



Subgrantee Selection Primer

A Guide for Eligible Entities

Broadband Equity, Access, and Deployment Program



BEAD Subgrantee Selection Primer

The National Telecommunications and Information Administration (NTIA) offers this Subgrantee Selection Primer as an overview resource to support Broadband Equity, Access, and Deployment (BEAD) program Eligible Entities in creating and implementing a competitive subgrantee selection process. The primer walks through each phase of the subgrantee selection process, from developing applications in alignment with the Notice of Funding Opportunity (NOFO) requirements, to executing the selection process itself.



WHAT IS SUBGRANTEE SELECTION?

The BEAD program directs Eligible Entities to create and implement an open, fair, and competitive subgrantee selection process. Working in partnership with Eligible Entities, subgrantees will be responsible for completing eligible activities that promote the goals and objectives of the BEAD program. **Figure 1** outlines five components of the process at a high level.



Figure 1: Subgrantee Selection Process

In all cases, statutory and regulatory mandates, and the requirements set forth in the terms and conditions of a BEAD award, including the NOFO, shall prevail over any inconsistencies contained in this guidance.



DEFINITION OF TERMS

As Eligible Entities begin to plan their subgrantee selection process, it is important to note that some departments and agencies use subgranting-related terms interchangeably. **Table 1** contains some of the commonly used terms Eligible Entities may come across. Note, terms “subgrantee” and “subcontractor”

have different functions and **cannot** be used inter-changeably. The fundamental difference between these two particular terms is the contractual relationship. A subgrantee has responsibilities to carry out the award as part of the federal grant program that could be subject to clawback, the mandatory return of funds, whereas a subcontractor is contracted to provide goods and services. Program-approved activities vary, depending on subgrantee type, as depicted in **Table 2**.

Table 1: Definition of Terms

Eligible Entities	=	Subgrantee Selector/Grantee
Project Selection	=	Subgrantee Selection
Subgrant	=	Subaward
Subgrantee	=	Subrecipient
Subgrantee	≠	Subcontractor

Table 2: Example Deployment vs Non-Deployment Subgrantees

Deployment Subgrantees		Non-Deployment Subgrantees	
• Construction	• Long-term leases	• User training	• Multilingual Outreach
• Improvement	• Network updates	• Remote learning	• Digital Equity activities
• Facility acquisition	• Workforce development	• Telehealth	• Prisoner education
• Engineering design	• Cybersecurity training	• Digital Literacy	• Use of digital navigators



PROCUREMENT COMPONENTS

Before creating a competitive selection process, Eligible Entities should work to recognize existing procurement requirements, document relevant procedures, and develop new policies, where needed. The following section highlights the procurement requirements and policies with which Eligible Entities should be familiar.

1 Federal Procurement Requirements

Beyond the BEAD NOFO, Eligible Entities should consider documents and regulations in the broader federal procurement universe.

2 State Procurement Requirements

Eligible Entities should review existing state requirements and establish clear and consistent policies, where needed. These policies should cover both evaluation and procurement for both deployment and non-deployment activities.

