.	4%
<b>Open access and use of existing network</b> Points will be assigned based on the provision of open access and use of existing networks.	3%
<b>Local coordination: Evidence of community support*</b> Points will be assigned based on the breadth and depth of community support for the project.	5%
<b>Local coordination: Verified financial commitment from community</b> Points will be assigned based on verified financial investment by community members and organizations.	5%

\* The State will consider the following factors in evaluating evidence of community support:  
 (a) degree of personalized letters that reflect a broad spectrum of community members;  
 (b) degree to which the project fits into an existing community strategic plan;  
 (c) recent survey that covers a broad spectrum of the community with statistically meaningful results regarding level of need, gaps, and project support;  
 (d) evidence of community outreach efforts to gauge interest in the project; and

<sup>60</sup> State of Illinois, BEAD Initial Proposal, Volume II, pages 39-40.

(e) other community feedback that shows compelling need and project support. Community feedback is defined by letters of support and input from: community members, local governments, non-profits, neighborhoods, employers, small businesses, CAIs, and other members of the community where a project is proposed.

Evidence to support verification of pledge must be submitted to demonstrate the cited community commitment to receive points (e.g., signed letter of intent, signed letter of commitment, municipal resolutions, etc.).

For further details, please refer to the Application Guidebook and the Connect Illinois BEAD Initial Proposal Volume II, Requirement 2.4.2.1.<sup>61</sup>

### ***Additional Information Related to Scoring***

#### **i. Project Area Information**

If an applicant chooses to submit more than one application for the same Project Area Unit (PAU), each application must use a different technology. That is, an applicant may submit one or a combination of the following:

- A single application that is a Priority Broadband Project (end-to-end fiber);
- A single application that is a Non-Priority Broadband Project using Reliable Broadband Service technology;
- A single application that is an Alternative Technology Project; and/or
- A single application that leverages technologies across two or more of these categories.

In other words, an applicant cannot submit multiple applications for the same Project Area Unit in the same technology category, and the State will accept no more than four applications from one applicant for a given PAU.

#### **ii. Program Guidance**

**Prioritization among unserved locations, underserved locations, and CAIs.** The State shall award funding in a manner consistent with the BEAD NOFO, IV.B.7.b.1. If sufficient funds are not available to fund deployment to all unserved, underserved, or eligible CAI locations, the State will prioritize projects within each of those categories based on a strong preference for projects in high-poverty areas or persistent poverty counties.<sup>62</sup>

**Selection Among Priority Broadband Projects:** Per the BEAD NOFO, IV.B.7.b.2, if just one Priority Broadband Project is proposed in a given Project Area Unit(s), satisfies all other requirements set out in this NOFO, and that proposal does not exceed the State's Extremely High Cost Per Location Threshold (EHCPLT), that proposal is the default winner, absent a waiver from the NTIA Assistant Secretary. If multiple proposals in a Project Area Unit or set of Project Area Units (a) constitute Priority Broadband Projects and (b) satisfy all other subgrantee requirements, the State shall use its approved competitive process to select a project subject to the selection criteria set forth above.<sup>63</sup>

**Selection Among Other Last-Mile Broadband Deployment Projects:** Per the BEAD NOFO, IV.B.7.b.2.ii, for the Project Area Unit(s) for which the State did not receive a Priority Broadband Project application, the State will first identify any Project Area Units with only one proposal that satisfies all other subgrantee requirements, where that entity submitting the sole proposal will be the default winner, absent a waiver from the NTIA Assistant Secretary. If multiple proposals seek to serve a Project Area Unit(s) and satisfy all other subgrantee requirements, the State shall use its competitive process to choose between or among those proposals.<sup>64</sup>

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<sup>61</sup> State of Illinois, BEAD Initial Proposal, Volume II, pages 41-47.

<sup>62</sup> NTIA, BEAD NOFO, page 41.

<sup>63</sup> NTIA, BEAD NOFO, page 42.

<sup>64</sup> NTIA, BEAD NOFO, page 44.

**Extremely High Cost Per Location Threshold:** Per the BEAD NOFO, IV.B.7.a.ii, notwithstanding any of the above:

- The State may decline to select a proposal that requires a BEAD subsidy exceeding the EHCPLT for any Project Area Unit in the proposal if using a non-Priority, Reliable Broadband Service technology that meets the BEAD Program’s technical requirements would be less expensive.
- If no Reliable Broadband Service technology meeting the BEAD Program’s technical requirements is deployable for a subsidy of less than the EHCPLT at a given Project Area Unit, the State can select a proposal involving a less costly, non-Reliable Broadband Service technology for that Project Area Unit, if it otherwise satisfies the Program’s technical requirements. In this instance, the State will seek out the most robust, affordable, and scalable technologies achievable for that Project Area Unit.<sup>65</sup>

**2. Review and Selection Process.**

Applications will be graded using the Merit Review Process and scored on the criteria specified in Section E.1. The State will designate an Evaluation Committee to grade each application received for this funding opportunity. The final score of each Committee member will be calculated and an average of all scores will be the final applicant score. Grants will be awarded through a multi-phase Merit Review Process that consists of two waves of applications and preliminary selections, followed by an optional third wave.<sup>66</sup>

Wave	Projects Eligible for Preliminary Selection
Wave 1	<p><b>Project type:</b> Proposals where a minimum of 10 percent of the proposed Project Area is composed of Hard-to-serve Project Area Units</p> <p><i>Note: Selected Hard-to-serve Project Area Unit(s) must be contiguous with a non-Hard-to-serve Project Area Unit within the proposed project area (details below).</i></p> <p><b>Technology type:</b> Priority Broadband Projects (end-to-end fiber) that meet the scoring threshold and BEAD qualifications</p>
Wave 2	<p><b>Project type:</b> Any projects, regardless of “hard-to-serve” status</p> <p><b>Technology type:</b></p> <ul style="list-style-type: none"> <li>• Priority Broadband Projects that meet the scoring threshold and BEAD qualifications.</li> <li>• Non-Priority, Reliable Broadband Service Projects that meet the scoring threshold and BEAD qualifications will be considered if: <ul style="list-style-type: none"> <li>• The BEAD subsidy cost per location of Priority Broadband Projects covering the same area exceeds the EHCPLT; or</li> <li>• There is no eligible Priority Broadband Project for the area.</li> </ul> </li> </ul>
Wave 3 (optional)	<p><b>Project type:</b> Any projects, regardless of “hard-to-serve” status</p> <p><b>Technology type:</b></p> <ul style="list-style-type: none"> <li>• Priority Broadband Projects that meet BEAD qualifications.</li> <li>• Non-Priority, Reliable Broadband Service Projects that otherwise meet BEAD qualifications will be considered if: <ul style="list-style-type: none"> <li>• The BEAD subsidy cost per location of Priority Broadband Projects covering the same area exceeds the EHCPLT, or</li> <li>• There is no eligible Priority Broadband Project for the area.</li> </ul> </li> <li>• Alternative Technology projects may be considered on a case-by-case basis if, after directly engaging providers:</li> </ul>

<sup>65</sup> NTIA, BEAD NOFO, page 38-39.

<sup>66</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 29.

	<ul style="list-style-type: none"> <li>• The BEAD subsidy cost per location of any Priority Broadband Project or Non-Priority Reliable Broadband Service project covering the same area exceeds the EHCPLT; or</li> <li>• There is no eligible Priority Broadband Project or Non-Priority Reliable Broadband Service Project for the area.</li> </ul>
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Grants will be awarded following the NTIA’s approval of the State’s Final Proposal. Project Area Units that have been preliminarily selected will be published at the end of each wave and applicants will be notified if they have been preliminarily selected. The process to make preliminary selections for each wave is as follows. Note that applicants are expected to follow through with their application(s) should they be preliminarily selected, and it is thus expected that the applicant has the capabilities and capacity to successfully execute the full set of applications they submit.

