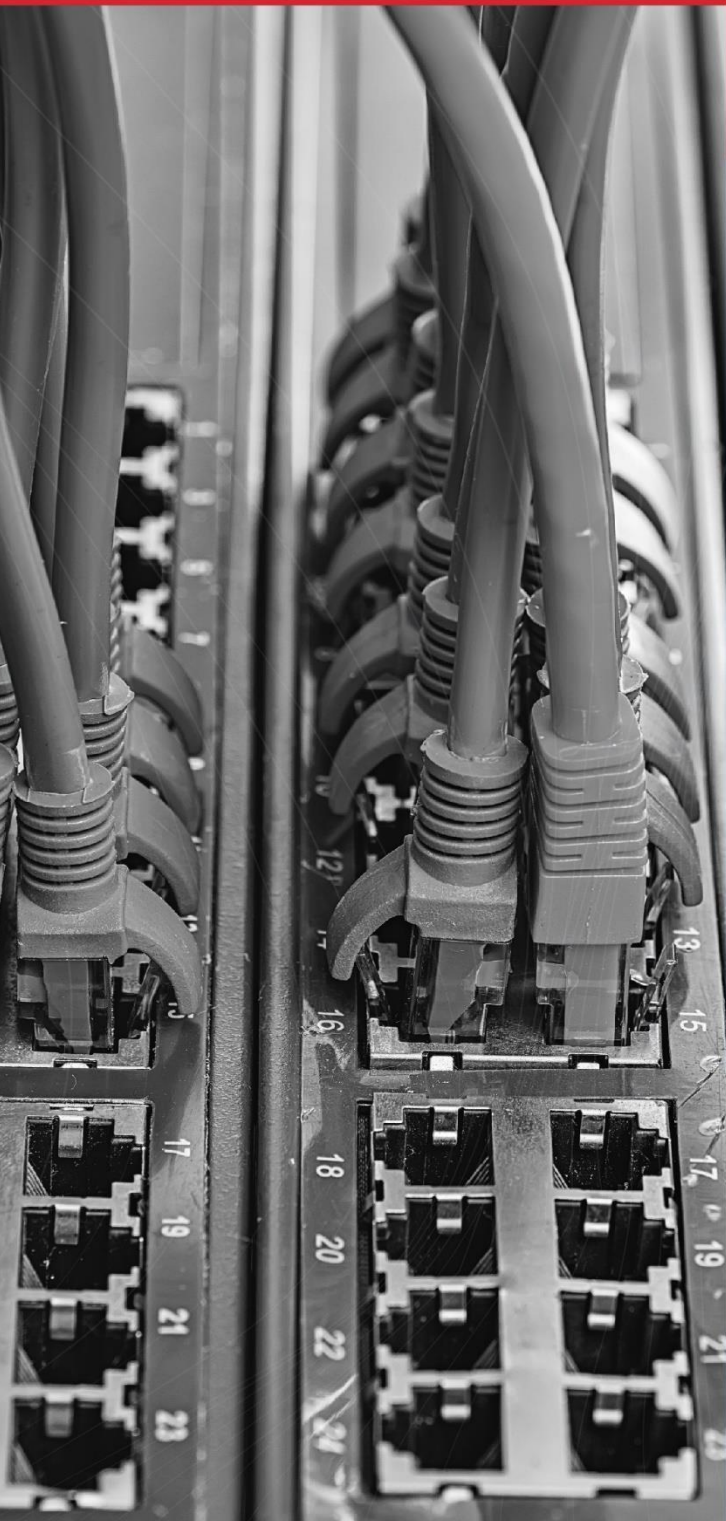


# Last Mile Round Two Grant Application Guide



Department of  
**Economic &  
Community Development**

# 01 | Program Description

## 1.1 Overview of the Grant Program

The Last Mile Round Two Grant Program is established for assistance with capital expenses related to last mile broadband deployment in Carroll, Henderson, Unicoi, Johnson, Meigs, Roane, Marshall, and Moore counties. The Last Mile Round Two grant opportunity is also funded by the American Rescue Plan Act Capital Projects Fund (ARPA CPF Program). The goal of this program is to facilitate high-speed broadband access, increase deployment, and encourage adoption of broadband in those three counties, which currently lack broadband at speeds of 100/20 Mbps. These eight counties were selected due to their high percentage of historically unserved or underserved households and businesses, low population density, and geographic challenges that make broadband deployment both costly and challenging. In addition, the eligible areas in these counties have received limited or no applications for the Tennessee Department of Economic and Community Development (TNECD)'s broadband infrastructure programs in the past. Last Mile Round Two Grant projects may include a middle mile component, but that component should not exceed 30% of the total project costs and must demonstrate that it is necessary to reaching the last mile locations.

## 1.2 Key Dates

TNECD Broadband Office anticipates opening the CPF Last Mile Round Two grant opportunities on March 6, 2024, and closing the applications on April 10, 2024. The public comment period for applications will begin in mid-April and be open for three weeks. The public notice process will include the grantee name, grant request, and map of proposed service area and will be posted on our website at [www.tn.gov/broadband](http://www.tn.gov/broadband). The anticipated announcement for the awards will be late May or early June of 2024. All contracts must be signed by June 30, 2024, and projects must be completed within two years of the contract being signed. These dates are subject to change.

## 1.3 Federal Award Information

### 1.3.1 Funding Availability

TNECD will make up to \$25 million available for federal assistance under the Last Mile Round Two Grant Program.

### 1.3.2 Award Amount

There is no maximum grant request for the Last Mile Round Two Grant Program. Last Mile Round Two counties are divided into sections based on natural divisions. The maximum grant request for the county will be evenly distributed among these areas, with a single applicant receiving the entire allocation for that specific area.

### 1.3.3 Period of Performance

All contracts with grantees must be in effect by June 30, 2024, and the period of performance must end within two years of the contract execution.

## 1.4 Pre-Application Steps

### 1.4.1 System Award Management (SAM) Unique Entity ID (UEI)

Applicants must obtain a SAM UEI from SAM.gov in order to be eligible to receive funding from Last Mile Round Two Grant Program. As a sub awardee of a federal award, applicants are only required to obtain a UEI and do not have to complete a full SAM registration. Once on SAM.gov, entities should choose the "Get a Unique Entity ID Only (No Entity Registration Required)" option. In order to receive a UEI, the entity must input its legal business name and physical address along with any other required information.

# 02 | Eligibility Requirements

## 2.1 Eligible Entities

The following entities are eligible to apply for the TNECD Last Mile Round Two Grant Program:

- Political subdivisions or entities of political subdivisions
- Corporations
- Limited liability companies (LLCs)
- Partnerships or other business entities
- Cooperatives organized under Tenn. Code. Ann. § 65-25-101 et seq. and § 65-29-101 et seq.
- Any other entity authorized by state law to provide broadband services

**Note:** Each entity must have an FRN Number with the FCC and must deliver last mile services.

## 2.2 Use of Project Funds

### 2.2.1 Eligible Uses

Grant funding can only be used to pay for necessary construction, acquisition, and improvement of middle mile and last mile infrastructure. Costs that appear excessive and/or without justification and costs not considered eligible will not be reimbursed. The following are eligible costs for the Last Mile Round Two Grant Program:

- Network and access equipment costs
- Reasonable make-ready and one-time pole licensing costs, excluding recurring pole attachment payments
- Equipment shelter, land, site preparation, and site restoration costs
- Professional services: Includes engineering and project management costs involved in designing and constructing the proposed project
- Testing
- Other miscellaneous upfront costs: Includes any other upfront costs not covered in other categories, such as site preparation,

permits, required licenses, sales tax applicable to new equipment purchases, shipping and warehousing expenses, and miscellaneous minor material

- Vehicles (on a case-by-case basis)
- Internal/In-house labor costs incurred as part of eligible project activities:
  - Only reimbursable up to the proportion of employees' time spent exclusively on project activities during the period for which reimbursement is sought. When seeking reimbursement, applicants must submit such costs as line items and provide supporting documentation for the expense. Supporting documentation shall include time spent by each employee on project activities, total time spent by each employee during the period for which reimbursement is sought, and an hourly cost that may include employee salary. Indirect costs are not reimbursable.
  - It is required that the grantee submit a report from the internal payroll system showing date/period during which the work was performed, hourly rates and a description of the activities performed.
- Capital purchases to include a single item (such as vehicles or individual equipment) purchased at \$5,000 or more.
- Stored materials (make-ready expenses): The stored materials should be documented in a spreadsheet that shows the material, price per unit, quantity used, total, and approximate date of use. No proof of payment is required. See section 5.5 for information about the inventory charge-out requirement.
- Tax: Tax payments are also reimbursed. There are two situations that must be addressed:
  - If the provider/contractor is charged sales tax and it shows on the vendor invoices, the expense can be reimbursed and should be supported by the relevant proofs of payment.
  - If the provider/contractor is charged tax on a lumpsum basis and not on individual invoices, the tax payments can be reimbursed given the grantee details out the tax payment separately while claiming reimbursement.
- Screenshots from the grantee's accounting/management

information system, as well as monthly tax returns, are acceptable documentation.

The following is an eligible use for Last Mile Round Two Grants:

- Customer premises equipment: Funding only covers up to the network demarcation point (e.g., network interface device [NID] or optical network terminal [ONT])

### **2.2.2 Ineligible Uses**

Ineligible costs include any costs that are not for necessary construction, acquisition, and improvement of middle mile and last mile infrastructure in unserved or underserved areas.