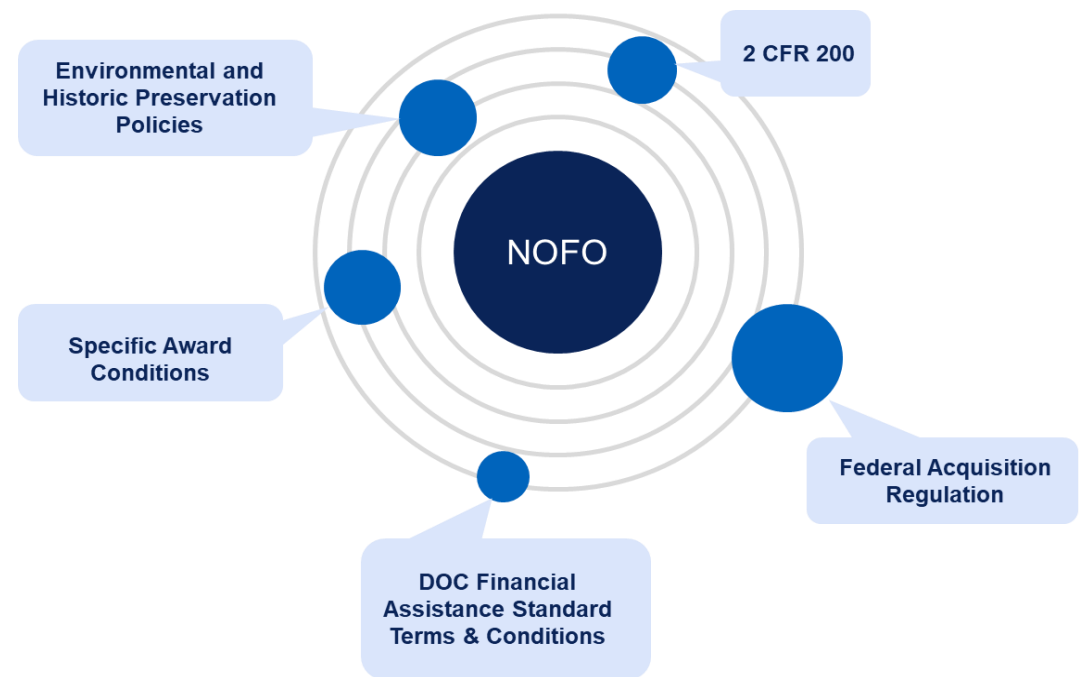


Figure 2: Universe of Federal Procurement Requirements



Evaluation Policies

Includes defining who the *Evaluation Authority* is, who will provide *communications and notifications* to subgrantees, and a list of *prioritization criteria*.



Procurement Policies

Includes information on how to follow *core regulatory and procurement* guidance, including documentation and compliance

Figure 3: Evaluation and Procurement Policies

3 How Federal and State Regulations Work Together

In places where federal, state, and even local regulations overlap, states will go by the most stringent provision in place. Exceptions include where state laws directly contradict the federal guidance, or local laws contravene state laws. In those cases, federal law preempts state law, and state law preempts local law. Where procurement issues arise in carrying out federal grants, they must be resolved based on the requirements set forth in the Uniform Guidance as well as in the state's written procurement policies.



Example: New York State

In New York State, the Office of Business Diversity (OBD) sets a percentage-based goal related to contract participation by Minority and Women-owned Business Enterprises (M/WBE) and Service-Disabled Veteran-Owned Businesses (SDVOB). While federal regulations declare that affirmative steps must be taken to include these types of businesses in solicitation, the state goes a step further by requiring a higher level of monitoring and reporting related to M/WBEs. In this instance, Eligible Entities would adhere to the state's more stringent goals and compliance monitoring, adding an additional level of specificity to the federal regulation.



CREATING A COMPETITIVE APPLICATION

As Eligible Entities begin their search for qualified subgrantees to carry out proposed project activities, it is necessary that they establish a fair, open, and competitive process.

Understanding BEAD NOFO Requirements

Please note that the following section is not an exhaustive list of all requirements. Please refer to the [BEAD NOFO](#) for additional information. Also, please note that for BEAD deployment projects the application or bidding process must be open to all provider types.

Accountability Procedures

Per the BEAD NOFO Section IV.C.1.b, Eligible Entities must include the following when developing Subgranting Accountability Procedures:

- Disbursement of funding to subgrantees for all deployment projects, at a minimum, on a reimbursable basis
- The inclusion of clawback provisions
- Timely subgrantee reporting mandates
- Robust subgrantee monitoring practices

Matching Funds

Per the BEAD NOFO Section III.B, each Eligible Entity engaging in deployment activities shall provide, require its subgrantee to provide, or provide in concert with its subgrantee, matching funds of not less than 25 percent of project costs. Allowable match fund sources include: State, Local Government, Utility Company, Cooperative, Nonprofit Organization, For-Profit Company, Regional Planning, and/or Governmental Organization.

Figure 4: BEAD NOFO Requirements

Last-Mile Deployment Projects Principles

1. An “Unserved or Underserved Service Project” may:
 - Be as small as a single unserved or underserved location, respectively.
 - Include Middle Mile Infrastructure.
 - Not be treated as such if already subject to an enforceable federal, state, or local commitment to deploy broadband as of the date of the challenge process.
2. Eligible Entities must establish a competitive process designed to maximize public benefits by increasing subgrantee-provided match and reducing consumer costs.
3. Eligible Entities may seek proposals to serve unserved locations, underserved locations, and Community Anchor Institutions collectively or separately.
4. Eligible Entities may not exclude eligible parties, such as cooperatives and nonprofits, from eligibility as a subgrantee.
5. Eligible Entities may solicit proposals from prospective subgrantees at the geographic level of their choosing.
6. Each Eligible Entity must require that each proposal from a prospective subgrantee identify the amount of BEAD funding that is being sought.
7. Eligible Entities may engage with existing providers in the case that no proposals were received after solicitation.
8. Eligible Entities may select a proposal involving a less costly technology if no Reliable Broadband Service technology is possible given the Extremely High Cost Per Location Threshold.

