



**MAINE
CONNECTIVITY
AUTHORITY**

The Maine Connectivity Authority is posting:

Application Guidance for Connect the Ready Grants

Applications Open:	Tuesday, October 11, 2022
Applicant Webinar:	Friday, October 14, 2022
Applications Due:	Wednesday, November 9, 2022 @ 11:59 PM EDT
Award Recommendations:	January 4, 2023
Announcement of Awards:	January 6, 2023

Applications must be submitted through the Maine Connectivity Authority Portal at:

<https://mca.smapply.org/prog/connect-the-ready>

Applications must be received prior to the time and date for which they are due.

Any application, or unrequested additional information, received by the Maine Connectivity Authority after the time and date specified above **will not** be accepted.

Additional information and contact information for questions can be found on the Maine Connectivity Authority website: <https://www.maineconnectivity.org/connect-the-ready-grants>

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Programming Overview

Connect the Ready is a proactive partnership and collaborative effort to design, fund and build projects in eligible areas with competitive grants from the Maine Connectivity Authority (MCA). Connect the Ready projects will be funded in whole or in part using funds from the Capital Projects Fund (CPF) of the American Rescue Plan Act.¹ MCA allocates \$70 million of these funds, and may announce one or more opportunities for Connect the Ready Grants. Based on the results of the five-year Broadband Master Plan, MCA may continue to fund the Connect the Ready Grants under the BEAD program.

For Connect the Ready Grants, MCA seeks projects to address gaps in broadband service availability within Maine. Connect the Ready Grants will be awarded to Eligible Applicants who are ready to implement their proposed projects. Funded projects will result in last-mile broadband service within Eligible Project Areas. Applicants are expected to execute a grant contract with MCA within 30 days of notification of award.

Connect the Ready is part of All-In Programming designed to reach the last mile in the most rural places, prepare communities for investment, ensure affordable options for everyone, and invest in partnerships to build broadband infrastructure for Maine. MCA estimates that All-In Programming will connect over 30,000 potential subscribers in rural and remote areas. The programming will be grounded in MCA's parallel work developing a statewide Digital Equity and five-year Maine Broadband Master Plan.

This table lists Connect the Ready dates, which MCA reserves the right to change.

Milestone	Target Date
Grant Materials Released	09/23/2022
1 st Application Window Opens	10/11/2022
1 st Applicant Workshop	10/14/2022
1 st Application Window Closes	11/09/2022
1 st Awards Announced	01/06/2023
1 st Award Acceptance Deadline	02/06/2023
2 nd Application Window Announced	02/01/2023

¹ See <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/capital-projects-fund> for more information

I. Eligibility Criteria

A. Eligible Entities

The following types of entities may apply for Connect the Ready grants:

- Internet Service Providers (ISPs) that meet the other program eligibility criteria;
- A governmental entity, including town, city or county; or
- Any broadband utility district or corporation, wholly or partially owned by a unit of local government.

Connect the Ready encourages partnerships between multiple public and private entities. While one legal entity must be the official applicant, all partners will be required to participate in the application process. Any ISP that is an applicant or involved in a proposed project, and any entity previously awarded grants by MCA or ConnectMaine must be in good standing with MCA and ConnectMaine, and may not be disbarred from receiving federal or state grants.

B. Partnership with Communities and Internet Service Providers

MCA encourages communities to partner with private entities and requires private applicants to gain the support of their proposed communities. Applicants must identify each municipality or local government authority affected by the proposed project. Similarly, the application must identify the ISP(s) participating in the proposed project.

Applicant ISPs must show that their project has community support. At a minimum a formal expression of support from the leadership of the affected communities is required. A memorandum of understanding between partners that covers aspects of construction and initial broadband service will be required for a proposed project involving financial commitment from a community or involving public ownership of broadband infrastructure.

Applicants will need to indicate which entities involved will build, manage and own the infrastructure. Applicants will need to identify any subcontractors already procured.

An operations agreement that covers maintenance, future connections and upgrades will be required for projects involving public ownership of broadband infrastructure. This agreement can be submitted as part of the application or as a condition of award acceptance.

C. Annual Required Data Filing

Applicants and partners which are currently providing internet service in Maine must have completed the Broadband Data Collection of service as of June 30, 2022, filing to both the Federal Communications Commission (FCC) and MCA. The state annual required data filing also includes location-specific pricing information for service levels offered. These applicants and partners must have filed with the FCC and MCA on or before September 1, 2022.