Wave 1. Wave 1 focuses on hard-to-serve areas in the State and end-to-end fiber applications. Specifically, the State will review all applications where at least 10 percent of the proposed Project Area is composed of Hard-to-serve Project Area Units. The State requires the selected Hard-to-serve Project Area Unit(s) and non-Hard-to-serve Project Area Unit(s) in the Project Area to be contiguous, meaning there are no non-selected Project Area Units in the way when a straight line is drawn between the selected Hard-to-serve Project Area Unit(s) and the closest selected non-Hard-to-serve Project Area Unit(s).

The State will then rank all applications from highest to lowest by score and conduct deconfliction where there is overlap.

An application may not be considered eligible for Wave 1 should the deconfliction process remove all Hard-to-serve Project Area Units from the originally proposed Project Area, but the State may adjust the requirement that the Project Area be at least 10 percent Hard-to-serve Project Area Unit(s) for a resubmitted de-conflicted application to be considered for Wave 1. After deconfliction, the State will publish all preliminarily selected Project Area Units.<sup>67</sup> The State reserves the right to push any and all Wave 1 applications into Wave 2 for further consideration and/or comparison against the Extremely High-Cost Per Location Threshold (EHCPLT).

For details on the deconfliction process, please refer to the Application Guidebook.

Preliminarily selected PAUs in Wave 1 will be removed from the map for later Waves and will thus **not** be eligible for new applications in subsequent Waves. Should a preliminarily selected applicant from Wave 1 be above the EHCPLT in Wave 2 and cannot comply with the EHCPLT, then the State may consider other proposals for that preliminarily selected project’s Project Area Unit(s).

Wave 2. In Wave 2 the State will process all Reliable Broadband Project applications, regardless of whether they are Priority Broadband Projects, or contain Hard-to-serve Project Area Units.<sup>68</sup> The State will also determine the EHCPLT by the process described in BEAD Initial Proposal Volume II, Requirement 2.4.9 and will consider Non-Priority Broadband Projects where there is no eligible Priority Broadband Project below the EHCPLT covering the same area.<sup>69</sup> After determining the EHCPLT, any preliminarily selected applicants from Wave 1 above the threshold may amend their applications to comply with the threshold, including adjusting the technology or requested BEAD outlay.

The State will then conduct direct outreach to providers and subgrantees to provide coverage where needed, including for Project Area Units without a qualifying bid below the EHCPLT and no-bid Project Area Units. If all Project Area Units are accounted for after the above steps, the State will determine that no Wave 3 is required and make preliminary selections for the full State. If there are Project Area Units unaccounted for after the steps above and the State

<sup>67</sup> State of Illinois, BEAD Initial Proposal, Volume II, pages 31-32.

<sup>68</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 33.

<sup>69</sup> For details, please see State of Illinois, BEAD Initial Proposal, Volume II, 59-61.

determines that Wave 3 is needed, the State will resolve conflicts and make preliminary selections for applications scoring above the threshold, and roll over all remaining applicants for Wave 3.<sup>70</sup>

*Note on EHCPLT:* The State reserves the right to adjust the process to determine the EHCPLT described in its BEAD Initial Proposal Volume II, with the goal of connecting all eligible locations in the State while maximizing fiber coverage.<sup>71</sup> The State also reserves the right to exercise discretion on a case-by-case basis when determining whether to apply the EHCPLT, and the right to award the Priority Broadband Project and use available State funding to achieve this purpose, to meet the broader goals of the BEAD Program, including but not limited to if Non-Priority Broadband Project applications are not available, or if the State views a Priority Broadband Project application as more favorable.<sup>72</sup>

Preliminarily selected PAUs in Wave 2 will be removed from the map for later Waves and will thus **not** be eligible for new applications in subsequent Waves.

Wave 3 (optional). In Wave 3 the State will publish the remaining Project Area Units and the EHCPLT. During this period, applicants will have an opportunity to (a) refine their existing applications to revise the BEAD outlay downward and/or project match upward, and/or (b) refine their existing applications to remove any conflict with project areas of preliminary selections and adjust the BEAD outlay accordingly, and/or (c) consider alternative technology in line with NTIA guidance, and/or (d) submit new applications. Then, the State will process all proposals and run the deconfliction process. In parallel, the State will reach out to providers and subgrantees to directly negotiate coverage for areas that have received no bids below the EHCPLT in the same manner as above.<sup>73</sup>

In the final wave of the Program, preliminary selections will be made in order, from highest score to lowest score, until funding is exhausted.

Final review. After the final wave, the State will conduct two review processes:

- (1) A review of preliminarily selected projects to confirm that the total set of preliminary selections to each prospective subgrantee is consistent with the financial, operational, and managerial capabilities submitted in the prequalification process. The Department will confidentially engage with specific applicants, if needed, to confirm or clarify any identified issues and reserves the right to select an alternative proposal if any concerns remain.<sup>74</sup>
- (2) A review of preliminarily selected projects to confirm that the overall selection is consistent with the BEAD Initial Proposal Volume II and the BEAD NOFO.

After formal consultation with the NTIA, the list of provisional winners will be submitted to the NTIA in the Final Proposal, and will be awarded once the NTIA approves the State's Final Proposal.

Per the State's BEAD Initial Proposal Volume II, all eligible CAIs alongside unserved and underserved locations are part of the subgrantees' core deployment obligations. Should funding not be available to reach all CAIs, per BEAD statutory priorities, the State reserves the right to require the removal of CAI funding requests from preliminarily selected applications.<sup>75</sup>

Applicants bidding on Project Area Units that contain multi-dwelling units (MDUs) will be required to demonstrate how their proposed solutions will connect all units within an MDU.

Non-Priority Broadband Projects that provide reliable broadband service can submit their applications starting in Wave 1 and are encouraged to do so, but they will only be considered for preliminary selection starting in Wave 2. Applications for Alternative Technology broadband

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<sup>70</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 33.

<sup>71</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 61.

<sup>72</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 62.

<sup>73</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 34.

<sup>74</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 32.

<sup>75</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 48.

projects can be submitted starting in Wave 1 and are welcome to do so – however, the State shall preliminarily select Alternative Technology projects in a manner compliant with currently available and forthcoming NTIA guidance on the matter, and Project Area Units eligible for Alternative Technology deployment may subsequently not be available until later in the BEAD-Funded Connect Illinois Round 4 process.

The Merit Based Review process is subject to appeal. However, competitive grant appeals are limited to the evaluation process. Evaluation scores may not be protested. Only the evaluation process is subject to appeal. The appeal must be submitted in writing to the State within 14 calendar days after the date that the grant award notice has been published. The written appeal shall include the name and address of the appealing party, the identification of the grant and a statement of reasons for the appeal. To file an appeal, applicants must submit the appeal in writing and in accordance with the Merit-Based Application Review Appeals Process listed on the Grant Opportunities page of the DCEO website:

<https://dceo.illinois.gov/aboutdceo/grantopportunities/meritappreview.html>.

### **3. Anticipated Announcement and State Award Dates, if applicable.**

After the application period is closed, the State will conduct a merit-based review of eligible applications. Successful applicants will receive a Notice of State Award (NOSA) to initiate the grant agreement phase. During this phase, you will be contacted by a grant manager to develop a grant agreement, which can be a months-long process depending on complexity, cooperation, and conformity with all applicable federal and state laws.

The Department reserves the right to issue a reduced award, or not to issue any award.

## **F. Award Administration Information**

### **1. State Award Notices.**

The Notice of State Award (NOSA) will specify the funding terms and specific conditions resulting from the pre-award risk assessments and the merit-based review process. The NOSA must be accepted in the GATA Portal by an authorized representative of the grantee organization. The NOSA is not an authorization to begin performance or incur costs.

