

# Governor's Office of Rural Broadband



## Request for Applications

FY21

## Expansion of Existing Broadband Networks

Funding Program

for

Unserved Rural Areas

Application Guide

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## 1. Executive Summary

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The State of Maryland's Legislature approved \$2 million in the FY2021 Operating Budget for the Department of Housing and Community Development ("Department") to support the Office of Rural Broadband ("Office") in its efforts to assist in expansion of broadband into unserved rural areas of Maryland. A minimum of \$1.5 million is available for this program.

In order to best use the limited resources at its disposal, the Office is looking to assist Local Jurisdictions (County or Municipal) in implementing solutions to the problem of delivering broadband to unserved rural residents and businesses (the proposed solution is referred to as the "Project"). It is expected that the Local Jurisdictional applicant ("Applicant") will have a strong incumbent service provider ("ISP") with whom the Applicant will partner ("ISP Partner") in implementing the Project. The ISP Partner will have the means and desire to provide service to the Applicant's unserved rural residents and businesses. The Applicant and the ISP Partner will be responsible for the overall implementation of the Project. The Applicant or its ISP Partner will be the owner of any facilities constructed as part of the Project.

The Office understands that geography and population distribution may require creative options for ubiquitous broadband deployment. As such, the Office is technology neutral; any technology capable of meeting speed and latency requirements set forth in this document is permissible.

This Request For Applications ("RFA") is issued to allow interested local jurisdictions and their ISP partners to request funding for broadband expansion projects utilizing existing networks. Evaluation of responses to this RFA will guide the Office in determining which Local Jurisdictions may receive funding in support of a Project. With adequate future budgetary allocations to the Department, additional funding may be made available for additional Projects. However, the Office is under no obligation to provide assistance to any Local Jurisdiction responding to this RFA.

Participation in this RFA is voluntary. Neither the Office nor the Department will pay for the preparation of any information submitted by an applicant in response to the RFA or for the Office's use of that information.

## 2. Expansion of Existing Broadband Networks Funding Program

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Through the Expansion of Existing Broadband Networks Funding Program ("Program"), the Office will facilitate the award of funding to selected Applicants to assist in the implementation of Projects that involve partnering with ISPs to extend existing broadband service into unserved rural areas. The Office will review submitted applications to ensure that the information contained therein is complete and proposes a sustainable broadband expansion project. The Office may coordinate with other State Agencies on the use of State assets where they may feasibly benefit the Project. While

the Department will provide financial resources to help fund the Project, and the Office will provide technical assistance and oversight, the Applicant and/or its ISP Partner will be the owner of any facilities constructed as part of the Project, and will be responsible for the overall funding, implementation and operation of the Project.

Any Applicant awarded funding under the Program must also commit to funding a minimum 50% of the Project's capital construction cost ("Match"). The source of the Match must be identified in the response to this RFA. Projects for which the Match is comprised of funding from both the Applicant and the ISP Partner may receive greater consideration than those without ISP Partner or local jurisdiction contribution. Projects for which the Match commitment is greater than the 50% minimum requirement may also receive greater consideration during the evaluation.

The Applicant may apply for funding for one or multiple Projects. Projects may be applied for separately or Projects may be separate and located in distinct areas within a single application. Each Application will be evaluated on its own merits. A \$200,000.00 funding limit will apply to each application selected for funding regardless of the number of projects included in the application. The Match will be required for each application selected for funding. If one Project relies on another Project for proper networking, this must be fully explained and defined in the network requirements discussion section of the Applicant's response to this RFA.

### 2.1. Eligible Applicants

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Counties or municipalities listed on the Maryland Manual On-Line website (<https://msa.maryland.gov/msa/mdmanual/01glance/html/locgov.html>) are considered local jurisdictions and eligible to apply for funding.

### 2.2. Eligible Project Areas

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Only Projects that will serve unserved rural areas are eligible for funding. To constitute a rural area, the geographic location of the Project must fall within a rural area as defined by Maryland Code, State Finance and Procurement Article, §2-207 (a)(7) and (8).

An unserved area is an area lacking terrestrial, fixed internet service at speeds above 25 Mbps download and/or 3 Mbps upload and/or with latency above 50 milliseconds.

The response to the RFA must identify a Proposed Funded Service Area ("PFSA") including the geographic Project area, community name or names, total route miles, total number of unserved homes and businesses passed by the Project and average number of homes and businesses per mile. Projects may include one or more, or parts of one or more, rural areas. A graphical map outlining the PFSA and the showing the infrastructure to be constructed

must be included in the Response. A GIS shp, kmz or kml file showing this information is required to be included in the application package.