D. Financial Capability

Applicants must demonstrate that they have the financial capability to build and sustain the proposed project. ISP applicants must include the most recent 2 years of audited financial statements. If audited statements are not available, applicants may submit the most recent 2 years of financial statements along with an explanation of why audited statements are not available.

If the applicant cumulatively proposes projects including more potential subscriber locations than 10% of all existing subscribed locations of the entities involved in the proposed project which are financially responsible for ongoing operations, then the applicant must demonstrate financial capacity and sustainability. For the purposes of determining the entity that is financially responsible for ongoing operations, this is the entity relying on revenue from the network to support ongoing operations. For cases of community-owned projects: If the community leases the network to the ISP for a fixed fee while the ISP is responsible for operating costs no matter how much or little revenue is generated, then the additional financial information is required from the ISP perspective; if instead the community contracts with the ISP to offer service for fee and will collect the revenue to cover operating costs including any recover of this fee, then the additional financial information is required from the community perspective.

Additional information to demonstrate financial capacity and sustainability will include:

- Anticipated timing of project costs
- Additional costs required over time, that are ineligible for grant funds
- Anticipated timing of other sources of funds
- Estimated operating costs over time
- Timing of broadband service availability to subscriber locations, estimated subscription rates over time and estimated revenue over time
- Debt and capital lease payments
- Ongoing operating subsidies and the associated sources

Applicants who are in bankruptcy proceedings may be required to provide additional information to determine their financial capability on a going forward basis and may be determined ineligible for funding.

E. Performance Standards

Connect the Ready projects must result in broadband service of at least 100 Mbps download/100 Mbps upload (100/100) unless demonstrated as infeasible due to geography, topography, or excessive cost, but then speeds not less than 100 Mbps/20 Mbps (100/20) and be scalable to symmetrical 100 Mbps speeds. No data usage limits are a part of this broadband service, such as, but not limited to, data caps. Projects that provide symmetrical gigabit service will be preferred over projects that do not. Participating ISPs may offer lower speed tiers in addition to, but not instead of, the required speed tiers.

MCA considers cable systems using DOCSIS 3.1 and above as capable of delivering 100/20 service and cable systems using DOCSIS 4.0 and above as capable of delivering 100/100 service when the cable company offers a service meeting these performance standards.

F. Eligible Project Areas and Proposed Subscriber Locations

Proposed projects must serve one or more Eligible Project Areas, and applicants must identify the potential subscriber locations that they intend to serve. While Eligible Project Areas are intentionally inclusive, sufficient middle-mile or backhaul infrastructure should already exist for the proposed project to result in broadband service to the locations in the Eligible Project Area. MCA anticipates publishing a map of Eligible Project Areas for Connect the Ready ahead of the application window.

Eligible Project Areas in a single proposed project should be either contiguous with each other, mutually contiguous with served areas, or logically or financially grouped such that completing them as a single project is advantageous. MCA may ask applicants to divide applications that include multiple Eligible Project Areas that are not so grouped. Applicants may submit multiple applications if needed to cover geographically distinct areas or projects that are best treated separately.

1. Location Definitions

A “subscriber location” means any location at which there could be one or more subscribers of internet service, including but not limited to a house, apartment, apartment complex, condo complex, other dwelling unit, a business, business complex,

medical facility, community building, government facility, or other facility. A potential subscriber location is considered to have been served once the grant recipient has constructed facilities to a point sufficiently close to the subscriber location that it is able to provide service upon request to that location within a normal service interval and without additional cost to the subscriber for construction of new facilities.

Unserved potential subscriber locations are those that do not have wireline internet service of at least 100/20. Among unserved locations, Least Served locations are those that do not have wireline internet service of at least 25 Mbps download and 3 Mbps upload (25/3).

Underserved potential subscriber locations are those that have wireline internet service available at speeds greater than 100/20 but less than 100/100. Per the CPF definitions, locations only reached by DSL, satellite, fixed and mobile wireless networks are not considered served for purposes of determining available service speeds at a location, and are intended to be eligible locations for Connect the Ready Grants.

Unserved, including Least Served, and Underserved potential subscriber locations are considered Eligible Locations for Connect the Ready Grants. Potential subscriber locations have been identified as ineligible locations based on existing broadband service, or federal or state funding commitments for broadband service, of at least 100/100 that are known to MCA.

2. Proposed Project Boundaries

Applicants will be required to explain why it is infeasible, impractical, or unnecessary for any Least Served and Unserved locations within the proposed Eligible Project Areas to be excluded from the proposed project. Eligible Locations may be excluded where they are disconnected from any utility lines serving other locations in the project area, requiring a route to go outside the project area.