### **2. Administrative and National Policy Requirements.**

**Subrecipients and Subcontractors:** Subcontractors and subrecipients are subject to all applicable provisions of the Agreement(s) executed between DCEO and the grantee. The successful applicant shall retain sole responsibility for the performance of its subrecipient(s) and/or subcontractor(s).

**Grant Uniform Requirements:** The Grant Accountability and Transparency Act (30 ILCS 708/1 *et seq.*) (and its related administrative rules, 44 Ill. Admin. Code Part 7000), was enacted to increase the accountability and transparency in the use of grant funds from whatever source and to reduce administrative burdens on both State agencies and grantees by adopting federal guidance and regulations applicable to those grant funds; specifically, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200). The program will apply the NTIA's guidance on implementing exceptions, adjustments, and clarifications to certain provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the application of related provisions of the Uniform Guidance to the BEAD Program, including but not limited to modifications relevant to fixed-amount subawards.<sup>76</sup> Additional guidance may apply from the Department of Commerce's Standard Terms and

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<sup>76</sup> For details, refer to NTIA, "Policy Notice: Tailoring the Application of the Uniform Guidance to the BEAD Program - [https://broadbandusa.ntia.doc.gov/sites/default/files/2023-12/BEAD\\_Policy\\_Notice\\_of\\_Uniform\\_Guidance\\_Part\\_200\\_Exceptions\\_Related\\_Issues.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2023-12/BEAD_Policy_Notice_of_Uniform_Guidance_Part_200_Exceptions_Related_Issues.pdf)."

Conditions, the General Terms and Conditions of the BEAD Program, and the Specific Award Conditions applicable to the State of Illinois.

**Procurement:** Pursuant to the NTIA's guidance on implementing exceptions, adjustments, and clarifications to certain provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), codified at 2 CFR Part 200, and the application of related provisions of the Uniform Guidance to the BEAD Program, subrecipients receiving fixed-amount subawards pursuant to the NTIA Policy Notice are exempt from complying with the procurement standards contained in 2 CFR 200.318-320 and 200.324-326.<sup>77</sup> Beyond these exemptions, subgrantees will be required to adhere to methods of procurement per the Procurement Standards (2 CFR 200.317, 200.321-323, 200.327).

**Environmental Review Requirements:** Capital grants will be reviewed to determine environmental review requirements. Based on the scope of the project, the grantees may be required to complete additional environmental approvals before a grant agreement can be initiated.

**Illinois Works Jobs Program Act (30 ILCS 559/20-1 et seq.):** For grants with an estimated total project cost of \$500,000 or more, the grantee will be required to comply with the Illinois Works Apprenticeship Initiative (30 ILCS 559/20-20 to 20-25) and all applicable administrative rules. The "estimated total project cost" is a good faith approximation of the costs of an entire project being paid for in whole or in part by appropriated capital funds to construct a public work. The goal of the Illinois Apprenticeship Initiative is that apprentices will perform either 10% of the total labor hours actually worked in each prevailing wage classification or 10% of the estimated labor hours in each prevailing wage classification, whichever is less. Grantees will be permitted to seek from the State a waiver or reduction of this goal in certain circumstances pursuant to 30 ILCS 559/20-20(b). The grantee must ensure compliance for the life of the entire project, including during the term of the grant and after the term ends, if applicable, and will be required to report on and certify its compliance.

**Prevailing Wage Act (820 ILCS 130/0.01 et seq.):** Applicants that are awarded grants shall comply with all requirements of the Prevailing Wage Act, including but not limited to, inserting into all contracts for construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the project shall be paid to all laborers, workers, and mechanics performing work under the award and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract. Grantees will be required to report on Prevailing Wage Act compliance on a monthly basis.

**Employment of Illinois Workers on Public Works Act (30 ILCS 570/0.01 et seq.):** All grantees will be required to comply with the Employment of Illinois Workers on Public Works Act (30 ILCS 570/0.01 et seq.) (the "Act"), which provides that whenever there is a period of excessive unemployment in Illinois (as defined by the Act), if the Grantee is using Grant Funds for (1) constructing or building any public works, or (2) performing the clean-up and on-site disposal of hazardous waste for the State of Illinois or any political subdivision of the State, then the Grantee shall employ at least 90% Illinois laborers on such project. Illinois laborers refers to any person who has resided in Illinois for at least 30 days and intends to become or remain an Illinois resident. Grantees may receive an exception from this requirement by submitting a request and supporting documents certifying that Illinois laborers are either not available, or are incapable of performing the particular type of work involved. The certification must: (a) be submitted to the grant manager within the first quarter of the Award Term; (b) provide sufficient support that demonstrates the exception is met; (c) be signed by an authorized signatory of the Grantee; and (d) be approved by DCEO in consultation with the Illinois Department of Labor. In addition, every contractor on a public works project or improvement or hazardous waste clean-up and on-site disposal project in this State may place

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<sup>77</sup> NTIA, "Policy Notice: Tailoring the Application of the Uniform Guidance to the BEAD Program - [https://broadbandusa.ntia.doc.gov/sites/default/files/2023-12/BEAD\\_Policy\\_Note\\_of\\_Uniform\\_Guidance\\_Part\\_200\\_Exceptions\\_Related\\_Issues.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2023-12/BEAD_Policy_Note_of_Uniform_Guidance_Part_200_Exceptions_Related_Issues.pdf)."

on such work no more than 3 (or 6 in the case of a hazardous waste clean-up and on-site disposal project) of the contractor's regularly employed non-resident executive and technical experts.

***Additional administrative and national policy requirements per BEAD Program requirements.***

Per the BEAD NOFO, all grants receiving BEAD funding are required to comply with applicable statutes and regulations, including but not limited to the following.<sup>78</sup>

**General Compliance Requirements and Prioritization**

This NOFO must be read to be consistent with all requirements contained in 47 U.S.C. § 1702, the BEAD NOFO, the Department of Commerce's Standard Terms and Conditions (effective on the date of award),<sup>79</sup> the General Terms and Conditions of the BEAD Program,<sup>80</sup> the award's Specific Award Conditions, the Infrastructure Investment and Jobs Act, and other relevant NTIA guidance and applicable federal law. If language between two or more authorities appears to be inconsistent, the relevant authorities should be read and interpreted in a manner that emphasizes consistency and harmonization across all relevant authorities. Where harmonization is impossible, applicants should prioritize following the language contained in these authorities in the following order (from highest to lowest priority): 47 U.S.C. § 1702; the award's Specific Award Conditions; the General Terms and Conditions for the BEAD Program; the BEAD NOFO; the Department of Commerce Standard Terms and Conditions.

**BEAD Subgrantee Obligations**

Per NTIA requirements, BEAD-Funded Connect Illinois Round 4 awardees receiving BEAD funds must comply with BEAD Subgrantee Obligations as outlined in the relevant documents. Specifically, the State shall ensure the following, among others:<sup>81</sup>

***Network Capabilities.***

- **Speed and latency.** Funded Networks shall deliver Reliable Broadband Service with speeds of not less than 100 Mbps for downloads and 20 Mbps for uploads.<sup>82</sup> In addition, 95 percent of latency measurements during testing windows must fall at or below 100 milliseconds round-trip time.<sup>83</sup> Funded Network connections to Eligible Community Anchor Institutions shall be capable of delivering service at speeds not less than 1 Gigabit per second for downloads and 1 Gigabit per second for uploads.<sup>84</sup> The State shall ensure that such connections can be used to provide business data services.<sup>85</sup> Subgrantees should deploy robust network infrastructure and schedule

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<sup>78</sup> For details, refer to NTIA, BEAD NOFO, pages 86-89.

<sup>79</sup> NTIA, BEAD NOFO, page 86. For details, see Department of Commerce, Standard Terms and Conditions, November 12, 2020, [https://www.commerce.gov/sites/default/files/2020-11/DOC%20Standard%20Terms%20and%20Conditions%20-%2012%20November%202020%20PDF\\_0.pdf](https://www.commerce.gov/sites/default/files/2020-11/DOC%20Standard%20Terms%20and%20Conditions%20-%2012%20November%202020%20PDF_0.pdf).