- Internal administrative activities
- Fundraising activities
- Computers or office equipment
- Equipment owned or leased by the customer, including routers and modems, and any other costs beyond the network interface point
- Operating expenses
- Expenses incurred prior to the date of the grant award announcement (with the exception of make-ready and inventory backdated to March 15, 2021)
- Payment of interest or principal on outstanding debt instruments, or other debt service costs
- 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

## **2.3 Funds Matching and State Coordination**

The grant will cover up to 70% of eligible project expenses, with a required 30%

match by the grantee.

Partnership with community partners and local governments can lead to increased community development. These partnerships broaden the level of support for a project and involve the surrounding community, therefore strengthening the broader community. It is essential that grantees discuss affordability with community partners and other relevant stakeholders to ensure that project costs and access costs are feasible for consumers in the area.

Middle mile infrastructure is essential to last mile infrastructure's abilities to enable residents with high-speed broadband networks. Without last mile infrastructure, middle mile infrastructure cannot provide service to households and businesses.

For any portion of middle mile infrastructure included in a Last Mile Round Two project application, information on any associated partners should be identified within the application. If a partnership is included within the application, applicants are to submit proof of partnership between themselves and a middle mile provider(s) in the form of a letter outlining the commitment and the partnership agreement terms.

## **2.4 Additional Match (Leveraged Funds)**

Extra points will be given to Last Mile Round Two applicants who include additional match funding in their application. Last Mile Round Two Program applications will not receive additional points for local match other than in the "additional match" category. For example, if an applicant receives a local match from a county or locality that puts their total match amount over the required 30%, the applicant will receive additional points because the total matching funds amount is more than the requirement-not because it is a local match, only.

This is due to the nature of the program and the state's initial selection of these three counties.

If a recipient has an additional match, they will receive a lower percentage of reimbursement per invoice. Because the additional match increases the total funding of the project, the percentage of reimbursement per invoice will be lower. The 70% match will be applied to the original project funding amount only.



**Example:**

Grant	Grantee Match	Additional Match	Total	Calculation	Ratio/Breakdown	Monthly Invoice	TNECD Reimbursement
\$7M	\$3M	N/A	\$10M	\$3M (total match)+ \$10 (project total)	TNECD pays 70% Grantee pays 30%	\$60k	\$60k x 70% = \$42k
\$7M	\$3M	\$2M	\$12M	\$5M (total match)+ \$12 (project total)	TNECD pays 58.3% Grantee pays 41.7%	\$60k	\$60k x 58% = \$35k

Additional information can be found on TNECD's website:

<https://www.tn.gov/content/dam/tn/ecd/documents/broadband/infrastructure/las-t-mile-middle-mile/cpf/Matching%20Grant%20Funds%20-%20Reimbursement%20Examples.pdf>

## 2.5 Buildout Benchmarks

Applicants selected for a grant award will submit a baseline document indicating the broadband infrastructure already deployed. This baseline and the target for the project will be used to determine the buildout benchmarks for the specific project. At the 50% and 85% completion benchmarks, grantees will undergo monitoring activities such as desk reviews and/or site visits.



## 03 | Application Information

### 3.1 Applicant Qualifications

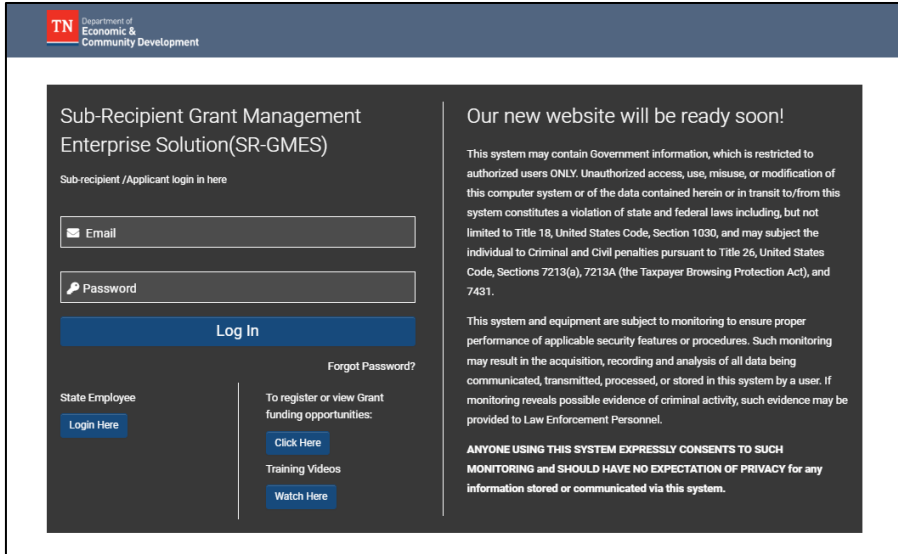
Qualified applicants should demonstrate a need for funding assistance to serve the project area, quality partnerships, and support from community organizations. Applicants will be assessed on their financial and technical capabilities to complete the project on time and within budget as well as their experience with broadband or ability to bring on qualified experts.

Applicants will be further assessed on their impact on the community served. This will include *existing* service or plans *to provide* service to a community anchor institution (CAI), economic impacts on job creation, healthcare delivery, economically distressed areas, and education access. Applicants should demonstrate a thoughtful plan for adoption of broadband, including addressing relevance, skills, and affordability.

See below for the application structure and required attachments for upload.

### 3.2 Content and Form of Applications

Applications will be submitted via the grant management software SmartSimple. Grantees will need to register with SmartSimple at [https://ecd.grants.tn.gov/s\\_Login.jsp](https://ecd.grants.tn.gov/s_Login.jsp) in order to access the grant application.



SmartSimple Registration Page

### 3.2.1 General Information

The applicant should be prepared to provide identifying information including the legal entity name, Federal Employer Identification Number (FEIN), FCC Registration Number (FRN), UEI, and mailing address. Applicants should also include their contact information and the contacts for the individuals within their organization authorized to act in regard to Finance, Technical, and Contact Signatory.

APPLICATION GUIDELINES	GENERAL INFORMATION	PROJECT INFORMATION	COMMUNITY IMPACT	BUDGET	DOCUMENT UPLOAD AND SUBMISSION
<b>* CPF Project Type Sub-Type</b>					
Henderson					
<b>* Applicant Legal Entity Name</b>					
Department of Economic and Community Development					
<b>* Federal Employer Identification Number (FEIN)</b>					
00123					
<b>* FCC Registration Number (FRN)</b>					
123456					
<b>* SAM</b>					
SAM ID: TEST123					
<b>* Mailing Address</b>					
123 Road Street, Nashville TN 37201					

2024-1189

APPLICATION GUIDELINES **GENERAL INFORMATION** PROJECT INFORMATION COMMUNITY IMPACT BUDGET DOCUMENT UPLOAD AND SUBMISSION IN

Department of Economic and Community Development - Henderson - Broadband Last Mile - 2024-1189 ⓘ

**\* Primary Contact Info**

Primary Contact Name: ECD Test - Grant Applicant  
 Primary Contact Title: Grant Applicant - Test Profile  
 Primary Contact Email: [REDACTED]  
 Primary Contact Phone Number: 555-555-5555 ⓘ

**\* Other Contacts**

Open ⓘ

Contact Type	Name	Title	Email	Phone
Finance	test	test	test@test.com	1234567890
Technical	test	test	test@test.com	1234567890
Contact Signatory	test	test	test@test.com	1234567890

Note: Some of the fields in the General Information section automatically populate from the applicant’s organizational profile in SmartSimple. If these fields need to be changed or updated, follow these directions:

1. Click the ‘Profile’ dropdown at the top right in SmartSimple.
2. Select 'Edit Organization'.
3. Update the desired field.
4. Click 'Save'.



### 3.2.2 Provider Information

The applicants must answer the following additional questions regarding their organization:

▼ Provider Information

\* In 250 words or less, please describe your organization's experience relevant to the provision of broadband service and qualifications, to build, manage, and operate the project.

250 words left

\* In 500 words or less, please describe background, history, structure, business model, and technical capability of your organization, and describe any provider partnerships in detail.

500 words left

\* How long has the applicant been in business in the State of Tennessee?

\* How long has the applicant been in the retail broadband business in the State of Tennessee?

\* How many broadband customers does the applicant currently serve in the State of Tennessee?

\* Provide a description of the existing service area.

Attach a map of existing service area in the Document Upload & Submission tab

\* Has your organization been awarded a TN ECD Broadband grant previously?

Yes

No

\* If yes, which one?

\* Please provide the current take rates on your ARPA/TEBF and/or State Broadband Grant.

**Application Submission**

This is the only ARP-CPF Last Mile grant application submitted on behalf of this organization.

### 3.2.3 Partner Information


The application should include information regarding any Middle Mile partner organizations, if applicable. The applicant should be prepared to provide written descriptions of their partnership and why there is a need for middle mile infrastructure funding.

If the application includes a Middle Mile partnership, supplemental

documentation relating to the need for last mile infrastructure funding must be uploaded in the Document Upload and Submission section in SmartSimple.