### 2.3. Timeframe

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Applications are due on or before January 15, 2021. It is the Office's intent to facilitate the award of funding beginning in February 2021. Funding agreements must be entered into by April 15, 2021, and all Projects must be completed by June 30, 2022.

### 2.4. Authority

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The Local Jurisdiction must have entered into a partnership with an ISP Partner prior to entering into a funding agreement with the Department. It is the Local Jurisdiction's responsibility to acquire any legal authority necessary to do so. The Office will not assist the Local Jurisdiction in negotiating or contracting with the ISP Partner.

### 2.5. Funding

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The Office will facilitate the award of funding to the Applicant for its development of a Project or Projects. Financial assistance of up to 50% of the capital construction cost of each application, in an amount not to exceed \$200,000.00 per application, may be available. A Match of at least 50% of the capital cost of each project is required. Matching funds will only be considered if used for eligible grant purposes as defined in Section 4.6.

The source of the Match must be identified in the Applicant's Response to this RFA ("Response"). Projects for which the Match is comprised of contributions from both the Applicant and the ISP Partner may receive greater consideration than those without ISP Partner participation. Projects for which the Match commitment is greater than the 50% minimum requirement may also receive greater consideration during the evaluation. Match from the Applicant or any other source, except for match from the ISP, must be in the form of cash. In-kind matches from the Applicant or other non-ISP sources are not acceptable.

An ISP Partner's contribution to the Match may be comprised of a cash contribution or in-kind capital construction costs directly related to the Project. Capital costs may include last-mile facilities, subscriber installations, or other similar costs. An ISP's in-kind contribution must be documented in the construction budget.

### 3. Network Requirements

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The Office will only support Projects that are able to provide a minimum internet connectivity of 25 Mbps down and 3 Mbps up with a maximum latency of 50 milliseconds measured at the served subscribers' location ("Broadband"). The network must be capable of providing the minimum connectivity to all subscribers within the proposed project area. Proposed subscribers must all be offered the minimum connectivity or higher. Subscriber offerings of less than the minimum connectivity are allowable, but only in conjunction with offerings that include or exceed the minimum connectivity.

### 4. RFI Response Requirements

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Responses to this RFA should explain how the Project will further the Office's goal of ensuring that residents in unserved rural areas, as defined in Section 2, are to be provided access to High Speed Internet. While there is no minimum or maximum length of the required response, please be concise and limit your Response to the information requested. If some of the information requested is not available at this time, please state this in your Response.

#### 4.1. Grant Application Form

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Please complete the Grant Application for Expansion of Existing Broadband Networks Projects. A fillable pdf is also available on the program website at <https://dhcd.maryland.gov/ruralbroadband>.

#### 4.2. Executive Summary

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Please provide an Executive Summary of the Project. The Summary should provide an overview of the area being served, how the area was chosen and what problems the residents in the area face. It should include how the proposed project will help alleviate those problems, increase quality of life, and provide enhanced opportunities for businesses and rural residents. Be clear and provide convincing links between the project and the benefits to the Proposed Funded Service Area (PFSA).

- 4.2.1. The Applicant's Response to this RFA **must** name an ISP Partner. The Response should also describe what assistance or cooperation that the Applicant will offer to the ISP Partner, if any.
- 4.2.2. You must also provide a distinct summary of the project that may be released to the public directly or via press release to the media. This summary must be separated from the other parts of the Response, **with a start and stop clearly identified**.

### 4.3. Experience

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Please provide a statement of experience of the senior team that will participate in any funded Project, both from the Applicant and from the ISP Partner.

### 4.4. Network Design and Construction

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Please provide a description of the network to be constructed. The description should provide the network speed, latency capabilities and backhaul methods and requirements. The description should discuss pole attached vs. underground for wired networks and tower type expectations for a wireless network. Identify whether construction will be performed by the ISP Partner's own crews, or if contracted services will be utilized, or a combination of the two. While it is anticipated that the ISP Partner will ultimately own the facilities constructed, please confirm the intended final ownership and any restrictions to be placed on the future use of any facility constructed as part of the Project.

### 4.5. Subscriber Profile

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Please provide a description of the Unserved Rural Area you intend to serve through the Project and any existing internet service in that area as well as demographic data relating to the Project Area and residents of the Project Area. Please also provide the projected take rate, projected pricing and types of services. This section of the Response should offer an estimate of the overall number of unserved households and businesses in the geographic Project area that could receive service from the Project.

### 4.6. Budget

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Provide a line item capital construction budget outlining cost of all major construction work to be performed including outside plant, electrical equipment, cabinets, customer premise equipment, etc. on the Capital Budget form attached (an electronic version of the form is available at <https://dhcd.maryland.gov/ruralbroadband>). A sample budget is included with the electronic version.