<sup>80</sup> For details, see NTIA, General Terms and Conditions for the NTIA Broadband Equity, Access & Deployment (BEAD) Program Funds, April 2024, [https://broadbandusa.ntia.doc.gov/sites/default/files/2024-05/BEAD\\_IPFR\\_GTC\\_04\\_2024.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2024-05/BEAD_IPFR_GTC_04_2024.pdf).

<sup>81</sup> For details, refer to NTIA, BEAD NOFO, pages 64-71.

<sup>82</sup> 80 percent of a provider's download and upload measurements must be at or above 80 percent of the required speed (i.e., an 80/80 standard). See *Performance Measures Order*, 34 FCC Rcd at 6528, para. 51.

<sup>83</sup> See *id.*, 34 FCC Rcd at 6527-28, para. 50.

<sup>84</sup> These requirements are consistent with § 60401(e)(3)(C) of the Infrastructure Act.

<sup>85</sup> The term "business data service" refers to the dedicated point-to-point transmission of data at certain guaranteed speeds and service levels using high-capacity connections. See *Business Data Services in an Internet Protocol Environment et al.*, WC Docket No. 16-143 et al., Report and Order, 32 FCC Rcd 3459, 3463 para. 6 (2017).



regular performance testing to ensure that the network can consistently meet or exceed the performance standards.<sup>86</sup> See BEAD NOFO, IV.C.2.a.i, for details.<sup>87</sup>

- **Network Outages.** Each Funded Network’s outages should not exceed, on average, 48 hours over any 365-day period except in the case of natural disasters or other force majeure occurrence. Subgrantees should develop a comprehensive outage management plan that includes preventive maintenance schedules, quick response teams for outage resolution, and clear communication channels for informing customers about outages and expected restoration times.<sup>88</sup> See BEAD NOFO, IV.C.2.a.ii, for details.<sup>89</sup>

#### ***Deployment Requirements.***

- **Deployment Deadlines and Benchmarks.** Subgrantees must deploy their Funded Networks and begin providing broadband service to each customer that desires broadband service not later than four years after the date on which the subgrantee receives the subgrant for the applicable network. Subgrantees must meet interim buildout milestones established by the State to ensure progress. Subgrantees are required to adhere to specific deployment schedules, ensuring the network is operational within the stipulated time. Subgrantees should regularly report progress to the State in alignment with the monitoring requirements detailed by the State in the subgrantee agreements. Extensions to the four-year deployment deadline may be granted by the Assistant Secretary as described in the BEAD NOFO. However, it is the general intent of NTIA not to waive any of the provisions set forth in the BEAD NOFO.<sup>90</sup> See BEAD NOFO, IV.C.2.b.i, for details.<sup>91</sup>
- **Conduit Access Points.** Any Funded Network deployment project that involves laying fiber-optic cables or conduit underground or along a roadway must include interspersed conduit access points at regular and short intervals for interconnection by unaffiliated entities. Where a project proposes to lay conduit, the State will require prospective subgrantees to propose to deploy a reasonable amount of excess conduit capacity and to propose a conduit access point interval as part of the grant application process and shall consider the adequacy of the prospective subgrantee’s proposed excess conduit capacity and access points when evaluating the application. See BEAD NOFO, IV.C.2.b.ii, for details.<sup>92</sup>

#### ***Service Obligations***

- **Affordability and Low-Cost Plans.** The Infrastructure Act requires that each subgrantee receiving BEAD funding to deploy network infrastructure offer at least one low-cost broadband service option as defined by the State (see Section C of this NOFO for details). The low-cost broadband service option must be made available to eligible subscribers for the useful life of the network asset<sup>93</sup> (i.e., the federal interest

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<sup>86</sup> See NTIA, “Obligations for Subgrantees Deploying Network Projects: Guidance,” page 4, accessed September 19, 2024, [https://broadbandusa.ntia.doc.gov/sites/default/files/2024-08/BEAD\\_Obligations\\_for\\_Subgrantees\\_Deploying\\_Network\\_Guidance.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2024-08/BEAD_Obligations_for_Subgrantees_Deploying_Network_Guidance.pdf).

<sup>87</sup> NTIA, BEAD NOFO, pages 64-65.

<sup>88</sup> See NTIA, “Obligations for Subgrantees Deploying Network Projects: Guidance,” page 4, accessed September 19, 2024, [https://broadbandusa.ntia.doc.gov/sites/default/files/2024-08/BEAD\\_Obligations\\_for\\_Subgrantees\\_Deploying\\_Network\\_Guidance.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2024-08/BEAD_Obligations_for_Subgrantees_Deploying_Network_Guidance.pdf).

<sup>89</sup> NTIA, BEAD NOFO, pages 65.

<sup>90</sup> See NTIA, “Obligations for Subgrantees Deploying Network Projects: Guidance,” page 5, accessed September 19, 2024, [https://broadbandusa.ntia.doc.gov/sites/default/files/2024-08/BEAD\\_Obligations\\_for\\_Subgrantees\\_Deploying\\_Network\\_Guidance.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2024-08/BEAD_Obligations_for_Subgrantees_Deploying_Network_Guidance.pdf).

<sup>91</sup> NTIA, BEAD NOFO, pages 65.

<sup>92</sup> NTIA, BEAD NOFO, pages 66.

<sup>93</sup> The BEAD IPFR General Terms and Conditions clarifies that the “useful life” coincides with the “Federal Interest Period” in Term 48, which states: “For the purposes of this award, the useful life of the real property or equipment acquired or improved using BEAD funds shall coincide with the Federal Interest Period as defined in Term 49 below.” Term 49 defines the Federal Interest Period as 10 years.

period, which is 10 years after the year in which the subgrant for a project has been closed out).<sup>94</sup> See BEAD NOFO, IV.C.2.c.i, for details.<sup>95</sup>

- **Consumer Protections.** Prospective subgrantees are prohibited from imposing data usage caps on any plans offered over a Funded Network or imposing unjust or unreasonable network management practices. Subgrantees shall certify through the semiannual reporting requirements described in this NOFO and the BEAD NOFO that the plans offered over Funded Networks do not contain data usage caps for subscribers. Prospective subgrantees should implement clear and transparent billing practices and customer agreements. They should establish a responsive customer service department to provide effective complaint resolution. Additionally, prospective subgrantees should comply with relevant data protection laws and regulations and implement security measures to protect consumer data from unauthorized access or breaches.<sup>96</sup> See BEAD NOFO, IV.C.2.c.ii, for details.<sup>97</sup>
- **Access to Service.** Operators of Funded Networks shall provide access to broadband service to each customer served by the project that desires broadband service on terms and conditions that are reasonable and non-discriminatory. Subgrantees should establish reasonable, feasible timelines and procedures for customer installations, ensuring that these processes are not overly complicated, unnecessarily delayed, or discriminatory. Subgrantees must provide equitable access to all individuals regardless of economic or demographic factors.<sup>98</sup> See BEAD NOFO, IV.C.2.c.iii, for details.<sup>99</sup>
- **Public Notice.** Subgrantees are required to carry out public awareness campaigns in their service areas that are designed to highlight the value and benefits of broadband service in order to increase the adoption of broadband service by consumers. Awareness campaigns must include information about low-cost service plans and any federal subsidies for low-income households such as the Lifeline Program, the Affordable Connectivity Program, and any successor programs. Further, awareness campaigns must be conducted in an equitable and nondiscriminatory manner. Subgrantees must utilize a variety of communications media (e.g., online, print, radio) and provide information in languages other than English when warranted based on the demographics of the community. Once a Funded Network has been deployed, each subgrantee shall provide public notice, online and through other means, of that fact to individuals residing in the locations to which broadband service has been provided and share the public notice with the State. Each prospective subgrantee seeking to deploy or upgrade network facilities must explain in its application how it intends to notify relevant populations of the new or newly upgraded offerings available in each area. Such proposals shall be designed in a manner that reflects any unique needs of the specific demographics of the area at issue (including, for example, languages prominently spoken in the area and the best means of ensuring that the population is likely to encounter the subgrantee's public notice). Subgrantees should use a variety of communications channels to reach as broad an audience as possible. This includes traditional media like local television and radio, as well as digital platforms such as social media and email newsletters. Public notices should be transparent and clearly outline what the service entails, the terms and conditions, and any eligibility criteria for promotions or special pricing.<sup>100</sup> See BEAD NOFO, IV.C.2.c.iv, for details.<sup>101</sup>

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<sup>94</sup> The Federal Interest Period is defined as 10 years per the BEAD Uniform Guidance Policy Notice.