**Partner Information**

**\* Is your Last Mile Grant Application Project in partnership with a Middle Mile Provider?**

Yes 

No

**\* In 500 words or less, please identify and describe the partnership (how long have you been partnered, cost share, ownership of assets, retail services, dissolution plan etc...).**

500 words left

**\* In 250 words or less, please describe the additional need for middle mile infrastructure funding.**

Please attach any supplemental documentation in the Document Upload & Submission tab.

250 words left

**\* Attestation**

No more than 30% of the total project funds may be allocated to the middle mile component.

I attest that Middle Mile funding request does not exceed 30% of the total projects cost.

### 3.2.4 Project Information

Applicants will need to provide information including an overall project description, information on the technology the project seeks to deploy, information about the service area, and a project timeline. Applicants must also attest that the project meets the speed requirements of the program.

APPLICATION GUIDELINES   GENERAL INFORMATION   **PROJECT INFORMATION**   COMMUNITY IMPACT   BUDGET   DOCUMENT UPLOAD AND SUBMISSION

**\* In 500 words or less, please describe the proposed project including timelines and milestones. Applicants must also include the location type and speed levels that will be offered once the project is completed.**

500 words left

**\* Please indicate how many miles are proposed for last mile infrastructure.**

**\* Please indicate how many miles are proposed for middle mile infrastructure.**

### 3.2.5 Project Technology

Applicants must provide a network design description, project costs, buildout timeline, and milestones for project implementation. Applicants shall also provide information pertaining to the area that will be served in the proposed project, such as the level of need and difficulty of serving the area, population density, and percentage of locations within the area that are lacking 100/20mbps or less connection. Please note regardless of technology type, per the American Rescue Plan Capitol Project Fund Guidelines, all projects must be able to meet or exceed 100/100mbps per location.

▼ Project Technology

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\* What type of technology will be used to provide broadband?

Please Select ↻

If applicable, identify the middle mile partner.

↻

If applicable, what type of technology will the middle mile partner use to provide broadband?

Please Select ↻

\* In 250 words or less, describe the proposed network design as it relates the ARP CPF Guidelines.

↻

250 words left

**Locations Type Detail**

Complete the table below to provide detail for each location type.

Open

	Households	Businesses	Community Anchor Institutions	Percentage of Total Locations	Total Locations Passed
Unserved (Less than 25/3)	5	5	0	31.25%	10
Unserved (Less than 100/20)	5	5	0	31.25%	10
Served (Greater than or equal to 100/20)	10	0	2	37.50%	12
<b>Total Locations by Type</b>	<b>20</b>	<b>10</b>	<b>2</b>		<b>32</b>

### 3.2.6 Service and Pricing Levels

Applicants must complete the service pricing table in SmartSimple, which consists of questions that determine the technology offered, download and upload speeds, any existing data limits, monthly costs, pricing terms, and if there are requirements for the pricing level. This should be populated across all service levels being offered to residential or small business end users. The pricing and service level table helps determine the following:


- The **technology proposed** defined as delivery type for the end user

with sample being Fiber to the Premises, Fiber to the home, Hybrid fiber coax or Fixed Wireless.

- **Download and upload speed** would be the advertised speed in Mbps that will be offered to the end user.
- **Data limit** would be populated describing if it is unlimited or limited in GB of the usage allowed monthly before additional cost would be incurred by the end user or throttling would occur to limit the end user's realized throughput experience.
- **Total monthly cost** would be inclusive of the subscribed Internet service as well as any required equipment needed to utilize the service.
- **Pricing term guarantee** would be the timeframe that the monthly cost will or could stay effective based on the term of the contract, or if this cost is not guaranteed for any length of time.
- The **pricing requirement** references if there is a contract-agreement required or offered to the end user and what the requirement term is to maintain the cost.


▼ Service and Pricing Levels

\* Please indicate below the speed threshold and price options your organization will be providing within the grant service area.

Open 

Speed Threshold	Price	Location Type	Number of Locations	Additional Details
500mbps	\$50-\$74		0	

\* Are there any limitations on data usage? (e.g. data caps, reduced speeds, etc)

Yes 

No

\* Does your entity charge installation costs?

Yes

No

\* Does your entity charge for equipment rentals?

Yes

No

\* Is there a service contract required?

Yes

No

\* Does your entity have an early termination fee?

Yes

No




### 3.2.7 Primary Service Area


Applicants must complete the following questions regarding the primary service area of their Last Mile Round Two proposed project.

▼ Primary Service Area

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No action is required. Primary County Served will autocomplete.


Primary County Served: Please Select 

 Attach the following in the Document Upload & Submission tab:


- A .csv file containing the Broadband Serviceable Location (Fabric) Location ID for all locations within your proposed grant area.

The reference file for locations can be found [here](#).  
Maps must provide routes and locations. The maps must breakdown what is Last Mile vs. Middle Mile.

\* Does your organization have any existing enforceable commitments within the proposed grant area?


Yes 

No

 Please provide documentation of commitment AND please provide a map file of the project area(s) in the Document Upload and Submission tab.

\* If yes, what enforceable commitments do you have within the proposed grant area?

Select all that apply.

<input type="checkbox"/> NTIA Broadband Infrastructure Program (BIP)	<input type="checkbox"/> RUS Community Connect Program 
<input type="checkbox"/> RUS Reconnect	<input type="checkbox"/> RUS Telephone Loan Program
<input type="checkbox"/> US Treasury Capital Projects Fund	<input type="checkbox"/> American Rescue Plan – Infrastructure
<input type="checkbox"/> Rural Digital Opportunity Fund (RDOF)	<input type="checkbox"/> NTIA Enabling Middle Mile (EMM) Program
<input type="checkbox"/> Connecting Minority Communities Pilot Program	<input type="checkbox"/> Enhanced Alternative Connect America Model (E-ACAM)
<input type="checkbox"/> Connect America Fund Phase II (Auction)	<input type="checkbox"/> Upcoming Build
<input type="checkbox"/> Other	

\* What is the average number of Last Mile locations per mile within the proposed service area?


### 3.2.8 Project Timeline

Applicants must complete questions about the project timeline, including permitting and how long the organization anticipates it will take to begin project construction. Applicants must also download and complete the Construction Timeline Estimate Excel, which can be found under Application Resources on the [TNECD Website](#).

▼ Project Timeline

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\* Does your organization have all necessary permits, contracts, and approvals in place to begin construction immediately upon award?

Yes 

No

\* If no, how long after this is awarded would it take to get necessary permits?

250 words left

\* What does your organization require before construction can begin? In 250 words or less, please describe what is preventing your organization from beginning the project.

250 words left

In 500 words or less, describe any remaining relevant information regarding this proposed grant project.

500 words left

### 3.2.9 Community Impact

Applicants will have the opportunity to describe their community and economic impact, including *existing or proposed* partnerships with community anchor institutions (CAIs), and their adoption plans.

#### 3.2.10 Economic and Community Impact

This section should explain how the completion of the proposed project will:

- Lead to job creation
- Improve healthcare delivery
- Serve an economically distressed area
- Improve educational access

Impact statements should be specific, time-bound, and measurable. Here are examples of sufficient impact states:

- “Our proposed project has the potential to create [#] jobs and a

projected contribution of [\$] to the local economy.”

- “The proposed project is expected to provide improved healthcare services to [#] residents while indirectly supporting community well-being.”
- “The proposed project is expected to improve access to educational services in the proposed area through [X] initiative, which would directly impact the lives of [#] schoolchildren and provide access to educational services for [#] children outside the scope of formal education.”
- “The grant area serves [#] political subdivisions designated as Broadband Ready Communities.”
- “The grant area serves [#] political subdivisions in a designated Appalachian Regional Commission (ARC) "at-risk county" or "distressed community.”
- “The proposed project has planned to collaborate with [X] community organization for [Y] purposes for [Z] duration/phases of the project, which would create [ABC] impact for the larger community and provide [XYZ] support to project activities.”

▼ Economic and Community Development Impact

\* In 500 words or less, please describe the economic and community impact your proposed project will have in, around, and for the application area. Please describe how the completion of the proposed project will lead to job creation in this community, improve health care delivery, serve an economically distressed area, and/or improve educational access. If applicable, also explain how the project will support the impacted community and their efforts to respond to the COVID-19 pandemic. Note: when possible please quantify the impact your entity anticipates from the proposed project.

This question is intended to understand how the applicant worked with the local community in identifying areas of greatest need and determining specific community impacts of broadband connectivity. Narrative here should explain the expected results the project will have on the specific community, not just a general explanation of the positive impact of broadband.

Please provide numerical estimates, justification(s) on how these estimates were calculated, and an explanation of how the applicant plans to measure the impact of the project.

500 words left

### 3.2.11 Community Partners and Community Anchor Institutions

Grantees are highly encouraged to partner with the local community and include community anchor institutions (CAIs) in their application to demonstrate their understanding of the needs of the communities in which they are building their projects and to encourage digital adoption. Applicants should also note if they are currently working with CAIs in the community through another project or program. Additional points will be given to providers engaging in these partnerships, which should be documented through a letter from the CAI and

attached to the application. Applicants are required to include a written statement regarding previous successful partnership with local communities in relation to infrastructure and adoption efforts.

Community Partners & Support

Please list any community partners associated with the project's adoption, promotion, or usage.