Non-Deployment Uses

An Eligible Entity that can demonstrate it has a plan for bringing affordable, high-speed Internet service to all unserved and underserved locations within its jurisdiction may also allocate funding to non-deployment activities. NTIA does not prescribe any specific framework for selection of non-deployment projects and recognizes that the breadth of potential non-deployment eligible activities could necessitate a broad range of subgrantee selection processes. However, this process must still meet the competitiveness requirement.



CREATING A COMPETITIVE APPLICATION (cont.)

Creating a Subgrantee Application

When creating a subgrantee application, Eligible Entities should consider the following guidance related to application approach, evaluation criteria, milestones, and strategies to attract candidates. In line with the BEAD program, the goal of these applications should be to get an Eligible Entity to 100% broadband coverage. An Eligible Entity may need to use more than one of the methods in **Table 3** to create a selection process that meets program requirements.

Determine Application Approach

Table 3: Example Procurement Methods

Procurement Methods	
Request for Information (RFI)	The Eligible Entity makes an announcement for a project/service need before defining the requirements for the procurement. Pros: This method allows the Eligible Entity to understand the market potential, price, and delivery to further develop the requirements needed for the procurement. Cons: This method serves more as a written request for ideas/information and does not serve to provide the core requirements needed to fulfill the grant.
Grantee Survey of Qualified Solicitation	The Eligible Entity identifies a pool of qualified organizations, formally or informally. From this pool, the grantee can then select the organization to carry out activities. Pros: The Eligible Entity is more proactive in choosing the best subgrantees. Cons: A less public method could be a disadvantage to spreading awareness.
Request for Proposal (RFP)	The Eligible Entity submits a business document announcing a need for a project or service, and potential subgrantees respond with bids. This method is used when Eligible Entities look for the best value subgrantee in terms of cost and technical experience. Pros: This method serves as a good means of communication for government requirements. Cons: This method has strict adherence to provisions and anticipated terms/conditions mentioned in the solicitation, which tends to be negotiated and applied to the final contract with the subgrantees.
Request for Application	Potential subgrantees submit a formal application. The Eligible Entity evaluates each application according to explicit criteria. Unlike a Request for Proposal (RFP), lowest price is not always a factor in selecting a subgrantee. Pros: This method places full responsibility on the potential subgrantee. Cons: This method tends to favor experienced subgrantees who are able to write strong applications.
Request for Quote (RFQ)	The Eligible Entity submits a business document requesting a quote for service or supplies needed. Pros: Like an RFP, this method serves as a good means of communication for government requirements. Cons: Similar to an RFP, this method has strict adherence to provisions and anticipated terms/conditions mentioned in the solicitation, which tends to be negotiated and applied to the final contract with the subgrantees.
Reverse Auction	The Eligible Entity puts out a request for a specific project and invites potential subgrantees to compete against each other on price. Pros: This method can reduce costs as the contract goes to the lowest bidder. Cons: A reverse auction may encourage lower quality of service, due to lower costs.