<sup>95</sup> NTIA, BEAD NOFO, pages 66-68.

<sup>96</sup> See NTIA, "Obligations for Subgrantees Deploying Network Projects: Guidance," pages 6-7, accessed September 19, 2024, [https://broadbandusa.ntia.doc.gov/sites/default/files/2024-08/BEAD\\_Obligations\\_for\\_Subgrantees\\_Deploying\\_Network\\_Guidance.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2024-08/BEAD_Obligations_for_Subgrantees_Deploying_Network_Guidance.pdf).

<sup>97</sup> NTIA, BEAD NOFO, pages 68.

<sup>98</sup> See NTIA, "Obligations for Subgrantees Deploying Network Projects: Guidance," page 7, accessed September 19, 2024, [https://broadbandusa.ntia.doc.gov/sites/default/files/2024-08/BEAD\\_Obligations\\_for\\_Subgrantees\\_Deploying\\_Network\\_Guidance.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2024-08/BEAD_Obligations_for_Subgrantees_Deploying_Network_Guidance.pdf).

<sup>99</sup> NTIA, BEAD NOFO, pages 68.

<sup>100</sup> See NTIA, "Obligations for Subgrantees Deploying Network Projects: Guidance," page 7-8, accessed September 19, 2024, [https://broadbandusa.ntia.doc.gov/sites/default/files/2024-08/BEAD\\_Obligations\\_for\\_Subgrantees\\_Deploying\\_Network\\_Guidance.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2024-08/BEAD_Obligations_for_Subgrantees_Deploying_Network_Guidance.pdf).

<sup>101</sup> NTIA, BEAD NOFO, pages 68-69.

- Interconnection Requirements.** Any subgrantee receiving funds to deploy Middle Mile Infrastructure under this Program in connection with service to an Unserved Service Project or an Underserved Service Project shall permit other broadband service providers to interconnect with its funded Middle Mile Infrastructure network facilities on a just, reasonable, and nondiscriminatory basis. Subgrantees using the award for construction of Middle Mile Infrastructure will be required, via contract or other binding mandate, to allow such interconnection at any technically feasible point on the Middle Mile Infrastructure network (without exceeding current or reasonably anticipated capacity limitations). This duty includes, at a minimum, the physical interconnection of the subgrantee's Middle Mile Infrastructure to a requesting party's facilities for the exchange of traffic. In addition, subgrantees shall connect to the public internet directly or indirectly and provide requesting parties with an ability to connect to the internet. Rates and terms for interconnection shall be reasonable and nondiscriminatory. Each subgrantee that obtains funding for the deployment or upgrade of Middle Mile Infrastructure will be required to negotiate in good faith with any requesting party (including public, Tribal, private, non-profit, or other parties) making a bona fide request for interconnection. Subgrantees shall report through the subgrantee reporting process established in this NOFO and the BEAD NOFO any interconnection requests made to the subgrantee during that year and the status of those requests. Contracts should specify interconnection points and terms to ensure fairness and promote competition. Subgrantees must adhere to any local, state or federal regulations governing interconnection. Additionally, it is important to align with industry standards for pricing and technical specifications. All requests for interconnection agreements should be treated fairly and the terms and conditions must not favor one party over another.<sup>102</sup> See BEAD NOFO, IV.C.2.c.v, for details.<sup>103</sup>
- Wholesale obligations in the event of default.** If the subgrantee at any time is no longer able to provide broadband service to the end-user locations covered by the subgrant on a retail basis, remedial action will be taken to ensure continuity of service. The subgrantee shall, after consultation with and as approved by the State and the NTIA, either (a) sell the project network capacity at a reasonable, wholesale rate on a nondiscriminatory basis to one or more other broadband service providers or public-sector entities, or (b) sell the network in its entirety to a new provider who commits to providing services under the terms of the BEAD Program. The State may require the subgrantee to pursue either remedial action so long as such action results in continued retail service to end-users in the grant area. See BEAD NOFO, IV.C.2.c.v, for details.<sup>104</sup>
- Cybersecurity and Supply Chain Risk Management.** The Infrastructure Act directs the Assistant Secretary to specify prudent cybersecurity and supply-chain risk management practices for subgrantees deploying or upgrading broadband networks using BEAD funds. Toward this goal, prior to receiving any fund allocations, all prospective subgrantees will be required to attest that they will comply with cybersecurity and supply chain risk management practices as defined by NTIA for the purposes of the BEAD Program. To the extent a subgrantee relies in whole or in part on network facilities owned or operated by a third party (e.g., purchases wholesale carriage on such facilities), the same attestations from its network provider with respect to both cybersecurity and supply chain risk management practices. Prospective subgrantees should implement robust cybersecurity measures and manage supply chain risks to protect the integrity, reliability, and security of the broadband infrastructure. This includes adhering to national cybersecurity standards

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<sup>102</sup> See NTIA, "Obligations for Subgrantees Deploying Network Projects: Guidance," page 8, accessed September 19, 2024, [https://broadbandusa.ntia.doc.gov/sites/default/files/2024-08/BEAD\\_Obligations\\_for\\_Subgrantees\\_Deploying\\_Network\\_Guidance.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2024-08/BEAD_Obligations_for_Subgrantees_Deploying_Network_Guidance.pdf).

<sup>103</sup> NTIA, BEAD NOFO, page 69.

<sup>104</sup> NTIA, BEAD NOFO, page 69.

and ensuring that all hardware and software components are secure and sourced from reputable suppliers.<sup>105</sup> See BEAD NOFO, IV.C.2.c.vi, for details.<sup>106</sup>

**Pre-award notification requirements.** The Department of Commerce will apply the Pre-Award Notification Requirements for Grants and Cooperative Agreements dated December 30, 2014 (79 FR 78390).<sup>107</sup>

**Environmental and national historical preservation requirements.** The potential environmental impact of subgrantees' BEAD-funded projects must be analyzed as required by, and to ensure compliance with, the National Environmental Policy Act (NEPA) (42 U.S.C. § 4321 et seq.) and the National Historic Preservation Act (NHPA) (54 U.S.C. § 300101 et seq.). In particular:

- Projects containing construction and/or ground-disturbing activities are required to submit all required environmental documentation to the State prior to award, which also must describe how they will comply with applicable environmental and national historical preservation requirements.
- It is the subgrantees' responsibility to obtain all necessary federal, state, and local governmental permits and approvals necessary for the proposed work to be conducted. Projects are expected to be designed to minimize any potential adverse impact on the environment.
- Subgrantees will also be required to cooperate with the State and the NTIA in identifying feasible measures to reduce or avoid any identified adverse environmental impact of their proposed projects. Failure to do so may be grounds for withholding an award. Proposals will be reviewed to ensure they contain sufficient information to allow agency staff to conduct a NEPA analysis so that appropriate NEPA documentation can be submitted to the NTIA, along with a recommendation for funding the selected projects or other eligible activities.
- If additional information is required after an application is accepted for funding, funds can be withheld by the NTIA under a specific award condition requiring the awardee to submit additional environmental compliance information sufficient for the agency to assess any impact that a project may have on the environment.<sup>108</sup>