Open

Name	Role	Description of role in the project
test	test	test

Please attach evidence of community support for the project in the Document Upload & Submission tab. This may include resident surveys, local government resolutions, and/ or letters from residents, businesses, government officials, other stakeholders or the partners listed above.

\* In 500 words or less, please share past successful projects completed between your organization and Community Partner(s) as it relates to broadband network infrastructure and adoption efforts.

test test

Community Anchor Institutions

\* Will this project provide service to a community anchor institution that previously did not have service or upgrade a CAI's current level of service to better meet its needs? Community anchor institutions include libraries, police and fire stations, city/ county buildings, public safety buildings, hospitals, and educational institutions.

Yes  No

\* If yes, please list and describe the community anchor institutions.

Please upload letters of support from the CAIs explaining why this service or better level of service is critical to their operations in the Document Upload & Submission tab. In order to receive associated points, the letter is required to include CAI's current level of service, what applicant will provide, and that this will be a service improvement. Examples include but are not limited to schools, libraries, hospitals, state parks or other recreational areas, housing authorities, fire halls, etc.

test test

\* How many CAIs is your organization currently serving in the county you are proposing to serve?

45

### 3.2.12 Adoption Plan

Applicants are asked to describe the activities they plan to increase adoption awareness within the proposed grant area and include descriptions of relevance, skills, and affordability in relation to the community and the proposed project. This may include digital literacy training, surveys, etc. Please explain any resources the applicant will be contributing or partnerships within the community to provide the adoption efforts. The adoption plan should also specify whether the applicant will participate in the Affordable Connectivity Program (ACP), which is required for all grantees, or if they offer additional low-cost service plans.

▼ Adoption

\* In 100 words or less, please explain how your organization would be participating at the time of the contract start date.

100 words left

\* Please describe any digital inclusion activities beyond marketing planned to increase adoption awareness. This may include partnering with a local non-profit organization, providing digital literacy, promoting low-income assistance, free/low-cost devices, etc. Please explain any resources the applicant will be contributing or partnerships within the community to provide the adoption efforts.

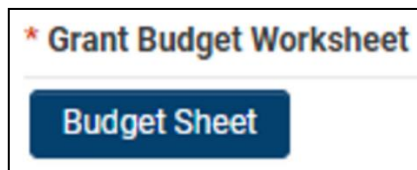
\* Does your entity currently participate or propose to participate in the ACP program upon grant award?

Propose to Participate

\* Please explain intention to participate.

### 3.2.13 Budget Worksheet

The applicant should click on the "Grant Budget Details" open button in SmartSimple to access the budget worksheet.



The first table in the worksheet, Budget Details, will auto-populate based on input from the tables below: Construction, Engineering and Design, Legal Services, Appraisals, Acquisition of Property, Capital Purchase, and Project Contingency. The applicant should enter line items and descriptions into the appropriate sections and provide the following details for each of those line items:

- Unit cost
- Number of units
- Total unit cost
- Grant funds requested
- Cash match amount

If there are expenses relating to a specific table, you may add as many rows as needed by clicking the "+" button below the table. If you need to remove a row, you may click the "X" button at the end of the row.

**Note:** Complete the following steps to populate the **Total Unit Cost** and the **Cash Match Amount** column:

- Manually enter numbers under the Unit Cost and Number of Unit columns. SmartSimple will automatically calculate the Total Unit Cost numbers.
- Next, separately calculate 70% of the amount listed under Total Unit Cost, and manually enter that number under the Grant Funds Requested column. SmartSimple will automatically calculate and list the 30% cash match number under Cash Match Amount.
- We have provided an excel template for you to calculate your budget outside of SmartSimple. The template is linked here on ECD Broadband's Last Mile Round Two Resources page.

Construction (including inspection)						
Please include a brief description of the construction, rehabilitation, renovation, and related costs.						
Item Description	Unit Cost	Number of Units	Total Unit Cost	Grant Funds Requested	Cash Match Amount	Additional match funds
Fencing - 30' x 30'	\$7,000.00	5	\$35,000.00	\$600.00	\$257.14	\$500.00
Fencing - 5' x 5'	\$250.00	3	\$750.00	\$300.00	\$128.57	\$100.00
	\$7,250.00	8	\$35,750.00	\$900.00	\$385.71	\$600.00

Once you have completed the budget worksheet, press the save button at the bottom of the worksheet. If you need to restart the worksheet for any reason, you may also quickly clear the worksheet by pressing the "Clear" button as shown here.



### 3.2.14 Budget Feasibility

Applicants are required to provide a written overview of the budget feasibility. It is important to note that when completing the table applicants should pay close attention to each column and provide accurate information that reflects the project as described below:

**Year:** Year is when the portion of the project work and expenses is completed. When completing this Budget Feasibility Table, it should align with the years in the project's timeline populated in the application.

**Total Locations Built:** Total of completed build locations in the designated year. Note this column is cumulative and should include all locations built as part of the project in the preceding years.

**Monthly Pricing:** Providers expected adoption all levels pricing for broadband service offerings to locations that have been built. Monthly rates should be included in the budget narrative, and this should be a weighted average of the broadband bandwidth offerings by the expected adoption tiers.

Example: 40% @ \$40 for 100/100; 40% @ \$70 for 500/500; and 20% @ \$100 for 1000/1000 would equal \$64 as a weighted average.

**Blended Pricing:** Calculation of the Total Locations built times the average annual revenue per location. This pricing should include all subscribed services to include broadband, video, VoIP, etc.

**Subtotal by Location:** Calculation of the total Locations built times the annual blended pricing.

**Take Rate:** Providers expected take rate, taking into consideration industry average, past experiences, and project specific considerations. Also, can be referred to as adoption rate.

**Gross Revenue:** Calculation of the Subtotal by Location times the Take Rate.

**Operating Expenses:** Providers expected Operating Expenses, taking into consideration Industry average, past experiences, and project specific considerations.

**Net Income:** Calculation of the Gross Revenue minus the Operating Expenses.  
**Funded Eligible Expenditures:** Providers expected grant funded expenses based on project timeline. Consider and align the expenditures in the years when they will occur, and the total of entries in this column needs to equal the total project cost including federal grant and match funding.



**Total Profit (Loss):** Calculation of the Net Income minus the Funded Eligible Expenditures.

	Total Locations Built	Monthly Pricing	Blended Pricing	Subtotal by Location	Take Rate	Gross Revenue	Operating Expenses	Net Income	Funded Eligible Expenditures	Total Profit (Loss)
2024	0	\$50.00	\$600.00	\$0.00	50.00%	\$0.00	\$0.00	\$0.00	\$600,000.00	(\$600,000.00)
2025	0	\$50.00	\$600.00	\$0.00	50.00%	\$0.00	\$0.00	\$0.00	\$600,000.00	(\$600,000.00)
2026	650	\$50.00	\$600.00	\$390,000.00	50.00%	\$195,000.00	\$175,000.00	\$20,000.00	\$1,350,000.00	(\$1,330,000.00)
2027	850	\$50.00	\$600.00	\$510,000.00	50.00%	\$255,000.00	\$200,000.00	\$55,000.00	\$1,350,000.00	(\$1,295,000.00)
2028	900	\$50.00	\$600.00	\$540,000.00	50.00%	\$270,000.00	\$200,000.00	\$70,000.00	\$600,000.00	(\$530,000.00)
2029	1000	\$50.00	\$600.00	\$600,000.00	50.00%	\$300,000.00	\$200,000.00	\$100,000.00	\$500,000.00	(\$400,000.00)

### 3.2.15 Total Federal Funding for Last Mile Round Two Projects

The following is a list of and definitions for each of the budget categories within the budget worksheet:

#### Construction:

Applicants must provide a description of any proposed construction costs for the project. Examples of construction costs include costs related to railroad crossings, site preparation or restoration, reasonable make-ready and one-time pole licensing costs, customer premise equipment, and internal labor costs incurred as part of eligible project activities. Costs are to be broken down by line item. The description should include methods used to calculate the costs and any additional information to describe the costs. Applicants are required to provide a brief memo regarding any railroad crossing costs that will be incurred for the project.

#### Construction Inspection:

Applicants must provide a detailed description of any proposed construction inspection costs for the project. Can include but is not limited to the following activities that ensure conformance of a fiber network infrastructure construction: planning inspection and operation inspection.

#### Engineering and Design:

Applicants must provide a detailed description of any proposed engineering and design costs for the project. Examples of engineering and design costs include costs related to testing and engineering and project management costs involved in designing and constructing the proposed project. Costs are to be broken down by line item. The description should include methods used to calculate the costs and any additional information to describe the costs. Engineering expenses can be included if they fall within the contract period. Mileage rates charged as a part of engineering expenses should be brought down to the state level

regulations (\$0.655/mile), which also needs to be shown on the invoices.

**Legal Services:**

Applicants must provide a detailed description of any proposed legal services that support the construction of the project. Costs are to be broken down by line item. The description should include methods used to calculate the costs and any additional information to describe the costs.

**Appraisals:**

Applicants must provide a detailed description of any proposed appraisal costs for the project, such as land appraisals. Costs are to be broken down by line item. The description should include methods used to calculate the costs and any additional information to describe the costs.

**Acquisition of Property:**

Applications must provide a detailed description of any proposed acquisition of property costs for the project. Costs are to be broken down by line item. The description should include methods used to calculate the costs and any additional information to describe the costs.