Determine Evaluation Criteria

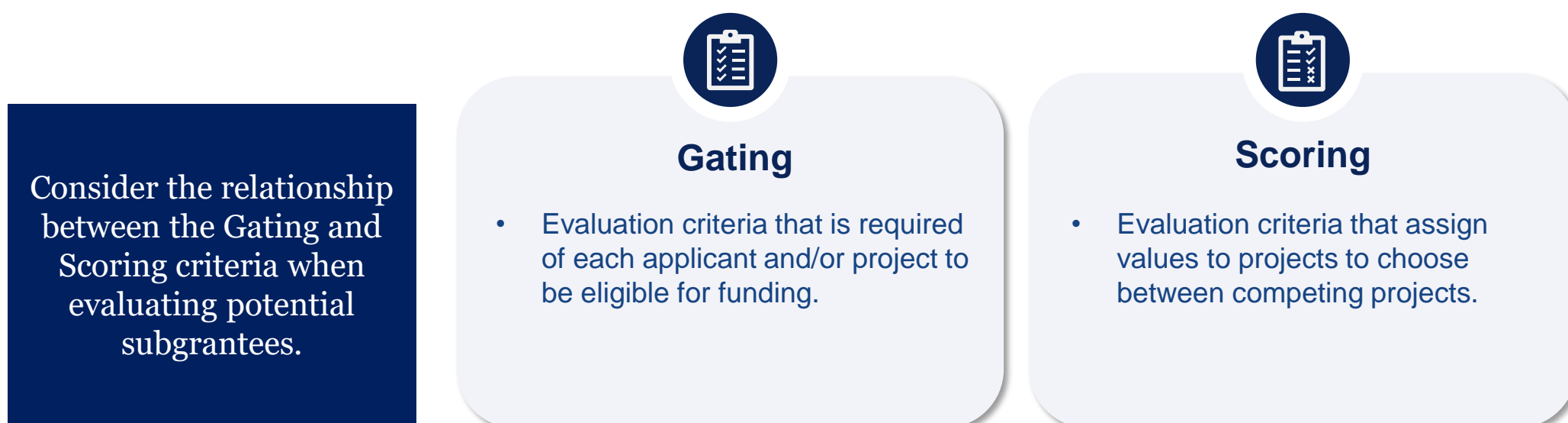


Figure 5: Gating and Scoring Criteria



CREATING A COMPETITIVE APPLICATION (cont.)

Creating a Subgrantee Application (cont.)

Request Milestones

Requesting subgrantee milestones during the application process helps Eligible Entities understand feasibility during the selection process and reduce project risk. Note, **Figure 6** is for illustrative purposes only and does not reflect an actual project timeline.

Subgrantee Project Timeline Template - EXAMPLE

State: Applicant (Prospective Subgrantee):
Project: Pole Attachment

Activity	Key Tasks and Milestones	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Project Scope	Determine project scope												
	Understand workforce needs												
	Determine technology needs												
	Develop internal project plan												
	Develop a plan for successful subgrant acquisition												
Workforce Establishment	Determine workforce needs												
	Determine subcontractor needs												
	Complete workforce recruitment												
	Complete subcontractor agreements												
Technical Planning	Understand BEAD program technical components												
	Determine technical needs to meet program standards												
Pole Attachment	Conduct Environmental Study												
	Determine Permitting Needs												
	Permit Applications Submitted												
	Permits Approved												
	Secure Needed Materials												
	Site Preparation												
	Existing Underground Utilities Mapped												
Site Survey													

Figure 6: Example Milestones Template

Attract Strong Candidates

HIGH-LEVEL STRATEGY EXAMPLES

- Outreach Plan**
 This will be inclusive of coordination with local Tribes where applicable. A successful outreach plan may encompass multi-lingual communication tools to maximize reach.
- Pre-Application Process**
 Conducting a pre-application process will allow Eligible Entities to know early on the anticipated amount of eligible prospective subgrantees and whether there is interest.
- Removing Barriers**
 Easing regulations will facilitate in expanding the candidate pool. For example, Eligible Entities may allow local governments to be providers where ISPs do not wish to provide coverage. This may also be in the form of streamlining permitting processes.
- Financial Incentives**
 Eligible Entities may consider waiving or lowering the match requirement amount, or offering tax breaks.
- Case-by-Case Approach**
 In the event that other approaches are not applicable, Eligible Entities may consider a tailored strategy for the targeted pool of subgrantees that will yield the desired outcomes
- Reassessment**
 States may consider carrying out activities themselves or may reassess the need for the activity altogether.

Figure 7: Example Strategies to Attract Candidates



DEVELOPING A SELECTION PROCESS

Eligible Entities should understand the overall BEAD timeline when developing their subgrantee selection process, especially regarding the Initial Proposal. The following section covers key steps in developing the subgrantee selection process including understanding award timelines, identifying resourcing needs, understanding selection requirements, and reviewing subgrantee eligibility.