**Civil Rights and Nondiscrimination Law Compliance.** Per BEAD NOFO IV.C.1.g, all subgrantees must abide by the non-discrimination requirements set forth by the following legal authorities – to the extent applicable – and acknowledge that failure to do so may result in cancellation of any award and/or recoupment of funds already disbursed:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and the Department of Commerce's implementing regulations, published at 15 C.F.R. Part 8, which prohibit discrimination on the grounds of race, color, or national origin under programs or activities receiving federal financial assistance;
- Title IX of the Education Amendments of 1972 (20 U.S.C. §§ 1681 et seq.), which prohibits discrimination on the basis of sex under federally assisted education programs or activities;
- The Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by the State and local governments or instrumentalities or agencies thereto, as well as public or private entities that provide public transportation;
- Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), and Department of Commerce implementing regulations published at 15 C.F.R. Part 8b, which prohibit discrimination on the basis of handicap under any program or activity receiving or benefiting from federal assistance;

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<sup>105</sup> See NTIA, "Obligations for Subgrantees Deploying Network Projects: Guidance," page 9, accessed September 19, 2024, [https://broadbandusa.ntia.doc.gov/sites/default/files/2024-08/BEAD\\_Obligations\\_for\\_Subgrantees\\_Deploying\\_Network\\_Guidance.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2024-08/BEAD_Obligations_for_Subgrantees_Deploying_Network_Guidance.pdf).

<sup>106</sup> NTIA, BEAD NOFO, pages 70-71.

<sup>107</sup> For details, refer to NTIA, BEAD NOFO, page 86.

<sup>108</sup> For details, refer to NTIA, BEAD NOFO, pages 86-87; and State of Illinois, BEAD Initial Proposal, Volume II, page 53-54.

- The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Department of Commerce implementing regulations published at 15 C.F.R. Part 20, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance;
- Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000e et seq., which provides that it is an unlawful employment practice for an employer to discharge any individual or otherwise to discriminate against an individual with respect to compensation, terms, conditions, or privileges of employment because of such individual's race, color, religion, sex, or national origin. Note that Title VII, 42 U.S.C. § 2000e-1(a), expressly exempts from the prohibition against discrimination based on religion "a religious corporation, association, educational institution, or society with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution, or society of its activities;" and
- Any other applicable non-discrimination law(s). Application requirements, award terms, and conditions do not impose civil rights and nondiscrimination law compliance requirements on Indian Tribes or Native Entities beyond what would otherwise apply under federal law.<sup>109</sup>

**Climate resilience.** Per BEAD requirements, current and future weather- and climate-related risks must be sufficiently accounted for in new infrastructure projects.<sup>110</sup> The State developed (a) a list of key weather and climate hazards considered to require the highest urgency in preparation and response, (b) proposed mitigation strategies for each, and (c) a list of counties categorized as high-risk or very high-risk for these key weather and climate hazards, which is included in the State's BEAD Initial Proposal, Volume II. Subgrantees with applications in these counties identified as high-risk or extremely high-risk counties must submit a proposed mitigation strategy that either accepts the State's mitigation approaches or provides alternate approaches. These proposed mitigation strategies will be reviewed as part of each application. The State will also require subgrantees to submit an emergency response plan and communication strategy to ensure timely, effective response to extreme weather events.<sup>111</sup>

**Property trust relationship and public notice filings for grant-acquired property.**

Broadband infrastructure projects under fixed-amount subawards will be subject to the requirements below, summarized from the NTIA's Policy Guidance, "Tailoring the Application of the Uniform Guidance to the BEAD Program" (see original text for full details).<sup>112</sup>

- Title to real property or equipment acquired or improved pursuant to a BEAD fixed-amount subaward (Project Property) vests in the subrecipient upon acquisition, subject to the following during the Federal Interest Period, or 10 years after the year in which the subgrant has been closed out in accordance with 2 CFR 200.344:
  - 1) Subrecipients must follow their existing commercial practices for managing equipment in the normal course of business and must use inventory controls indicating the applicable Federal interest and loss prevention procedures. Subrecipients without such existing practices must comply with 2 CFR 200.313(d).
  - 2) Subrecipients must comply with the use and equipment disposition requirements of 2 CFR § 200.313(c)(4) and 313(e) as follows:
    - a. Subrecipients acquiring replacement equipment under 2 C.F.R. § 200.313(c)(4) may treat the replaced equipment as "trade-in" even if the subrecipient retains full ownership and use over equipment. The subrecipient must record the fair market value of the equipment being replaced in its Tangible Personal Property Status Reports to the Department of Commerce (DOC), and track the value of the replacement equipment, including both the Federal and non-Federal share.

<sup>109</sup> NTIA, BEAD NOFO, pages 60-61.

<sup>110</sup> For details, refer to NTIA, BEAD NOFO, pages 62-64.

<sup>111</sup> For details, refer to State of Illinois, BEAD Initial Proposal, Volume II, pages 116-124.

<sup>112</sup> For full details, refer to NTIA, "Policy Notice: Tailoring the Application of the Uniform Guidance to the BEAD Program - [https://broadbandusa.ntia.doc.gov/sites/default/files/2023-12/BEAD\\_Policy\\_Note\\_of\\_Uniform\\_Guidance\\_Part\\_200\\_Exceptions\\_Related\\_Issues.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2023-12/BEAD_Policy_Note_of_Uniform_Guidance_Part_200_Exceptions_Related_Issues.pdf)."

- b. Subrecipients may sell, lease, or transfer Project Property only after (a) securing the agreement of the successor or transferee to comply with these requirements and the acknowledgement of the successor or transferee of the Federal Interest in the subject Project Property, and (b) obtaining consent to the sale or transfer from the NTIA.
- c. Subrecipients must notify the State and the NTIA upon filing a petition under the U.S. Bankruptcy Code, whether voluntary or involuntary, with respect to the subrecipient or any affiliate that would impact the subrecipient's ability to perform in accordance with its subgrant.
- 3) Subrecipients must record liens or other appropriate notices of record, acceptable in form and substance to the Grants Officer, to indicate that Project Property has been acquired or improved with a Federal award, and that use-and-disposition conditions apply to the property.
- 4) Subrecipients may encumber Project Property only after notifying the NTIA and the Grants Officer, and the DOC must receive either a first-priority security interest (preferred) or a shared first-priority security interest in the Project Property such that, if the Project Property were foreclosed upon and liquidated, the DOC would be entitled to receive, on a pari-passu basis with other first-position creditors, the portion of the current fair market value of the property equal to the DOC's percentage of contribution to the project costs.
- o Pursuant to exceptions approved by the OMB, the property standards set forth in 2 CFR 200.314 -315 for supplies and intangible property, respectively, shall not apply to fixed-amount subawards.
- o Subrecipients must comply with 2 CFR 200.316, the insurance requirements of 2 CFR 200.310, and 2 CFR 200.312 to the extent any Federally owned real property or equipment is used by the subrecipient.

**Domestic preference for procurements (“Buy American”).** Per the BEAD NOFO, all funds made available through the BEAD Program for broadband infrastructure must comply with the Build America, Buy America Act.<sup>113</sup> This act requires that all iron, steel, manufactured products (including but not limited to fiber-optic communications facilities), and construction materials used in the project or other eligible activities be produced in the United States unless a waiver is granted. The DOC has issued a limited, general applicability, nonavailability waiver of the Buy America Preference requirements for certain construction materials and certain manufactured products as applied to recipients of Federal financial assistance under the BEAD Program, which will flow down to subrecipients.<sup>114</sup> Detailed information on BABA compliance and reporting requirements can be found in the NTIA's BABA Compliance guidance, as well as the BEAD NOFO.<sup>115</sup>

**Contracting with small and minority businesses, women's business enterprises, and labor-surplus-area firms.** Per the Initial Proposal Volume II, participation in the Business Enterprise Program for Minorities, Females, and Persons with Disabilities Act (30 ILCS 575/0.01 *et seq.*) is required for subgrantees of the BEAD-Funded Connect Illinois Round 4.<sup>116</sup> The Department will work with the subgrantees to ensure compliance prior to the establishment of the grant agreement, as well as through the life of the grant.