Applicants may extend a project proposal beyond the boundaries of the proposed Eligible Project Area where there are eligible locations that are connected to utility lines in the proposed Eligible Project Area. The proposed Eligible Project Area will also include any facilities required to connect the proposed network to existing last-mile or middle-mile networks, even where the proposed facilities are outside the mapped Eligible Project Area.

G. Eligible Expenses

The following capital costs and expenses are generally eligible under the terms of the grant. This is not an exhaustive list. All expenses require proper record keeping and documentation, and may require asset tracking and be subject to audit.

Eligible expenses include:

- Professional services or staff costs necessary for implementation including engineering, consulting, environmental, cultural, legal, accounting, and project management costs needed to design, build, and test the proposed network;
- Reasonable permitting, make-ready, and other one-time facility, pole and conduit licensing costs, excluding recurring pole attachment or conduit license fees;
- Outside plant costs including materials and labor to install fiber, strand, lashing, splice cases, splicing, and other outside plant needed to offer last mile services;
- Equipment costs including: core optical and networking equipment needed for backhaul and middle-mile and last-mile services such as optical line terminals, splitters, routers & switches, network monitoring equipment, and customer premises equipment (CPE);
- Facilities costs including: Shelters and cabinets, land purchase or long-term leases (> 1 year) for required facilities, site preparation, building construction, repair, or rehabilitation, site restoration, new towers and tower update costs, new utility poles and conduits and the costs of their installation;
- Costs to operationalize the network, encourage adoption, improve digital literacy, support community engagement and public feedback processes, equity assessments and planning, and needs assessments or improve digital equity but excluding subscription subsidies;
- Costs associated with collecting and measuring performance data and conducting activities needed to establish and maintain a performance management and evaluation regime related to CPF funded projects;
- Documented internal labor costs including fringe benefits, but excluding indirect costs, for time spent exclusively on project activities and not otherwise reimbursed;
- Debt costs not otherwise ineligible incurred after award for debts directly related to construction of the project;
- Other directly related costs not otherwise included above including sales taxes on purchases, shipping and warehousing, miscellaneous minor materials, grant preparation, grant administration, and project close-out.

H. Ineligible Expenses

While not a comprehensive list, the following costs are ineligible:

- Cost for facilities that exclusively benefit served locations, including drops that do not connect and lateral extensions that do not pass unserved or underserved potential subscriber locations;
- Costs incurred prior to the grant award announcement;
- Acquisition of spectrum licenses;
- Operating expenses, other than grant administration costs;
- Short-term operating leases;
- Payment of interest or principal on outstanding debt instruments, or other debt service costs incurred prior to award announcement;
- Fees or issuance costs associated with the issuance of new debt;
- Satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring plan in a judicial, administrative, or regulatory proceeding;
- To support or oppose collective bargaining. This does not affect the ability to use funds to comply with 41 C.F.R. 60-1.4;
- Materials and equipment purchased in excess of the amount required to actually construct the project;
- Indirect costs; or
- Other costs not directly related to the grant.

Grants may not be used for costs that will be reimbursed under other federal or state funding stream(s).

I. Minimum Financial Commitment

Applicants must demonstrate adequate funding to complete the proposed project if the requested grant is awarded.

A minimum financial commitment comes from the entity that will retain ownership of a majority of the proposed project assets. In the case of community-ownership, the source(s) of minimum financial commitment may be negotiated among the entities involved in the proposed project. Applicants may propose additional financial commitment from either the participating ISP or the community, which will result in a more competitive application through a lower weighted cost-benefit as further described in the Review section of this guide.

The minimum financial commitment must be at least \$700 per potential subscriber location in the proposed project, except that the minimum financial commitment must be at least \$500 if either of the following conditions are true:

- The proposed project would serve a census block group with at least 50% low and moderate income persons, according to the U.S. Census Bureau American Community Survey 2011-2016 5-Year Estimates.
- The proposed project would serve a municipality, or county if the municipality is not listed, that is in the bottom quartile ranked greatest to least in valuation, as reported by the Maine Revenue Service for the most recent published year at the time the application window opens.

Should the applicant propose to serve more than one municipality or block group, the minimum financial commitment will only be \$500 per subscriber location in the municipalities or census block groups that meet either of the stated conditions; the applicant must provide \$700 per subscriber location outside areas that meet either of the stated conditions.

For the purposes of calculating the required minimum financial commitment, potential subscriber locations will include all eligible locations, any ineligible (Served) locations that the applicant has included in the proposed project, and those ineligible (Served) locations that are within 250 feet of the proposed network route.