Understand Award Timelines

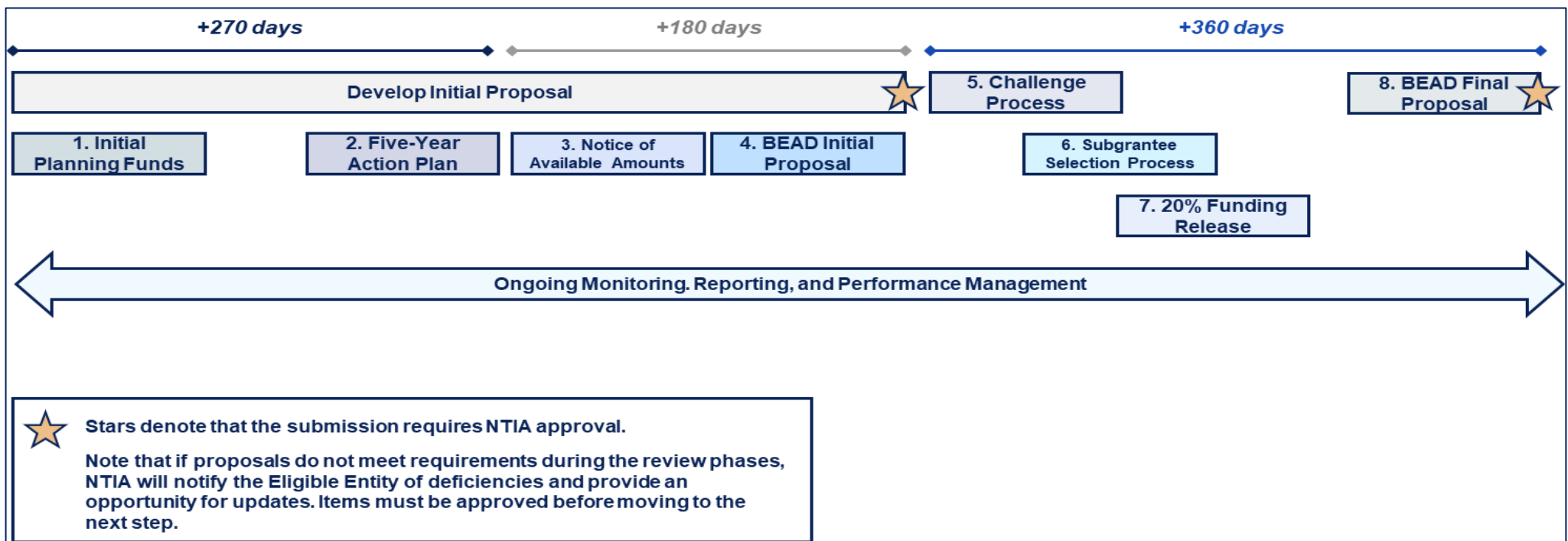


Figure 8: BEAD Program Timeline

Address Internal Resource Needs

Equipment & Training

- Determining if **specialized equipment or software** is required.
- Assessing if staff requires **training** on processes and procedures

Staffing

- Building **Division/Team** for Subgrantee Matters (e.g., EHP)
- Forming a **Subgrantee Selection Committee**

Figure 9: Example Resource Needs

Form Risk Analysis Matrix

RISK ANALYSIS CONSIDERATIONS

- ✓ Has the applicant ever undertaken the proposed activity before, and what was the result?
- ✓ Does the applicant have experience with the broadband service or other Federal programs?
- ✓ What is the applicant's past performance regarding compliance with federal and state requirements associated with federal grants?
- ✓ Does the applicant meet the criteria set forth in the BEAD NOFO and by the Eligible Entity?
If not, does the applicant have a plan for upgrading these aspects of their application?
- ✓ Does the organization have qualified staff for all the necessary functions associated with the proposed activity, and is there adequate staff time available?
If not, how does the organization plan to fill these gaps in personnel?

Figure 10: Example Risk Analysis Considerations



DEVELOPING A SELECTION PROCESS (continued)