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<sup>113</sup> Infrastructure Investment and Jobs Act of 2021, Division G, Public Law 117-58, 135 Stat. 429 (November 15, 2021).

<sup>114</sup> Department of Commerce, Office of Acquisition Management, “National Telecommunications and Information Administration Limited General Applicability Nonavailability Waiver of the Buy America Domestic Content Procurement Preference as Applied to Recipients of Broadband Equity, Access, and Deployment Program,” accessed July 24, 2024, <https://www.commerce.gov/oam/build-america-buy-america>.

<sup>115</sup> For additional guidance, refer to NTIA, “BABA Compliance and Self Certification,” accessed August 6, 2024, [https://broadbandusa.ntia.doc.gov/technical-assistance/BABA\\_Compliance\\_and\\_Self\\_Certification](https://broadbandusa.ntia.doc.gov/technical-assistance/BABA_Compliance_and_Self_Certification); and NTIA, BEAD NOFO, pages 87-88.

<sup>116</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 109.

Additionally, per the BEAD NOFO, subgrantees must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor-surplus-area firms are used when possible. Affirmative steps must include:

- Placing qualified small and minority businesses and women's business enterprises on solicitation lists.
- Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources.
- Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises.
- Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses and women's business enterprises.
- 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.
- Requiring subcontractors to take the affirmative steps listed above.

**Project Labor Agreements (PLA).**<sup>117</sup> Per the BEAD Initial Proposal Volume II, projects with a total cost of over \$10 million will be required to certify that the project includes 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)) and the Illinois Project Labor Agreements Act (30 ILCS 571).<sup>118,119</sup> If the subgrantee does not provide such certification, it must provide a project workforce continuity plan (see below for details).

Subgrantees must provide a copy of the Project Labor Agreement, which must:

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

The subgrantee must maintain sufficient records to substantiate this information upon request.

### **3. Reporting.**

#### **Periodic Performance Report (PPR) and Periodic Financial Report (PFR)**

Grantees funded through this NOFO are required to submit in the format required by the Grantor, at least on a quarterly basis, the PPR and PFR electronically to their assigned grant manager. The first of such reports shall cover the first three months after the award begins. Pursuant to 2 CFR 200.328, Periodic Financial Reports shall be submitted no later than 30 calendar days following the period covered by the report. Pursuant to 2 CFR 200.329, Periodic Performance Reports shall be submitted no later than 30 calendar days following the period covered by the report. Any additional reporting requirements will be disclosed in the NOSA. Grantees are required within 45 calendar days following the end of the period of performance to submit a final closeout report in the format required by the Grantor (See 2 CFR 200.344).

#### **Monitoring**

Grantees funded through this NOFO are subject to fiscal and programmatic monitoring visits by the Department in accordance with 2 CFR 200.337. They must have an open-door policy allowing periodic visits by Department monitors to evaluate the progress of the project and provide documentation upon request of the monitor. Program staff will also maintain contact

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<sup>117</sup> For details, please refer to State of Illinois, BEAD Initial Proposal, Volume II, page 91-92.

<sup>118</sup> National Labor Relations Board, "National Labor Relations Act," <https://www.nlrb.gov/guidance/key-reference-materials/national-labor-relations-act>.

<sup>119</sup> Illinois General Assembly, "Project Labor Agreements Act," <https://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=3354&ChapterID=7>.

with participants and monitor progress and performance of the contracts. The Department may modify grants based on performance.

### **Audit**

Grantees shall be subject to Illinois' statewide Audit Report Review requirements. Terms of the Single Audit Act Amendments of 1996 (31 USC 7501-7507), Subpart F of 2 CFR Part 200, and the audit rules set forth under the Grant Accountability and Transparency Act shall apply (See 30 ILCS 708/65(c)).

As outlined in the BEAD NOFO and the Guidance for Federal Financial Assistance from the Office of Management and Budget as of April 4, 2024,<sup>120</sup> Subpart F of 2 C.F.R. Part 200 requires any non-federal entity that expends federal awards of \$1,000,000 or more (effective for grantee fiscal years beginning on or after October 1, 2024) in the recipient's fiscal year to conduct a single or program-specific audit in accordance with the requirements set out in the Subpart. Additionally, unless otherwise specified in the terms and conditions of the award, entities that are not subject to Subpart F of 2 C.F.R. Part 200 (e.g., commercial entities) that expend \$1,000,000 or more (effective for grantee fiscal years beginning on or after October 1, 2024) in grant funds during their fiscal year must submit to the Grants Officer either: (a) a financial or related audit of each DOC award or subaward in accordance with Generally Accepted Government Auditing Standards or (b) a program-specific audit for each award or subaward in accordance with the requirements contained in 2 C.F.R. § 200.507. The NTIA, the Department of Commerce Office of Inspector General, or another authorized federal agency may conduct an audit of an award at any time.<sup>121</sup>

### **Project reporting**

Subgrantees must adhere to the reporting requirements of the BEAD program that will be established by NTIA. Subgrantees are required to submit regular reports, at least quarterly, for the duration of the subgrant period of performance to document the progress of the project. Each report shall describe each type of project and/or other eligible activities carried out using the subgrant. These reports must include, but are not limited to, the following requirements stipulated by the use of BEAD funds for this program, as well as the reporting requirements listed in the BEAD Initial Proposal Volume II:<sup>122</sup>

- A list of addresses and location IDs that will be served by the broadband infrastructure to be constructed, including but not limited to:<sup>123</sup>
  - The number of households in areas previously lacking access to at least 25/3 Mbps that are projected to have increased access to broadband that meets minimum speed standards (broken out by Tribal and non-Tribal lands).<sup>124</sup>
  - The number of institutions/businesses in areas previously lacking access to at least 25/3 Mbps that are projected to have increased access to broadband that meets minimum speed standards, with:
    - Reporting broken out by Tribal and non-Tribal lands
    - Reporting covering each of the following categories: businesses, small businesses, elementary schools, secondary schools, higher education institutions, libraries, healthcare facilities, and public safety organizations.<sup>125</sup>
- The status of each project, including but not limited to:<sup>126</sup>

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<sup>120</sup> Office of Federal Financial Management, Office of Management and Budget, "Guidance for Federal Financial Assistance," published April 4, 2024, accessed August 30, 2024, [https://www.cfo.gov/assets/files/Final%20%20CFR%20Guidance%20-%204.3.2024%20-%20Pre-Publication%20Version.pdf?utm\\_source=newsletter&utm\\_medium=email&utm\\_term=Wed+May+29+2024&utm\\_campaign=OMB+Pre-Releases+Changes+to+Uniform+Guidance](https://www.cfo.gov/assets/files/Final%20%20CFR%20Guidance%20-%204.3.2024%20-%20Pre-Publication%20Version.pdf?utm_source=newsletter&utm_medium=email&utm_term=Wed+May+29+2024&utm_campaign=OMB+Pre-Releases+Changes+to+Uniform+Guidance)

<sup>121</sup> For details, refer to NTIA, BEAD NOFO, page 93.

<sup>122</sup> For details, refer to NTIA, BEAD NOFO, pages 90-92, and State of Illinois, BEAD Initial Proposal, Volume II, pages 133-135.

<sup>123</sup> NTIA, BEAD NOFO, page 90.

<sup>124</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 134.

<sup>125</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 134.

<sup>126</sup> NTIA, BEAD NOFO, page 90.