#### **Eligible Grant Purposes.**

Matching funds will only be considered if used for eligible grant purposes.

Grant funds may be used to finance:

1. The construction of facilities used to deploy service at the Broadband Grant Speed to ALL end users located within the PFSA.
2. Middle mile infrastructure directly necessary to provide service to an end user.

3. Electronics necessary to deliver service to an end user including, but not limited to Optical Line Terminals (OLT's), Optical Network Terminals (ONT's), routers, switches, firewalls, wireless radio equipment, antennae, access points and modems and any necessary equipment shelters.

**Match Exception:**

- The cost of construction of towers that are to be owned by the applicant and are necessary to provide service to Project end users.
- The cost of tower structural improvements or engineering design related to tower structural studies necessary to provide service to Project end users. Use of in-house personnel for these services will be paid for at direct labor costs only for staff shown to be proficient in the work. No overhead costs will be allowed.

***These costs may be included only as Match*** and should be clearly indicated as a line item in the budget. Proof of the final expense must be provided via invoices or records acceptable to the Department.

***NOTE: All equipment purchased for this Project must be new and non-depreciated.***

**Ineligible Grant Purposes.**

Grant funds may not be used to finance:

1. The duplication of any existing Broadband Service provided by other entities.
2. Middle mile infrastructure not directly necessary to provide service to an end user.
3. Expenses related to the provision of telephone or video service which are not necessary for the delivery of Broadband Service.
4. ***Engineering design services whether in-house or consultant-based*** except as allowed under Eligible Grant Purposes, Match Exception, above.
5. The purchase of land or towers, construction of buildings, building renovations or tower improvements except as noted as a Match Exception above.
6. **Operating expenses.**

***NOTE: Costs incurred by the applicant County, or others on behalf of the applicant County, for facilities, installed equipment, or other services rendered prior to submission of a completed Response shall not be considered as eligible for grant or match purposes.***



#### 4.7. Schedule

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Describe the proposed schedule for implementing the Project, assuming a Summer 2021 start. Provide a timeline with key milestones. Include a description of how subscribers will be connected, whether phased construction and phased subscriber connection is expected, etc.

### 5. Response Process

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Please submit one (1) electronic pdf copy of your Response to rural.broadband @maryland.gov on or before January 15, 2021.

- The budget submitted with the Response should be submitted as a pdf as well as an excel spreadsheet.
- The GIS shape, kmz or kml file should be clearly named to identify the PFSA it includes.
- All items included with the Response should be combined into one zip file (.zip) to ensure the submission is bound together and no portions are lost during transmission or review.
- File names used should clearly identify the file contents.

Please identify any information contained in your Response that you contend to be proprietary or confidential. **You must also provide a summary of the project that may be released to the public directly or via press release to the media. This summary must be separated from the other parts of the response, with a start and stop clearly identified.**

Additionally, please note:

- a. The Office reserves the right to waive any formalities on the RFA process, to re-issue the RFA, to amend the RFA, to extend the dates provided herein, to amend match requirements, or to suspend the RFA as the Office may determine, at its sole discretion, is in the best interest of the Office.
- b. No reimbursement will be made by the Office for any costs incurred in responding to this RFI, developing or submitting responses to the RFI, or attendance at meetings or interviews.
- c. The Office reserves the absolute right to conduct such investigations as it deems necessary to assist in the evaluation of any Response to the RFA and to establish the experience, the unserved nature of the PFSA, the responsibility, reliability, references, reputation, business ethics, history, qualifications and financial ability of the applicant, proposed partner(s), independent consultants and suppliers. This includes the public release of the PFSA area(s) to allow objection to the unserved nature of the PFSA by others.

- d. Successful applicants will be chosen based on qualifications, evaluation of Responses, and a possible interview. The Office reserves the right to conduct such discussions or negotiations with Counties or other entities as it deems necessary to assist in the evaluation of any proposal, to secure maximum clarification and completeness of any proposal, and to select the Responses that best meet the requirements of the Office and the public interest.
- e. All awardees will be required to execute a Memorandum of Understanding (“MOU”) that outlines the obligations of the awardee and State to the “Project”. A sample “MOU” is available for review at <https://dhcd.maryland.gov/ruralbroadband>.
- f. Questions should be addressed to Kenrick Gordon, Director, Governor’s Office of Rural Broadband at [kenrick.gordon@maryland.gov](mailto:kenrick.gordon@maryland.gov) or 301-429-7426. The Office will do its utmost to timely answer questions related to this RFI.