**Capital Purchases:**

Applicants must provide a detailed description of any proposed capital purchase costs for the project. Examples of capital purchase costs include costs related to equipment shelter, network and access equipment, vehicles, and equipment individually purchased at \$5,000 or more. Costs are to be broken down by line item. The description should include methods used to calculate the costs and any additional information to describe the costs.

**Project Contingency:**

Applicants must provide a detailed description of any proposed contingency costs for the project. Costs are to be broken down by line item. The description should include reasoning regarding the need for contingency funding, methods used to calculate the costs, and any additional information to describe the costs.

**Other Non-Personnel:**

Applicants must provide a detailed description of any proposed other non-personnel costs for the project. Can include but is not limited to ancillary costs necessary to operationalize and put the capital assets to full use or any other

upfront costs not covered in other categories, such as site preparation, permits, shipping and warehousing expenses, and miscellaneous minor material. Costs are to be broken down by line-item and the description should include methods used to calculate the costs and any additional information to describe the costs.

For additional information, please refer to the Budget Help Text Tool – [https://www.tn.gov/content/dam/tn/ecd/documents/broadband/last-mile-middlemile/cpf/MM%20LM%20Budget%20HelpText Tool.pdf](https://www.tn.gov/content/dam/tn/ecd/documents/broadband/last-mile-middlemile/cpf/MM%20LM%20Budget%20HelpText%20Tool.pdf)

APPLICATION GUIDELINES	GENERAL INFORMATION	PROJECT INFORMATION	COMMUNITY IMPACT	BUDGET	DOCUMENT UPLOAD AND SUBMISSION	INTERNAL	INITIAL REVIEW
<b>Budget Detail Overview</b>							
	<b>Total Grant Project Budget</b>	<b>Broadband Grant Funds</b>	<b>Required Match</b>	<b>Additional Match</b>	<b>Total Grantee Funds</b>		
Construction	\$100,010.00	\$70,000.00	\$30,000.00	\$10.00	\$30,010.00		
Construction Inspection	\$10,000.00	\$7,000.00	\$3,000.00	\$0.00	\$3,000.00		
Engineering and Design	\$1,100.00	\$700.00	\$300.00	\$100.00	\$400.00		
Legal Services	\$11,000.00	\$7,000.00	\$3,000.00	\$1,000.00	\$4,000.00		
Appraisals	\$100,000.00	\$70,000.00	\$30,000.00	\$0.00	\$30,000.00		
Acquisition of Property	\$10,000.00	\$7,000.00	\$3,000.00	\$0.00	\$3,000.00		
Capital Purchases	\$100,000.00	\$70,000.00	\$30,000.00	\$0.00	\$30,000.00		
Project Contingency	\$10,000,000.00	\$7,000,000.00	\$3,000,000.00	\$0.00	\$3,000,000.00		
Other Non-Personnel	\$100,000.00	\$70,000.00	\$30,000.00	\$0.00	\$30,000.00		
<b>Total</b>	<b>\$10,432,110.00</b>	<b>\$7,301,700.00</b>	<b>\$3,129,300.00</b>	<b>\$1,110.00</b>	<b>\$3,130,410.00</b>		
<b>Construction Budget</b>							
<b>Item Description</b>	<b>Unit Cost</b>	<b>Number of Units</b>	<b>Total Unit Cost</b>	<b>Grant Funds Requested</b>	<b>Cash Match Amount</b>	<b>Additional match funds</b>	
test	\$10,000.00	10	\$100,000.00	\$70,000.00	\$30,000.00	\$10.00	
	<b>\$10,000.00</b>	<b>10</b>	<b>\$100,000.00</b>	<b>\$70,000.00</b>	<b>\$30,000.00</b>	<b>\$10.00</b>	
<b>Construction Inspection Budget</b>							
<b>Item Description</b>	<b>Unit Cost</b>	<b>Number of Units</b>	<b>Total Unit Cost</b>	<b>Grant Funds Requested</b>	<b>Cash Match Amount</b>	<b>Additional match funds</b>	
test	\$1,000.00	10	\$10,000.00	\$7,000.00	\$3,000.00	\$0.00	
	<b>\$1,000.00</b>	<b>10</b>	<b>\$10,000.00</b>	<b>\$7,000.00</b>	<b>\$3,000.00</b>	<b>\$0.00</b>	
<b>Engineering and Design Budget</b>							
<b>Item Description</b>	<b>Unit Cost</b>	<b>Number of Units</b>	<b>Total Unit Cost</b>	<b>Grant Funds Requested</b>	<b>Cash Match Amount</b>	<b>Additional match funds</b>	
test	\$100.00	10	\$1,000.00	\$700.00	\$300.00	\$100.00	
	<b>\$100.00</b>	<b>10</b>	<b>\$1,000.00</b>	<b>\$700.00</b>	<b>\$300.00</b>	<b>\$100.00</b>	
<b>Legal Services Budget</b>							
<b>Item Description</b>	<b>Unit Cost</b>	<b>Number of Units</b>	<b>Total Unit Cost</b>	<b>Grant Funds Requested</b>	<b>Cash Match Amount</b>	<b>Additional match funds</b>	
test	\$1,000.00	10	\$10,000.00	\$7,000.00	\$3,000.00	\$1,000.00	
	<b>\$1,000.00</b>	<b>10</b>	<b>\$10,000.00</b>	<b>\$7,000.00</b>	<b>\$3,000.00</b>	<b>\$1,000.00</b>	
<b>Appraisals Budget</b>							
<b>Item Description</b>	<b>Unit Cost</b>	<b>Number of Units</b>	<b>Total Unit Cost</b>	<b>Grant Funds Requested</b>	<b>Cash Match Amount</b>	<b>Additional match funds</b>	
test	\$10,000.00	10	\$100,000.00	\$70,000.00	\$30,000.00	\$0.00	
	<b>\$10,000.00</b>	<b>10</b>	<b>\$100,000.00</b>	<b>\$70,000.00</b>	<b>\$30,000.00</b>	<b>\$0.00</b>	
<b>Acquisition of Property Budget</b>							
<b>Item Description</b>	<b>Unit Cost</b>	<b>Number of Units</b>	<b>Total Unit Cost</b>	<b>Grant Funds Requested</b>	<b>Cash Match Amount</b>	<b>Additional match funds</b>	
test	\$1,000.00	10	\$10,000.00	\$7,000.00	\$3,000.00	\$0.00	
	<b>\$1,000.00</b>	<b>10</b>	<b>\$10,000.00</b>	<b>\$7,000.00</b>	<b>\$3,000.00</b>	<b>\$0.00</b>	
<b>Capital Purchase Budget</b>							
<b>Item Description</b>	<b>Unit Cost</b>	<b>Number of Units</b>	<b>Total Unit Cost</b>	<b>Grant Funds Requested</b>	<b>Cash Match Amount</b>	<b>Additional match funds</b>	
test	\$100,000.00	10	\$1,000,000.00	\$70,000.00	\$30,000.00	\$0.00	
	<b>\$100,000.00</b>	<b>10</b>	<b>\$1,000,000.00</b>	<b>\$70,000.00</b>	<b>\$30,000.00</b>	<b>\$0.00</b>	
<b>Project Contingency Budget</b>							
<b>Item Description</b>	<b>Unit Cost</b>	<b>Number of Units</b>	<b>Total Unit Cost</b>	<b>Grant Funds Requested</b>	<b>Cash Match Amount</b>	<b>Additional match funds</b>	
test	\$1,000,000.00	10	\$10,000,000.00	\$7,000,000.00	\$3,000,000.00	\$0.00	
	<b>\$1,000,000.00</b>	<b>10</b>	<b>\$10,000,000.00</b>	<b>\$7,000,000.00</b>	<b>\$3,000,000.00</b>	<b>\$0.00</b>	
<b>Other Non-Personnel</b>							
<b>Item Description</b>	<b>Unit Cost</b>	<b>Number of Units</b>	<b>Total Unit Cost</b>	<b>Grant Funds Requested</b>	<b>Cash Match Amount</b>	<b>Additional match funds</b>	
test	\$10,000.00	10	\$100,000.00	\$70,000.00	\$30,000.00	\$0.00	
	<b>\$10,000.00</b>	<b>10</b>	<b>\$100,000.00</b>	<b>\$70,000.00</b>	<b>\$30,000.00</b>	<b>\$0.00</b>	

### 3.2.16 Budget Narrative

Each applicant is required to submit a detailed budget narrative that explains and justifies all costs. For each object class, there must be descriptions and justifications for the necessity and basis for the listed costs. Costs must be within the scope of what is considered allowable expenses and must be in compliance

with 2 CFR Part 200 for administrative requirements, cost principles, and audit requirements. All budget amounts must match exactly across all budget documentations. Identifying non-federal sources of the budget is also required to be included in the budget narrative, along with distinctions between non-federal and federal portions of the budget with clear explanation. A budget narrative template in word can be found on ECD Broadband’s website.

Below are examples of sufficient line-item justifications in the budget narrative for two budget categories:

### Example #1: Construction (including inspection)

Item Description	Unit Cost	No. of Units	Total Unit Cost	Grant Funds Requested	Cash Match Amount	Additional Match Funds
Construction <i>Ex: Fencing - 30' x 30'</i>	\$7,000	12	\$84,000	X	X	X
Construction Total						

Example of a sufficient budget narrative detailed description for the line item above:

- Fencing (\$84,000): A 6-foot chain link fencing with security wiring and two gates. Local contractor estimated \$7,000 per site based on previous, similar work. Each node (12) will require fencing.
- **Note:** "X" indicates fields that will need to be filled in by the applicant- the fields filled in above are for example purposes only.