- The projected/actual construction start date<sup>127</sup>
- The projected/actual initiation of operations date (month/year)<sup>128</sup>
- The technology to be deployed<sup>129</sup>
- The cost per mile and per passing<sup>130</sup>
- Miles of fiber (if applicable).<sup>131</sup>
- New locations served within each project area at the relevant reporting intervals and service taken (if applicable), including but not limited to:<sup>132</sup>
  - The number of households with access to (a) reliable 100 Mbps symmetrical speeds and (b) reliable 100/20 Mbps speeds<sup>133,134</sup>
  - The number of institutions/businesses with access to (a) reliable 100 Mbps symmetrical speeds and (b) reliable 100/20 Mbps speeds, with:<sup>135,136</sup>
    - Reporting broken out by Tribal and non-Tribal lands in each of the following categories: businesses, small businesses, elementary schools, secondary schools, higher education institutions, libraries, healthcare facilities, and public safety organizations.
- Indication of whether each address/location is residential, commercial, or a community anchor institution<sup>137</sup>
- Description of the types of facilities that have been constructed and installed<sup>138</sup>
- Description of the peak and off-peak actual speeds of offered broadband service<sup>139</sup>
- Description of maximum advertised speed of offered broadband service<sup>140</sup>
- Description of non-promotional prices – including any associated fees – charged for different tiers of all offered broadband service (including the low-cost affordability plan)<sup>141</sup>
- A list of all requested interconnection agreements, and their current status<sup>142</sup>
- A report of the number and amount of contracts and subcontracts awarded, disaggregated by recipients of each (sub)contract that are MBEs/WBEs<sup>143</sup>
- The data required to comply with federal Broadband Data Collection (BDC) reporting requirements, or any successor regulation, for broadband infrastructure projects<sup>144</sup>
- An SF-425 Federal Financial Report that meets the requirements described in the Department of Commerce Financial Assistance Standard Terms and Conditions (dated November 12, 2020), Section A.01 for Financial Reports<sup>145</sup>
- For projects over \$10,000,000 (based on expected total cost), either:
  - A certification that the project includes 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)) and the Illinois Project Labor Agreements Act (30 ILCS 571). The subgrantee must provide a copy of the project labor agreement and must maintain sufficient records to substantiate this information upon request. A project labor agreement must:

<sup>127</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 133.

<sup>128</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 133.

<sup>129</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 134.

<sup>130</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 134.

<sup>131</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 134.

<sup>132</sup> NTIA, BEAD NOFO, page 90

<sup>133</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 134.

<sup>134</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 134.

<sup>135</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 134.

<sup>136</sup> State of Illinois, BEAD Initial Proposal, Volume II, page 134.

<sup>137</sup> NTIA, BEAD NOFO, page 90.

<sup>138</sup> NTIA, BEAD NOFO, page 90.

<sup>139</sup> NTIA, BEAD NOFO, page 90.

<sup>140</sup> NTIA, BEAD NOFO, page 90.

<sup>141</sup> NTIA, BEAD NOFO, page 90; State of Illinois, BEAD Initial Proposal, Volume II, page 134.

<sup>142</sup> NTIA, BEAD NOFO, page 90.

<sup>143</sup> NTIA, BEAD NOFO, page 90.

<sup>144</sup> NTIA, BEAD NOFO, page 91. For more details, refer to Section 1.7004 of title 47, Code of Federal Regulations.

<sup>145</sup> NTIA, BEAD NOFO, page 91.

- Set forth mutually binding procedures for resolving jurisdictional labor disputes and grievances;
- Guarantee against strikes, lockouts, or similar actions;
- Ensure a reliable source of labor;
- Set goals for woman and minority apprenticeship hours;
- Permit the selection of the lowest responsible bidder, regardless of union status;
- Bind all contractors and subcontractors through the inclusion of bid specifications in all relevant bid documents; and
- Be signed by a bona fide labor organization. The subgrantee will provide contact information for the bona fide labor organization.
- o If such certification is not provided, the subgrantee must provide a Project Workforce Continuity Plan, detailing:<sup>146</sup>
  - Steps taken and to be taken to ensure the project has ready access to a sufficient supply of appropriately skilled and unskilled labor, which will ensure that construction is completed competently throughout the life of the project (as required in BEAD NOFO Section IV.C.1.e), including a description of any required professional certifications and/or in-house training, Registered Apprenticeships or labor-management partnership training programs, and partnerships with entities like unions, community colleges, or community-based groups.
  - The steps taken and to be taken to minimize the risks of labor disputes and disruptions that would jeopardize the timeliness and cost-effectiveness of the project.
  - The steps taken and to be taken to ensure a safe and healthy workplace that avoids the delays and costs associated with workplace illnesses, injuries, and fatalities, including 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 of workers employed by contractors), including issues raised by workplace safety committees and those issues' 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.
  - The 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.
  - Additional details regarding:<sup>147</sup>
    - o Steps to be taken to resolve jurisdictional labor disputes and grievances
    - o Steps to be taken to ensure that the lowest responsible bidder is chosen for the project
    - o Steps to be taken to ensure that all contractors and subcontractors are bound by the Project Workforce Continuity Plan
    - o Whether the project prioritizes local hires
    - o Whether the project has a Community Benefit Agreement, with a description of any such agreement
- o Compliance with any other reasonable reporting requirements determined by the State to meet the reporting requirements established by the Assistant Secretary, as well as certification that the information in the report is accurate,<sup>148</sup> including but not limited to:
  - o **Monthly** reporting on compliance with the Prevailing Wage Act<sup>149</sup>

<sup>146</sup> For details, see NTIA, BEAD NOFO, pages 91-92.

<sup>147</sup> For details, see State of Illinois, BEAD Initial Proposal, Volume II, page 135.

<sup>148</sup> NTIA, BEAD NOFO, page 92.

<sup>149</sup> For details, see State of Illinois, BEAD Initial Proposal, Volume II, page 90.

- Any reporting required by the Commission on Equity and Inclusion Act (CEI) as part of mandatory participation by all subgrantees in the Business Enterprise Program (BEP)<sup>150</sup>
- Any reporting required to show compliance with the Illinois Works Apprenticeship Initiative.<sup>151</sup>

Subgrantees must maintain sufficient records to substantiate all information above upon request.<sup>152</sup>

As specified in the Department of Commerce’s Standard Terms and Conditions, subgrantees must submit to the State their final performance report and financial report (Form SF-425) within 90 calendar days after the expiration of the Period of Performance, as well as real property, tangible personal property, and intangible property reports (as applicable).<sup>153</sup>

## **G. State Awarding Agency Contact(s)**

Grant Help Desk  
 Illinois Department of Commerce & Economic Opportunity  
 Email: **CEO.GrantHelp@illinois.gov**

## **H. Other Information, if applicable**

N/A

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<sup>150</sup> For details, see State of Illinois, BEAD Initial Proposal, Volume II, page 108-112.

<sup>151</sup> For details, see State of Illinois, BEAD Initial Proposal, Volume II, page 95, and Section 20 – 20 of the (30 ILCS 559/) Illinois Works Jobs Program Act, Illinois General Assembly Website - <https://www.ilga.gov/legislation/ilcs/ilcs4.asp?DocName=003005590HArt%2E+20&ActID=3995&ChapterID=7&SeqStart=200000&SeqEnd=120000>.

<sup>152</sup> NTIA, BEAD NOFO, page 92.

<sup>153</sup> For details, see U.S. Department of Commerce, Standard Terms, November 12, 2020, [https://www.commerce.gov/sites/default/files/2020-11/DOC%20Standard%20Terms%20and%20Conditions%20-%202012%20November%202020%20PDF\\_0.pdf](https://www.commerce.gov/sites/default/files/2020-11/DOC%20Standard%20Terms%20and%20Conditions%20-%202012%20November%202020%20PDF_0.pdf).