MCA will calculate the required minimum financial commitment based on the data mapping portion of the application, as follows:

$$\text{Total required financial commitment} = \text{minimum financial commitment amount} * \text{number of potential subscriber locations}$$

If the total required financial commitment is equal to or less than the proposed financial commitment, then the application will be further evaluated for award. If the required financial commitment is greater than the proposed financial commitment, then MCA will seek clarification from the applicant.

A financial commitment that is unsecured or that is contingent on other programming decisions won't be considered. These kinds of contributions can be listed as resources, but the funds being requested may have to be increased to account for uncertainty until the financial commitment can be secured. If in-kind contributions are monetary costs of the project, they should be accounted as such; in-kind contributions occurring prior to award aren't considered as part of the proposed project cost. Ineligible expenses will need to be otherwise covered by the financial commitment. While ineligible expenses aren't prohibited, they will need to be accounted for and tracked carefully.

Financial commitments from the applicant and its partners must be documented. Documentation may include, for example:

- Bank or financial statements showing cash on hand
- Letters of credit from a bank
- Official record of a municipal or county appropriation of funds
- Official record of approval of a bond

Applicants who do not have to demonstrate financial capacity and sustainability under Financial Capability may certify to MCA that they have cash on hand sufficient to meet their proposed commitment to a project in lieu of providing documentation.

J. Required Timeline for Project Completion

All awarded Connect the Ready projects must be completed by the end of the year 2024, with shorter timeframes carrying more weight over longer-term proposals. Applicants must provide a project timeline that indicates the anticipated milestones of the proposed project including those related to contracting; engineering; pole licensing and make-ready; permitting; digital equity, digital inclusion and affordability activities; construction and connections; and any major contingencies.

II. Awardee Requirements

Awardees must comply with additional requirements. These requirements are summarized here and more fully identified in the contract that awardees will be required to sign to accept the award. MCA anticipates publishing a draft contract template ahead of the application window.

A. Compliance with Federal Requirements

Initial Connect the Ready Grants will use funds under the American Rescue Plan Act (ARPA) and awardees must comply with ARPA obligations of a subrecipient of federal funds for the Capital Projects Funds (CPF). Awardees should expect to comply with requirements of other applicable federal statutes, regulations, and executive orders applicable to recipients of federal funds used by MCA for awards made under CPF.² Applicants should consider how and whether certain aspects of these requirements may apply.

² See the [Financial Assistance Agreement](#) for states and territories from the U.S. Treasury for the Coronavirus State Fiscal Recovery Fund

Grant awardees utilizing contractors on a project will ordinarily need to include terms in contracts to enable the grant awardee to comply with applicable law and grant program requirements. The full list of these requirements are included in the Contract that awardees will execute with MCA. MCA will confer with grant awardees to assist with evaluating the applicability of various federal and state laws and reporting requirements.

These requirements include, but are not limited to:

- The National Defense Authorization Act (NDAA) and Prohibitions on certain telecommunications equipment (2 CFR 200.216)
- Property standards for Property, Equipment, and Supplies (2 CFR 200.310-316)
- Buy American Sourcing (Infrastructure Investment and Jobs Act, Pub. Law. 117-58, Sec. 70911 et. Seq.)
- Federal Procurement Requirements (non-profit & public awardees) (2 CFR 200.318 - 327) including section 6002 of the Solid Waste Disposal Act
- Civil Rights Compliance
- Coordination with State Historic Preservation Commission regarding the National Historic Preservation Act applicability (Section 106)
- Required Federal Contract Provisions (2 CFR 200.327 Appendix II)
 - Byrd Anti-Lobbying Amendment ([31 USC 1352](#))
- Monitoring of the project by MCA as work is ongoing

B. Workforce Related Requirements

1. Workforce Plans

Applicants, partners or subcontractors must describe plans and policies for the construction activities of the proposed project that ensure availability, continuity, high safety and training standards for the skilled workforce required to construct the project, including project labor agreements if any. These workforce plans are required either at the time of application or as a condition of award acceptance.

2. Davis Bacon

If the project cost is under \$5 Million, then compliance with the Davis Bacon Act is not required unless additional funds from another federal program for the project requires Davis Bacon compliance.