### Example #2: Engineering and Design

Item Description	Unit Cost	No. of Units	Total Unit Cost	Grant Funds Requested	Cash Match Amount	Additional Match Funds
Engineering & Design <i>Ex: Design Fees</i>	\$100	10	\$1,000	X	X	X
Engineering & Design Total						

Example of a sufficient budget narrative detailed description for the line item above:

- Design fees (\$1,000): The designs will be completed by an engineer. Designs are necessary since new infrastructure is to be constructed and the designs will ensure that the infrastructure will be designed to best fit its planned use. The time is estimated at 10 hours at \$100 an hour. The costs are estimated based on industry standards for the area.
- **Note:** "X" indicates fields that will need to be filled in by the applicant- the fields filled in above are for example purposes only.

### 3.2.17 Document Upload and Submission

The upload section of the application will allow applicants to upload the following required and optional documents. Templates for the additional uploads are also linked in the application.

Category	Required	Document	Notes
<b>Provider Information</b>	X	Map of the existing service area	<ul style="list-style-type: none"> <li>• Attach GIS in the following formats .shp or .kml/.kmz file.</li> </ul>
	X	Organization's procurement policy	<ul style="list-style-type: none"> <li>• If the applying organization does not have a procurement policy, please include a letter stating the adoption of TNECDs procurement policy.</li> </ul>
<b>Partner Information</b>	X	Supplemental documentation relating to the need for last mile infrastructure funding	
<b>Primary Service Area</b>	X	.Csv file containing the Broadband Serviceable Location (Fabric) Location IDs	<ul style="list-style-type: none"> <li>• Should include all locations within the proposed grant area.</li> </ul>
	X	Mile narrative	
	X	Document of commitment AND map of the project area(s)	<ul style="list-style-type: none"> <li>• Attach a .shp or .kml/.kmz file map showing the proposed service area routes for each proposed project area.</li> </ul>

<b>Community Partners and Support</b>	X	Community support letters	
		Community survey results	
		Local match letters of assurances	
<b>Community Anchor Documentation</b>		Letters of support from CAIs	<ul style="list-style-type: none"> <li>• In order to receive associated points, the letter is required to include CAI's current level of service, what applicant will provide, and that this will be a service improvement.</li> <li>• Examples include but are not limited to schools, libraries, hospitals, state parks or other recreational areas, housing authorities, fire halls, etc.</li> </ul>
<b>Budget Narrative</b>	X	Proof of financing	<p>Must include two of the following documents:</p> <ul style="list-style-type: none"> <li>• Letter of credit from a bank detailing the amount of credit offered with the issuing bank's agreement to follow the TNECD Broadband terms and conditions</li> <li>• Audited financials</li> <li>• Bank statements</li> <li>• Additional supplemental proof of funds</li> </ul> <p>If providing letter from applicant's financial institution, a statement of good standing is not sufficient. The letter must note applicant has the financial ability to fund the project.  <b>Note:</b> Documents uploaded must be signed and dated no more than six months earlier than the application launch date of March 6, 2024.</p>
	X	Grant payment setup form	<ul style="list-style-type: none"> <li>• The Grant Payment Setup Form can be <a href="#">found here</a>.</li> </ul>
	X	Budget narrative	<ul style="list-style-type: none"> <li>• What should be included in the budget narrative can be found <a href="#">here</a>.</li> <li>• Please include what percentage of your budget is part of Administrative Expenses. Please note that admin expenses cannot</li> </ul>

			surpass 6% of the total budget unless a negotiated indirect cost rate agreement is in place.
<b>Project Timeline</b>	X	Detailed project timeline	<ul style="list-style-type: none"> <li>Please download, populate, and upload the excel file (Construction Timeline Estimate (Excel)) located on <a href="#">our website</a>. The form can be found under Application Resources.</li> </ul>
<b>Additional Documentation</b>		Boundary map of service for middle mile partner	
		Supplemental documentation or evidence	
	X	Organization's marketing materials	<ul style="list-style-type: none"> <li>Submission should contain your service level/tiers and prices (per month).</li> </ul>
	X	Marketing adoption plan materials	
	X	Template signed by a professional engineer (PE), certified in the state of Tennessee	<ul style="list-style-type: none"> <li>A separate review is required for each grant application if submitting multiple. All applicants must use the required blank form provided by ECD and it must be signed, and stamped if reviewed by a PE. Application will otherwise be considered incomplete.</li> <li>The form can be <a href="#">found here</a>.</li> </ul>

### 3.2.18 Financial Capability Documentation

Applicants must provide proof of the project's financing documentation, including the applicant's ability to fund the match as well as the grant funds (prior to reimbursement). If an applicant is providing a letter from their financial institution, a statement of good standing is not sufficient. The letter of credit or proof of funds must note that the applicant has the financial ability to fund the project including the match requirement and any additional funding need for expenses prior to reimbursement. All confidential information, including bank account numbers, should be redacted prior to submission of the documents.



# 04 | Application Review Process

## 4.1 Completeness Review

Following the closing of the application, all applications will be assessed for eligibility and completeness. This review will include assessing that administrative information is complete and correct and that the applicant is in good standing with their other federally funded projects. The applicant's adherence to application instructions, completion of budget and other supplementary attachments, and inclusion of their signed certification forms, including the certification of their design by a professional engineer certified in the state of Tennessee, will also be examined at this stage. After submission, TNECD may take up to 7 to 10 days to make a determination regarding the completeness of the applicant's application. If TNECD determines that an application is incomplete, TNECD will allow the applicant 5 business days to make the necessary adjustments. Applications must be submitted by the completeness review deadline noted in the request for revisions email. No applications will be accepted after the deadline April 10, 2024, 11:59 PM CST.

## 4.2 Technical Review

Applications determined to be complete will undergo a technical review. This assessment will examine the applicant's fit with the criteria described in Section 2.2 above. The following criteria will be assessed as part of the technical review:

**Last Mile Round Two Technical Scoring:**

Category	Scoring Criteria	Points Per Category
<b>Technical Need</b>	Is the applicant eligible? Please consider eligibility guidelines in addition to FCC registration status.	Up to 45
	Does the applicant demonstrate or include information for the level of need for the area? While assessing the description of need, please consider why the area is difficult to serve and likelihood the area will be served without grant funding.	
	What is the percentage of locations in the grant area lacking 25/3 connection?	
	What is the percentage of locations in the grant area lacking 100/20 connection?	
<b>Leveraged and Match Funds</b>	Additional leveraged funds - leveraged funds are a financial commitment toward the costs of a project from a source other than the applicant; i.e. additional funds from the County or City.	Up to 15
	Additional matching funds - any funds provided by the applicant that exceed the required match of 30%.	
<b>Sustainability and Implementation Readiness</b>	Please rate the ability of applicant to implement project on time and within budget. Consider managerial, technical, and financial capabilities of the organization; prior experience with broadband or ability to bring on qualified experts; long-term stability to manage network moving forward.	Up to 15
	Reasonableness of applicant business model, project scope, budget, and timeline.	
<b>Speed, Scalability, and Affordability</b>	Please rate the proposed maximum advertised speed tiers ability to meet community needs.	Up to 45
	Rate the scalability of the proposed network to be built.	
	Does the applicant offer a package at 100/20 for	

	less than \$70 per month or does the applicant offer a package for \$70 or less?	
	Compare the pricing levels to current market rates in rural Tennessee (tier closest to 100/20).	
	Does the applicant have an installation cost outside of the tier price?	
	Does the applicant have equipment that is required outside of the tier price?	
<b>Total Possible Points</b>		Up to 120

### 4.3 Community Impact Review

Applications will also be assessed for their impact on the community they seek to serve, as outlined in Section 2.2. The following criteria will be assessed as part of the community impact review:

#### Last Mile Round Two Impact Scoring

Category	Scoring Criteria	Points Per Category
<b>Economic and Community Impact</b>	Does the applicant provide service to a Community Anchor Institution (CAI)?	Up to 30
	Economic Development Impact: Consider and describe how the completion of the proposed project will lead to job creation, improve health care delivery, serve an economically distressed area, and/or how it will impact educational access.	
	Is the project tailored to meet a need specific to that community? Look for evidence that provider worked with community in designing project.	
<b>Community Support and Adoption Strategy</b>	Partnerships and support from local community: Consider the quality and quantity of partnerships and community support. The partnerships can address adoption or access.	Up to 40

	Assess the quality of the adoption plan. Consider the ability of the plan to address key drivers of adoption: relevance, skills, affordability, perception, etc.	
	Has the applicant provided their own resources for adoption efforts? Consider whether the applicant is putting its own resources (beyond marketing) toward adoption (could be providing digital literacy, promoting low income assistance, free/low cost devices, etc.)	
	Does the applicant participate in the Affordable Connectivity Program (ACP) or offer their own low cost service plan?	
<b>Total Possible Points</b>		Up to 70 total

# 05 | Tennessee Award Administration

## 5.1 TNECD Award Notices

Applicants will be notified in writing by the TNECD broadband grants officer if their application is selected for an award. If the applicant is awarded funding, the grantee will work with TNECD to swiftly execute contracts. If the applicant is awarded funding, TNECD Broadband office is not under any obligation to provide additional funding in connection with that award or make any future awards.