Understand Subgrantee Selection Requirements

Subgrantee Qualifications	General Principles (IV.B.7.a)	Prioritization & Scoring Principles (IV.B.7.b)									
<ol style="list-style-type: none"> Prospective Subgrantees must meet General Qualifications (IV.D.1) Prospective Subgrantees must demonstrate Specific Qualifications (IV.D.2) 	<ol style="list-style-type: none"> Protecting Integrity of Selection Process Abiding by Last-Mile Broadband Deployment Projects Principles Adhering to the Infrastructure Act's requirement that subgrants be awarded "competitively" for Non-Deployment Uses 	<ol style="list-style-type: none"> Complete coverage of Unserved Locations and Underserved Locations, followed by prioritization of eligible CAIs Selection among competing proposals for the same location or locations 									
			<table border="1"> <thead> <tr> <th>Primary Criteria</th> <th>Secondary Criteria</th> <th>Additional Factors</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Minimal BEAD Program Outlay Affordability Fair Labor Practices </td> <td> <ul style="list-style-type: none"> Speed to Deployment Speed of Network and Other Technical Capabilities </td> <td> <ul style="list-style-type: none"> Equitable Workforce Development Open Access Local & Tribal Coordination </td> </tr> </tbody> </table>	Primary Criteria	Secondary Criteria	Additional Factors	<ul style="list-style-type: none"> Minimal BEAD Program Outlay Affordability Fair Labor Practices 	<ul style="list-style-type: none"> Speed to Deployment Speed of Network and Other Technical Capabilities 	<ul style="list-style-type: none"> Equitable Workforce Development Open Access Local & Tribal Coordination 		
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Figure 11: Subgrantee Selection Requirements

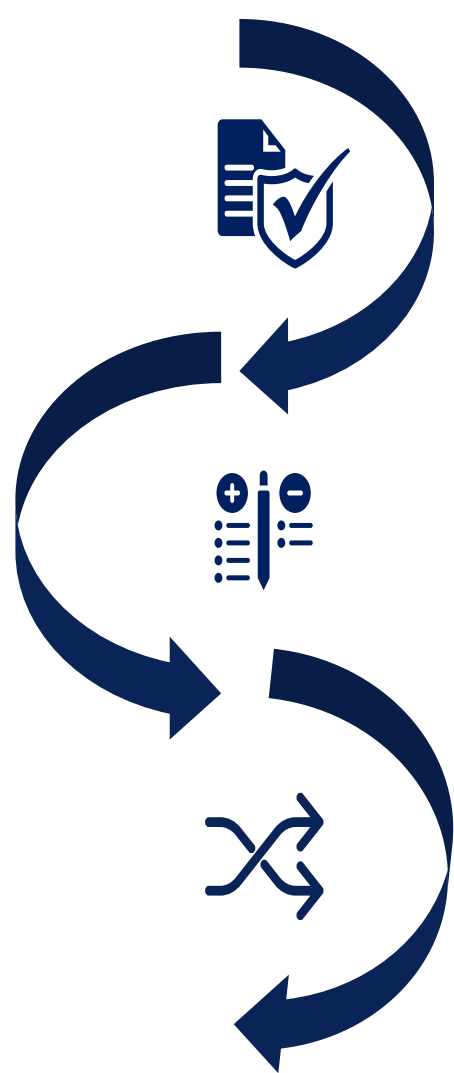
Form a Selection Criteria Scoring Rubric

When creating a scoring rubric, Eligible Entities should weigh each component per the prioritization framework developed for the proposed project. Refer to the Scoring Rubric Example for further detail.



IMPLEMENTING THE SELECTION PROCESS

After developing an approved selection process, Eligible Entities can start implementation. This section provides information on evaluation, addressing unmet needs, and strategies to de-conflict projects.



Evaluating Subgrantees for Selection

After NTIA approves the subgrantee selection process outlined in the Initial Proposal, Eligible Entities can begin evaluating and scoring potential recipients. Note, it is imperative that Eligible Entities do not deviate from their approved selection plan; doing so may risk the integrity of subgrantee selection.

Addressing Unmet Needs from Selection Process Implementation

If, after soliciting proposals, the Eligible Entity has received no proposals to serve a location or group of locations that are unserved, underserved, or a combination of unserved and underserved, the Eligible Entity may engage with existing providers and/or other prospective subgrantees to find providers willing to expand their existing or proposed service areas.

De-Conflicting Projects/Activities

To avoid duplicative efforts amongst subgrantees, Eligible Entities should establish measures to assess projected improvement activities and their proposed locations before awarding subgrantee funding. These measures can help determine the goal of each subgrantee's proposed activities and should be compared to the subgrantee's proposed project timeline by linking activities and their projected goals.



WHAT'S NEXT

A full-length version of the content covered in this primer will be available in spring 2023, along with further technical assistance and general guidance. Please contact your Federal Program Officer (FPO) with any additional questions.