3. Other Workforce Requirements

These additional requirements apply to the workforce:

- Contract Work Hours and Safety Standards ([40 USC 3702](#) & [3704](#), supplemented by [29 CFR Part 5](#))
- Equal Employment Opportunity Compliance (41 CFR Part 60)

C. Bonding ([2 CFR 200.326](#))

Public non-profit awardees, such as municipalities that will own proposed infrastructure, are required to ensure that they or entities entering contracts or subcontracts for construction or facility improvement with project costs above the Simplified Acquisition Threshold of \$250,000 obtain:

- A bid guarantee from each bidder equivalent to 5% of the bid price
- A performance bond on the part of the contractor for 100% of the contract price
- A payment bond on the part of the contractor for 100% of the contract price

Documentation will be required either at the time of application or as a condition of award acceptance.

D. National Environmental Preservation Act (NEPA)

NEPA is generally not applicable to projects that are solely funded using ARPA Capital Projects Fund. However, there are various conditions which may cause NEPA to apply, including the use of other funds from sources where NEPA applies. Applicants may choose to complete the Capital Projects Fund Environmental Checklist to determine which environmental laws may apply.

E. Digital Equity, Digital Inclusion, and Affordability

1. Service Prices

Retail price per subscriber location to receive service must be equal or less than the price offered by the participating ISP's retail price per subscriber location offered elsewhere in the state. The price for 100/20 Mbps service must be equal to or less than the federal reasonable comparability benchmark for broadband rates as determined by the annual FCC Urban Rate Survey.

2. Participation in Affordability Programs

Participating ISPs are required to participate in the FCC Affordable Connectivity Program (ACP). A service level of at least 50/10 Mbps without data caps must be offered to those eligible for the ACP at a price that is fully subsidized under the ACP. This is \$30 per month as of January 2022.

3. Overcoming Barriers to Adoption

Either submitted as part of the application or as a condition of award acceptance, awardees must file with MCA a description of any specific activities, programs, introductory pricing, or other promotions that they plan for the project area to overcome any barriers to adoption, and metrics by which they can determine the success of the initiatives. Awardees must state the reasons why they believe the selected strategies will be effective. If filed at the time of application, MCA will consider the information provided when evaluating projected take rates for those applicants required to submit pro forma cash flows.

4. Digital Equity Planning

Digital equity requires providing high-quality broadband access, inclusive tools and resources, and digital skills training to ensure all Mainers have equitable opportunities for full participation in the digital economy and society. Applicant or partner communities must identify a point of contact to:

- assist MCA with local outreach and engagement efforts to develop a statewide Digital Equity Plan for Maine, and
- develop and implement a communications plan to disseminate information about the proposed project in the community, encourage adoption and meaningful use, and connect people in the community to resources that promote greater digital equity.

MCA will provide identified contacts with best practices and a toolkit to perform these roles.

F. Cooperation with State Broadband Mapping

ISPs must submit information about broadband availability, pricing and speeds in response to data collection requests from MCA or ConnectMaine up to twice yearly.

III. How to Apply

The following sections summarize the major channels through which applicants must submit information required to complete the application.

A. Grants Portal

Applicants are required to complete and submit their application and ongoing project information online through the MCA Grants Portal, where there are additional instructions for applying and contact information for assistance:

<https://mca.smapply.org/prog/connect-the-ready>.

Applicants are required to use FiberMap to identify Eligible Project Areas and select potential subscriber locations for inclusion in their proposed projects. The Grants Portal will give instructions on how applicants can access FiberMap.

Before submitting the completed application, the Applicant and its Partners must separately log into the Grants Portal to independently verify the truthfulness of the information included in the Application and attest understanding of the Awarded Project Compliance.

B. High Level Design and Technical Description

Applicants must generate or import a high-level network design into the FiberMap. At a minimum this design must include any fiber routes and the interconnection with existing networks, and all locations to be served. Applicants are encouraged to include additional information, especially for new networks or significant expansions of existing networks. The design must clearly identify the fiber routes and must include fiber strand count as an attribute.

Applicants must also provide a technical network design narrative through the application portal. The design submitted, while not final, must demonstrate that the project is sufficiently advanced that it can proceed to construction in a timely fashion. The narrative must include a description, planned technology (e.g., GPON, EPON, Active Ethernet, etc.), proposed fan-out if using a passive optical network (PON) technology, network demarcation points, planned locations for points of interconnection with middle-mile networks, and any proposed locations for points of presence/network connections for last mile service delivery.