## 5.2 Compliance with State and Federal Guidelines

### 5.2.1 Fair Labor Practices

Applicants must provide record of and plans to be in compliance with federal labor and employment laws. The following is a general summary of laws that applicants must comply with; this summary is not exhaustive. For the exhaustive list of federal labor and employment laws, reference Revised CPF State Guidance June 2023 (treasury.gov), especially Part 2 Sections A.5 and Section B.5.

1. Davis-Bacon Act (Subchapter IV of Chap. 31 of Title 40, United States Code): For projects receiving \$5 million or more in CPF funding, applicants must provide certification that all laborers employed to be working on the project are paid wages at rates not less than those prevailing.
  - a. Applicants must provide certification that all laborers employed to be working on the project are paid wages at rates not less than those prevailing.
  - b. If certification is not provided, then the applicant must provide a project employment and local impact report that includes the following:
    - i The number of contractors and subcontractors working on the project
    - ii The number of employees on the project hired directly and

hired through a third party

- iii The wages and benefits of workers on the project by classification
- iv Whether those wages are at rates less than those prevailing

2. National Labor Relations Act (29 U.S.C. 158(f)):

- a. Recipients are to provide certification that the project includes a project labor agreement, a pre-hire collective bargaining agreement that is in accordance with the National Labor Relations Act (29 U.S.C. 158(f)) section 8(f).
3. Applicants must provide information on whether the project prioritizes local hires.
4. Applicants must provide information on whether the project has a Community Benefit Agreement, with a description of such agreement.

### 5.2.2 Civil Rights and Nondiscrimination law

1. Recipients of the Last Mile Round Two Grants are required to be in compliance with all civil rights and nondiscrimination federal laws related to the use of federal funds. Recipients shall not discriminate or deny benefits or services, on the basis of race, color, national origin (including limited English proficiency), disability, age, sex, sexual orientation, gender identity, or handicap. Recipients are required to agree to, by a form of binding commitment, abide by all civil rights and non-discrimination requirements set forth. The following is a general description of requirements; for an exhaustive list with exact requirements, reference Revised CPF State Guidance June 2023 (treasury.gov), especially Part 2.
2. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d-1 et seq.) and the Treasury's implementing regulations, 31 CFR Part 22, which states that no person in the United States shall, on the basis of race, color, or national origin, be excluded from participation in, denied benefits or services of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
3. Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681 et seq.) and the Treasury's implementing regulations, 31 CFR Part 28, states that no person in the United States shall, on the basis of sex, be excluded from participation in, denied benefits or services of, or be subjected to discrimination under any education program or activity

receiving federal financial assistance.

4. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) prohibits the discrimination of a qualified individual with a disability under any program or activity that receives federal financial assistance.
5. The Age Discrimination Act of 1975 (42 U.S.C. § 6101 et seq.) and the Treasury's implementing regulations (31 CFR Part 23) prohibit discrimination based on age for any programs or activities receiving federal financial assistance.

### **5.2.3 Domestic Preference**

Under Uniform Guidance (2 CFR 200.322), grantees must provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States. This includes items and construction materials composed of metals, plastics, aggregate (such as optical fiber), and lumber. All items made in whole or in part of these covered materials apply. Grantees should make all efforts to document this preference and ensure subcontractor compliance, including listing the referenced clause in all subcontracts.

## **5.3 National Policy Requirements**

### **5.3.1 Uniform Guidance and Cost Principles**

Recipients of an award are subject to various federal regulations that include but are not limited to Uniform Guidance, Cost Principles, and Audit Requirements set forth in 2 CFR Part 200; Treasury may deem certain provisions inapplicable to such award and are subject to such exceptions provided by Treasury. Subpart D

-Post Federal Award Requirements of the Uniform Guidance shall apply to this award, along with Subpart E-Cost Principles and Subpart F-Audit Requirements, including the Single Audit Act of the Uniform Guidance. For an exhaustive list of uniform guidance requirements, reference eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Cost principles: As set forth in 2 CFR Part 200 Subpart E, allowable costs are based on, but not limited to, the premise that the non-federal entity (recipient) assumes the responsibility for the administration of funds in an effective and appropriate manner, employment of sound organization and management techniques, and appropriate accounting practices. Recipients are responsible



for the creation of internal controls that monitor to ensure compliance with 2 CFR Part 200 Subpart E. For the exhaustive cost principles regulations list, see eCFR :: 2 CFR Part 200 Subpart E -- Cost Principles.

### **5.3.2 Environmental and National Historical Preservation Requirements**

The Treasury's Coronavirus Capital Projects Fund Environmental Checklist is a reference document that lists environmental laws that may apply to any eligible CPF project. Recipients must retain records, permits, and documentation necessary to evidence compliance with all environmental requirements. As the awarding entity, TNECD must perform the proper due diligence to ensure their project complies with all applicable environmental laws; recording-keeping will be validated at mid-point and close-out with a monitoring visit or call. See the checklist at <https://home.treasury.gov/system/files/136/CPF-Environmental-Questionnaire.pdf>.

The following is a summary of the National Environmental Policy Act (42 U.S.C. §§ 4321 et seq.) and the National Historic Preservation Act (16 U.S.C. §§ 470 et seq.); note that the following descriptions are only general summaries.

The National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321 et seq.) provides a national policy that encourages "productive and enjoyable harmony between man and his environment; to promote efforts which will prevent or eliminate damage to the environment and biosphere and stimulate the health and welfare of man..." The NEPA requires that all federal agencies use a systematic, interdisciplinary approach for protection of the human environment; this approach will ensure the integrated use of the natural and social sciences in any planning and decision-making that may have an impact upon the environment. The NEPA also requires the preparation of a detailed Environmental Impact Statement (EIS) on any major federal action that may have a significant impact on the environment. If the answer to any of these questions is "yes," contact the relevant federal agency or agencies for further guidance on environmental compliance. For additional information about NEPA, visit the NEPA website at <https://ceq.doe.gov/>.

1. Will the proposed activity be under the permitting authority of any federal agency?
2. Will the proposed activity receive federal assistance (other than Coronavirus Capital Projects Fund funding)?

3. Will the proposed activity be subject to any federal regulatory decision or approval?
4. Has a NEPA or NEPA-like review been independently prepared for this proposed eligible activity or is a NEPA review underway?

The NHPA (16 U.S.C. §§ 470 et seq.) states that recipients are required to inform the awarding agency of any direct or indirect effects the award may have on properties included or eligible for inclusion on the National Register of Historic Places. Recipients may also be inquired to assist with consulting with State or Tribal Historic Preservation Officers, among others, to assess unfavorable effects to historic properties. If the NHPA consultations and documentation are not completed or in the case that additional information is required to ensure compliance with the NHPA regulations, funds can be withheld until the documentation is completed and provided. In addition to NHPA regulations, recipients are required to comply with the Archeological and Historic Preservation Act of 1974 (54 U.S.C. § 312502 et seq.), Executive Order 11593, and Executive Orders 13006-7. For more information on the requirements for NHPA and other compliances, see Federal Historic Preservation Laws (nps.gov), as recipients are liable for adherence to all requirements set forth by NHPA and other compliances.

### **5.3.3 Property Trust Relationship and Public Notice Filings for Grant-Acquired Property**

In accordance with § 200.316 Property trust relationship, real property, equipment, and intangible property that are acquired or improved by a federal award must be held in trust by the recipient as trustee for the beneficiaries of the award under which the property was improved or acquired. The awarding agency may require the recipient to record liens or other public notices of record that are appropriate to demonstrate that real or personal property has been improved or acquired by a federal award and that use and disposition conditions apply to the property. For more information, refer to eCFR :: 2 CFR 200.316 - Property trust relationship.

### **5.3.4 Contracting with Small and Minority Businesses, Women's Business Enterprises, and labor Surplus Area Firms**

In accordance with 2 CFR § 200.321, the recipient of an award must take the following affirmative steps to ensure that businesses under 2 CFR § 200.321 are used when possible:

1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists

2. Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources
3. 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
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses and women's business enterprises
5. 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
6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in this section and further described in [eCFR :: 2 CFR200.321 -- Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms](#)

## 5.4 Reporting

If awarded, grantees will have access to procurement and compliance resources that contain information regarding grantee requirements. Reporting information will be accessible in these resources; the following is a general summary of reports that grantees will be required to complete and provide:

- A quarterly report will have to be provided to TNECD to provide information on projects funded, obligations, expenditures, project status, outputs, performance indicators, and other information. Reference [Revised CPF State Guidance June 2023 \(treasury.gov\)](#) for all required components. Furthermore, TNECD will require additional reporting requirements to track the construction progress of the project. Reports will be due January 1, April 1, July 1, and October 1 of each year until the final expenditure of the grant or the final report on March 31, 2027.

## 5.5 Audit Requirements

### **Requirements for Non-profit Subrecipients:**

Subpart F of 2 CFR Part 200 states that any recipients and subrecipients of federal awards that expend \$750,000 or more during the fiscal year in such awards are required to have a single audit conducted for that year in accordance with §

200.514. The exception for a single audit is when it elects to have a program-specific audit conducted. For more information on audit requirements, see [eCFR :: 2 CFR Part 200 Subpart F -- Audit Requirements](#), as the recipient will be required to adhere to all audit requirements.