1. Wireless Design

For applications which will incorporate a wireless element to reach locations that cannot be effectively reached by fiber, applicants must submit the following information in FiberMap and the grants portal as applicable:

- SHP files of the projected propagation plot of coverage from the proposed access points. Propagation plots may show multiple service levels, but must clearly identify signal strength at which subscribers can realistically expect to receive service of at least 100/100 year-round (or 100/20 if the applicant has demonstrated that 100/100 is infeasible);
- An Excel spreadsheet (as .xlsx or .csv) that identifies all sites used in the coverage projection in a tabular format that must include the following for all access points:
 - The latitude and longitude of the site
 - Base station antenna information including manufacturer, model, azimuth, down tilt, and center line
 - Base station equipment information with manufacturer, model number, and EIRP
 - Whether the support structure is existing or planned, whether the applicant intends to lease or own the structure, and whether or not the applicant has already acquired rights to use the site.
- Applicants must upload manufacturer data sheets in PDF format for key radio equipment and antennas that are consistent with the proposed coverage or reach shown for the proposed project, including for point-to-point links, point-to-multipoint access points and end-user equipment.
- Applicants must upload the same information for adjacent sites of the existing network of entities involved in the proposed project, sites which may provide overlapping coverage with the proposed sites. Applicants must upload site information before and after any proposed upgrades to existing sites.
- If the use of licensed spectrum is proposed, then applicants must upload, in PDF format, information demonstrating permitted use of the spectrum.

Applicants must provide information by sector for sectorized sites. If the proposed project includes point to point wireless links, then applicants must identify the points linked, the frequency to be used, the data transmission rate supported, and the link budget.

C. Applicant Workbook

Through the MCA Grants Portal applicants must submit an Applicant Workbook using the MCA-supplied Excel template. Applicants must use this Applicant Workbook to provide details on several aspects of the proposed project, including:

- The project budget showing the entire projected cost of the project as proposed, including all labor, materials, and equipment,
- A pro forma cash flow analysis demonstrating project financial sustainability, if required, and
- Detail of proposed funding sources and amounts, including grant funds requested.

IV. Application Review and Evaluation Process

A. Review Process Overview

Once the Application deadline has passed MCA will begin to review the submitted applications. MCA will utilize a review team of staff and consulting resources to assist MCA leadership in the evaluation and selection of applications for award. MCA's review team will evaluate applications for consistency with eligibility requirements.

Applications must meet program eligibility requirements to be considered for grants.

MCA's review team will present evaluations and a recommended ranking of proposed projects to MCA's President. MCA's President will make the final award determination in alignment with the MCA Board's principles for program goals and may accept, reject, or modify recommendations from the review team.

1. Additional Information or Modifications

Applications may require additional clarifying information or details for many reasons and may require modifications or adjustments for reasons including but not limited to:

- the application is incomplete or insufficiently detailed;
- potential or partial overlap with other projects proposed or funded under this or other MCA grants or funded under other federal commitments;
- omission of least served or unserved locations within the project area;
- preliminary cost-benefit or total applicant financial commitment is affected by inclusion of ineligible locations within the project scope;
- the project is adjacent to or could leverage other efforts in the region, and MCA seeks to determine how best to complete projects.

MCA may seek additional clarification and modification of submitted applications when it is in the interest of the program to select from a substantial pool of competitive applications. Applicants should not, however, rely on an opportunity to provide additional information or modify a project after the application deadline. A proposed project that does not meet, and cannot be reasonably made to meet, the requirements of the program, will be ineligible for further consideration.

B. Preference Criteria

MCA will give preference to applications based on the level of existing wireline internet service available within affected communities. Project areas containing a majority of Least Served potential subscriber locations (service below 25/3) will receive the highest preference for grants. Areas with a majority of Unserved potential subscriber locations (service below 100/20) will receive the next highest preference for funding.

MCA will prefer projects that propose offering symmetric gigabit service to at least 90% of proposed potential subscriber locations.

This will result in four preference groups which will be prioritized for grants in the following order. Applications which qualify for more than one preference group will belong to the group with the greatest preference.

- First, mostly Least Served (< 25/3);
- Second, mostly Unserved (<100/20);
- Third, offering symmetric gigabit service;
- Then, all others.

C. Cost-Benefit

Within each preference group, applications are judged based on the weighted cost-benefit of the proposed project.

Unweighted cost-benefit is the grant amount requested divided by the number of Eligible Locations to be served by the project, for example:

- Grant Amount Requested: \$750,000
- Least Served, Unserved and Underserved Potential Subscriber Locations: 500
- Unweighted Cost-Benefit: \$1,500

This unweighted cost-benefit is then weighted by several factors that either increase the cost or difficulty or increase the value and benefits of expanding broadband service:

- Density of the project area
- Total financial commitment
- Project timeline
- Subscription price

Each weight is expressed as a percentage. Receiving greater weight will improve the competitiveness of the application. MCA will use the weighted cost-benefit to prioritize proposed projects for grants; while, the amount of the grant awarded will be based on the grant amount requested by the applicant.

The weight of each factor is expressed as a percentage and is subtracted from 100%, and then the results are multiplied in series by the unweighted cost-benefit, i.e.:

- $\text{Unweighted Cost-Benefit} \times (100\% - \text{weight1}) \times (100\% - \text{weight2}) \dots = \text{Weighted Cost-Benefit}$

1. Density of Project Area

Proposed project areas with low density, measured by the number of potential subscriber locations per mile, will receive greater weight. Up to a 30% maximum weight will be applied for the density of the project area. For every potential subscriber location per route mile less than 18 subscriber locations per mile, will result in 2%; for example:

- Density: 14 potential subscriber locations per mile
- Weight: 8%

2. Financial Commitment

Projects proposed with larger financial commitments from the ISP and community will receive greater weight. Up to a 50% maximum weight will be applied for the financial commitment. Financial commitment is calculated the same as for minimum financial commitment, except that only financial commitment greater than the minimum requirement is counted, and this commitment may come from either the ISP(s) or communities.

The weight received will depend on the size of financial commitment relative to the project scope: the amount of financial commitment toward the project cost per potential subscriber location in the project area. A weight of 1% will result for every \$15 per subscriber location; for example:

- Financial commitment: \$150 per subscriber location over the minimum financial commitment
- Weight: 10%

3. Project Timeline

Projects realistically planned to be completed sooner will receive a greater weight. Up to a 10% maximum weight will be applied for the project timeline. For the purposes of calculating this weight, the proposed completion date will be used. A weight of 5% will result for a completion date prior to July 2024 or 10% will result for a completion date prior to January 2024, for example:

- Proposed Completion Date: May 25, 2024
- Weight: 5%

4. Subscription Price

Proposed service offerings with lower subscription prices will receive greater weight. Up to a 40% maximum weight will be applied for the subscription price. For the purposes of calculating this weight, the lowest retail, non-promotional price of a residential offering with at least 100 Mbps upload will be used. A weight of 2% will result for every dollar per month to receive service less than \$60 per month; for example:

- Subscription price: \$50 per month
- Weight: 20%

D. Reservation of Rights

MCA reserves the right under this grant program to issue 0, 1, or many grants to 0, 1, or many Eligible Applicants.

MCA reserves the right to enter into negotiations with an Eligible Applicant to modify submitted grant proposals, or to work with Applicants to address deficiencies or overlaps in applications.

MCA reserves the right to redirect submitted applications to future application windows or other MCA programming more suitable to fund the proposed project or when available funds for this application window are exhausted.

Awards are subject to the appropriation and availability of Federal and/or State funds. If the funds are not appropriated as anticipated, or they are otherwise unavailable, MCA reserves the right to reduce or terminate any Grant Agreements upon written notice to the Grantee.

V. Awarded Project Compliance

A. Award Acceptance

Applicants may accept or decline awarded grants. Applicants accepting awards must execute a contract agreement with MCA within 30 days of the awarded grants. MCA may extend this deadline at its sole discretion. These applicants will be notified of awarded grants and informed on how to sign and upload the required contract agreement and IRS W-9 Form to the Grants Portal, which will constitute acceptance of the awarded grants. The contract agreement contains additional terms and conditions that are standard in state of Maine contracts or are requirements under the Capital Projects Fund.

MCA will consider awarded grants declined if applicants fail to execute the contract agreement within the deadline. To award grants totaling the available funds, MCA may award grants to other applicants or to other grant recipients who expand their project scopes.

B. Project Commencement and Completion

Grant recipients may start projects as soon as grants are awarded by MCA. A completion report must be filled out and uploaded to the Grants Portal. Part or all of awarded grants are subject to recapture if grant recipients fail to complete projects.

C. Reporting

Grant awardees are subject to quarterly and annual reporting requirements, including requirements that extend past the completion of the grant. MCA anticipates publishing standard reporting templates ahead of the application window that awardees will be required to use to submit their reports. Reports are submitted in order to request disbursements of the awarded grants. Awardees may request disbursements as follows:

- Up to 25% of the total grant amount awarded may be requested with the notice of commencement.
- With quarterly progress reports, including the spending report and supporting documentation of expenses to date, up to two additional disbursements may be requested;
 - The first such request adding up to 30% of the total grant amount awarded, and any of the first 25% not yet disbursed, and
 - The second such request adding up to 35% of the total grant amount awarded, and any of the 55% not yet disbursed.
- The final 10% of the grant amount awarded will be disbursed upon acceptance of the completion report submitted, including the audit form and supporting documentation.