### **Requirements for For-profit Subrecipients:**

The single audit requirement does not apply to for-profit subrecipients. TNECD has established audit requirements that apply to for-profit subrecipients and these subrecipients must be in compliance with such requirements.

## **5.6 Monitoring**

All grantees will be subject to monitoring activities, including a desk review of project documents. Some grantees may be subject to additional monitoring, such as a site visit, based on risk level determined by TNECD's broadband team. The first monitoring check will be at the midpoint of project completion-when the project is 50% complete as attested to by the grantee-and a closeout review will occur at the completion of the project. In order to determine the midpoint and 85% completion points of the project, grantees must provide TNECD with a baseline level of broadband deployment in the project service area prior to the start of new construction.

## **5.7 Invoicing**

Grantees will be required to invoice exact expenses directly to TNECD. Grantees must follow the format prescribed by TNECD, which includes a cover sheet outlining the invoice items against each contractor or make-ready/material charge-out/in house labor expenses along with supporting documentation including individual invoices and proofs of payments. The file should be submitted to the mail ID [ECDBroadband.Invoices@tn.gov](mailto:ECDBroadband.Invoices@tn.gov).

Grantees must redact information such as ACH company name, ABA code,

account number, and MICR code from their invoices and proofs of payments before submitting invoices to TNECD. Invoices will be thoroughly reviewed for accuracy and consistency before payment can be disbursed.

**Advisory for select budgeted line items:**

Grantees should be aware that the categories in the table below, if not supported by the appropriate documentation as outlined in the table, will be considered red flags. This would lead to delay in the invoice review process. Therefore, it is advisable that the instructions described below be followed carefully:

No.	Red Flag Category	Red Flag Description	Instructions for Submitting Invoices
1	Construction	Permits, licenses and allied/similar fees for construction purposes (usually construction of fiber network)	Include a memo from the grantee stating the expenses are justified.
2	In-house labor	No payroll or salaries will be considered for in-house labor	<p>Labor applies to the make-ready back date (March 15, 2021) and should be submitted within the Construction line item.</p> <p>A spreadsheet should be pulled from the organization's payroll system and should contain the following data:</p> <p>employee, total hours, description of work/location.</p> <p>Hourly labor tracked for make-ready construction in the service area is acceptable.</p>

3	Inventory	Operational expenses	Inventory applies to the make-ready back date (March 15, 2021) and should be submitted within the Construction line item. Only prepaid inventory items charged out to complete make-ready construction in the service area. A spreadsheet should retain record of the following data: item, amount, quantity, description and use, total amount
4	Engineering	Budget line for project/plan designs, engineering consultant fees, and specified engineering invoices	Engineering expenses ready to be reimbursed should fall within the contract period.
5	Capital purchase	Budget line for pre-approved specific items as identified in the grant contract	Any capital purchase must be included in the contract in order to be claimed as an expense

Other general red flags:

- Duplicative charges
- Reimbursement invoices that cross fiscal years on their invoice service timeline (**Note:** TNECD's fiscal year ends June 30)

## 5.8 Technical Assistance

TNECD will provide grantees with technical assistance and resources including compliance webinars, invoicing training, and other programming and guidance through the contract period.

# 06

# TNECD Contacts

**Donovan Spann** | Broadband Infrastructure Coordinator  
Tennessee Economic & Community Development  
Tennessee Tower, 27th Floor  
312 Rosa L. Parks Ave., Nashville, TN 37243  
[Donovan.spann@tn.gov](mailto:Donovan.spann@tn.gov)

**Emily Hale** | Broadband Grants and Program Manager  
Tennessee Economic & Community Development  
Tennessee Tower, 27th Floor  
312 Rosa L. Parks Ave., Nashville, TN 37243  
[emily.hale@tn.gov](mailto:emily.hale@tn.gov)

**Taylre M. Beaty** | State Broadband Director  
Tennessee Economic & Community Development  
Tennessee Tower, 27th Floor  
312 Rosa L. Parks Ave., Nashville, TN 37243  
[taylre.beaty@tn.gov](mailto:taylre.beaty@tn.gov)

[TNECD Broadband Initiative](#)

# 07 | Appendix

## 7.1 Application Checklist

Completion Status	Document Upload	Notes
	Map of the existing service area	<ul style="list-style-type: none"> <li>Attach GIS in the following formats .shp or .kml/.kmz file.</li> </ul>
	Organization's procurement policy	<ul style="list-style-type: none"> <li>If the applying organization does not have a procurement policy, please include a letter stating the adoption of TNECDs procurement policy.</li> </ul>
	Supplemental documentation relating to the need for last mile infrastructure funding	
	.Csv file containing the Broadband Serviceable Location (Fabric) Location IDs	<ul style="list-style-type: none"> <li>Should include all locations within the proposed grant area.</li> </ul>
	Mile narrative	
	Document of commitment AND map of the project area(s)	<ul style="list-style-type: none"> <li>Attach a .shp or .kml/.kmz file map showing the proposed service area routes for each proposed project area.</li> </ul>
	Community support letters	
	Proof of financing	<p>Must include two of the following documents:</p> <ul style="list-style-type: none"> <li>Letter of credit from a bank detailing the amount of credit offered with the issuing bank's agreement to follow the TNECD Broadband terms and conditions</li> <li>Audited financials</li> <li>Bank statements</li> <li>Additional supplemental proof of funds</li> </ul> <p>If providing letter from applicant's financial institution, a statement of good standing is not sufficient. The letter must note applicant has the financial ability to fund the project.</p>



		<b>Note:</b> Documents uploaded must be signed and dated no more than six months earlier than the application launch date of March 6, 2024.
	Grant payment setup form	<ul style="list-style-type: none"> <li>The Grant Payment Setup Form can be <a href="#">found here</a>.</li> </ul>
	Budget narrative	<ul style="list-style-type: none"> <li>What should be included in the budget narrative can be found here.</li> <li>Please include what percentage of your budget is part of Administrative Expenses. Please note that admin expenses cannot surpass 6% of the total budget unless a negotiated indirect cost rate agreement is in place.</li> </ul>
	Detailed project timeline	<ul style="list-style-type: none"> <li>Please download, populate, and upload the excel file (Construction Timeline Estimate (Excel)) located on <a href="#">our website</a>. The form can be found under Application Resources.</li> </ul>
	Organization’s marketing materials	<ul style="list-style-type: none"> <li>Submission should contain your service level/tiers and prices (per month).</li> </ul>
	Marketing adoption plan materials	
	Template signed by a professional engineer (PE), certified in the state of Tennessee	<ul style="list-style-type: none"> <li>A separate review is required for each grant application if submitting multiple. All applicants must use the required blank form provided by ECD and it must be signed, and stamped if reviewed by a PE. Application will otherwise be considered incomplete.</li> <li>The form can be <a href="#">found here</a>.</li> </ul>

## 7.2 Useful Terms

- **Community anchor institution (CAI):** an entity such as a school, library, health clinic, health center, hospital or other medical provider, public safety entity, institution of higher education, public housing organization, eligible faith-based institution, or community support organization that facilitates greater use of broadband service by vulnerable populations, including (but not limited to) low income individuals, unemployed individuals, children, the incarcerated, and aged individuals.
- **Eligible entity:** political subdivisions or entities of political

subdivisions, corporations, limited liability companies (LLCs), partnerships or other business entities, cooperatives organized under Tenn. Code. Ann. § 65-25-101 et seq. and § 65-29-101 et seq., or any other entity authorized by state law to provide broadband services. Entities must deliver last mile services and have a Federal Registration Number (FRN) with the Federal Communications Commission (FCC).

- **Middle mile infrastructure:** any broadband infrastructure that does not connect directly to an end-user location, including an anchor institution; includes:
  - leased dark fiber, interoffice transport, backhaul, carrier-neutral internet exchange facilities, carrier-neutral submarine cable landing stations, undersea cables, transport connectivity to data centers, special access transport, and other similar services.
  - wired or private wireless broadband infrastructure, including microwave capacity, radio tower access, and other services or infrastructure for a private wireless broadband network, such as towers, fiber, and microwave links
  - Note: All middle mile infrastructure must demonstrate that it is necessary for new and/or improved last mile service in the identified areas. Regardless of technology type, per the American Rescue Plan Capitol Project Fund Guidelines, all projects must be able to meet or exceed 100/100mbps per location.
- **Last mile infrastructure:** any infrastructure that connects directly to an end user location, such as a home or business. This connection typically consists of a local loop that is the physical connection between the end-user location and a switching station; includes coaxial cable, optical fiber, or wireless radio links.
  - Note: Regardless of technology type, per the American Rescue Plan Capitol Project Fund Guidelines, all projects must be able to meet or exceed 100/100mbps per location.
- **Demarcation point:** the point at which the internet service provider's (ISP's) responsibility for the network ends and the customer's responsibility begins. This point is typically where the carrier's network ends and connects with the customer's on-premises wiring. The demarcation point is used to divide responsibility for the maintenance of wiring and equipment: internal

wiring and equipment such as modems are typically the customer's/subscriber's responsibility, while external "plant" wiring is the responsibility of the provider. The specific demarcation point may vary depending on the broadband technology deployed.