1. Notice of Commencement

A notice of commencement must be submitted via the Grants Portal within 30 days of the award or start of the project, whichever occurs sooner. MCA may extend this deadline at its sole discretion. MCA will consider awarded grants declined if applicants fail to submit the notice of commencement within the deadline.

The notice of commencement must be submitted before MCA will disburse any grant funds. It must include/confirm the proposed project dates from the project timeline and the quarters of anticipated disbursements.

2. Construction Design

Within 30 days of the start of construction, grant recipients must submit the engineering designs for facilities and outside plant, upon which construction will be based. Based on the proposed timeline submitted with application, grant recipients may submit construction designs by segments on projects where different segments will have substantially different construction start dates.

MCA will review submitted designs, and may contact grantees for clarification if specific concerns arise. MCA does not plan to approve or reject construction designs, rather MCA plans to use these designs as part of its project oversight and verification responsibilities.

3. Progress Reports

A progress report must be submitted via the Grants Portal at least every quarter. Progress reports confirm project dates, actual financial information to date and anticipated disbursements. If the project is being conducted differently than described in the contract agreement, the progress report may be used to explain those differences and how the project remains in compliance.

A progress report is also used to request an extension to the required project completion date, in which case the grant recipient will explain unforeseen circumstances and describe the revised timeline. Decisions on requests for extensions of no more than six months will be made within 30 days of receiving the completed request. Requests for extensions beyond six months will be reviewed by the MCA board, who meet on a monthly basis, and decisions will be made within six weeks of receiving the completed request. If the extension request affects the timelines between MCA and federal agencies, additional review will be required and may take more than six weeks to issue decisions.

4. Completion Report and Audit Form

Before MCA disburses final funds, the grant recipient must submit a completion report, which confirms project dates, actual financial information and final disbursement request. The completion report includes required documentation for validation of the completed project to the proposed project, and is submitted via the grants portal.

Awardees are subject to audit by either MCA or the US Treasury and must cooperate with any audit that may be requested. “Auditing” activities in this context may include either review of financial records related to the project or inspection of physical plant and equipment, operations, and related documentation. Awardees and their participating ISPs must cooperate with MCA verification and validation efforts, including any field auditing.

Submitted with the Completion Report, the audit form includes lists of required documentation for project completeness and compliance.

5. Validation

MCA contracts with third parties to support the grant validation process that helps ensure projects comply with the requirements of the grant sources and contract agreements.

Desktop audits are performed for all projects, while field verifications are performed across randomly selected projects. The audit form describes the five audit segments:

- **Area Audit**, for validation of broadband service availability to subscriber locations proposed to be served by the project, including all eligible locations; required documentation includes SHP files of the network design, prepared under the review of a professional engineer or an engineer with substantial demonstrated experience designing cable or fiber networks whose credentials are also submitted
- **Technical Audit**, for validation of performance criteria, including confirmation of materials and network quality and conformance with generally-accepted industry standards, and confirmation of speeds and consistency of broadband service; required documentation includes IOLM or OTDR traces with event logs, manufacturer’s specification information, and engineering documentation and calculations

- **Spending Analysis**, for validation of each expenditure for appropriateness to the completed project, to industry-consistent pricing and to the results of the Technical Audit, and for validation of actual financial information reported for comparison to industry norms and the proposed financial information in the application; required documentation includes the spending report which is an Excel file of actual project costs and details, and supporting invoices or documentation for those project costs
- **Field Verification**, for validation of broadband infrastructure, including consistency with the proposed project, through an on-site visit to visually inspect and examine the outside plant, central office, hub and subscriber connections; documentation is only required if any deficiencies identified to verify required remediation
- **Connection Validation**, for validation of active internet connections to subscribed locations in previously unserved and underserved areas; required documentation includes images of OLT and ONT, or CMTS and Modems, and billing statements, as applicable to the type of technology deployed

Any irregularities or deficiencies that are identified will be communicated to the grant recipient for remediation. A final report will be posted for the grant recipient, detailing the findings and any remediation efforts.

6. Post Completion Tracking

Grants tracking allows MCA to report on the progress toward its statutory goals to the legislature and others in the state of Maine. An annual report must be submitted via the grants portal for 5 years after the project is completed. The tracking reports will include the number of subscriber locations in the project area that are subscribed to broadband service on June 30 of each year.