Scoring Guide #: OBAE-2022.003

The New Mexico Office of Broadband Access and Expansion ("Office of Broadband") presents the following Scoring Guide for the Connect New Mexico Pilot Program").

The Scoring Guide provides a detailed overview of the selection criteria. These criteria are organized among several scoring categories and component areas. Please refer to the Notice of Funding Opportunity ("NOFO") for additional information regarding the Pilot Program, including the authorizing legislation, program purpose, program eligibility factors (e.g., eligible project types, service areas), allowable expenditures, key performance requirements (e.g., network speed, service offerings), and compliance requirements.

#### 1. Scoring Guide Objective

The Scoring Guide identifies the specific categories and consideration factors by which applications will be evaluated. The Scoring Guide aims to: 1) provide a methodical, structured approach to comprehensively assess an application's potential to achieve the purpose of the Pilot Program; 2) ensure that all applications receive a consistent standard of evaluation and scoring.

As stated in the NOFO, the Pilot Program aims to foster the deployment of broadband networks across unserved and underserved areas in New Mexico through sustainable, scalable technologies and financially viable business plans that serve all community members (e.g., residents, businesses, institutions, farms, etc.) with high-quality, reasonably priced solutions. The selection criteria reflect these elements.

#### 2. Review Process

Applications will be reviewed and evaluated by a Review Team hired by the Office of Broadband. They will score the application based on the criteria stated in this Scoring Guide and the specific content presented in the Application.

#### 3. Selection Criteria and Weights

This team will use the following set of selection criteria and associated point values to assist in systematically scoring applications (Table A). A total of 200 points will be allocated. The selection criteria include eight major categories divided into 25 total components. These criteria will be applied to the information provided by the Applicant. To ensure that an application receives the highest possible scoring, please provide complete, comprehensive, and clear responses for all information requested in the application.

# **Connect New Mexico Pilot Program**Scoring Guide

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# **Table A) Selection Criteria**

Selection Criteria: Eight Categories and Twenty-Five Components	Points per Component	Category Points
A) Project Impact		
Broadband Impact: Degree of: a) unserved and underserved premises passed by wireline or covered by fixed wireless or alternative technologies; b) unserved premises relative to underserved premises; c) magnitude of speed increase relative to existing service speeds  Note: Premises are defined as residents and businesses per the NOFO.	16	
Comprehensive Community Impact: Degree to which network serves the broader community, including: community institutions; government facilities; backhaul for commercial mobile and public safety networks; backhaul to data centers; etc.	12	36
Socioeconomic Development: Designing the network and providing solutions to foster social and economic development across targeted communities	4	
Degree of Economic Hardship: Level of economic distress (based on key indicators as unemployment rates, poverty levels, income levels, etc.)	4	
B) Community Engagement		
Local and Regional Community Partnerships: Partnerships with local and regional community organizations, businesses, government entities, and other broadband service providers to help achieve the project's mission and maximize impact	8	
Community Support: Degree of community support from residents, businesses, institutions and other local interests (e.g., customized support letters)	8	20
Community Financial Contribution: Financial and/or in-kind contribution from community organizations and individuals	4	
C) Economic Efficiency		
Matching Contribution Degree: Degree of matching contribution above the 25% requirement	8	
Project Cost Efficiency: Demonstration that the collective set of decisions across technology selection, network design, procurement processes, and strategic planning yields the most cost-effective project	8	20
Leveraging of Existing Assets: Leverage of existing network assets and facilities that would otherwise require expenditure	4	
D) Project Readiness		

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Network and Technology Details: Details of network design and technology architecture	8	
Detailed Budget: Detailed itemized budget that lists quantities, costs, and brief narrative on purpose and reasonableness of expenditure	8	24
Detailed Project Schedule: Details of project activities, milestones, target dates, and dependencies	4	24
Comprehensive Risk Mitigation Plan: Identification of all major risks and detailed risk mitigation plan	4	
E) Organization Qualifications		
Organizational Experience and Capability: Demonstrated experience and capabilities in executing similar projects	8	
Business Structure: Networks owned or operated by, or affiliated with, local and tribal governments, non-profits, and cooperatives**  ** Note: The American Rescue Plan Act (APRA) requests states to prioritize projects that involve networks owned by such entities	8	20
Local/Regional Workforce Participation: Strategy to hire local staff and leverage local/regional firms and contractors to design, plan, deploy, and operate the project	4	
F) Marketing and Services Strategy		
Pricing Competitiveness: Prices commensurate with rates in competitive, urban markets	12	
Diverse Set of Service Offerings: Breadth of service offerings to accommodate a diverse set of customer segments and other supporting services	8	
Customer Acquisition and Retention Strategy: Details around plans to capture and retain customers	8	
<ul> <li>Open Access Policies: A) For last-mile networks, policies and programs to offer wholesale services to other retail last-mile service providers; b) For middle-mile, policies and programs to provide wholesale services, including dark-fiber to other network service providers.</li> <li>** Note: For middle-mile segments, NOFO requires grantees to provide interconnection and wholesale services to service providers; dark-fiber must be provided to government entities for government usage.</li> </ul>	4	32
G) Adoption Assistance Programs		
Affordability Assistance Programs: Collective set of programs and policies to foster affordability for all community segments	12	24

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Note: ARPA requires applicants to participate in the FCC's Affordable Connectivity Program and other future programs to enable affordability for designated low-income residents.		
• <i>Digital Inclusion Programs:</i> Programs and strategies to enable adoption, including devices, digital literacy, outreach, community networks, etc.	12	
H) Project Sustainability		
• Financial Viability: Assessment of business case (e.g., detailed showing of revenue and cost elements) and financial strength of applicant (or consortium)	12	
Network Capacity and Scalability: Total capacity available today and capability of network to efficiently scale to accommodate future bandwidth demand	12	24

#### 4. Consideration Factors under Selection Criteria

The following tables list the consideration factors for the 25 major component areas. For the non-formulaic factors, the Office of Broadband will consider other non-listed factors introduced by the Applicant to be relevant for any specific component.

#### A. Project Impact (36 points)

A1) Impact to Unserved and Underserved Premises	16 points
Overview	Factors for Consideration
Degrees of: a) unserved and underserved premises passed or covered; b) unserved premises relative to underserved premises; c) magnitude of speed increase relative to existing service speeds	✓ Please see table below that provides the score based on the aforementioned degree factors

#### Anticipated Total Passing's in the Project Area: Scoring Table

	Speed Before	≤25/3	≤25/3	≤25/3	≤100/20	≤100/20	≤100/20
	Speed Now	>100/20	>100/100	>1G/1G	>100/20	>100/100	>1G/1G
	1-250	5	8	10	3	5	8
Premises	251-500	6	9	12	4	6	9
Passed	501-1000	7	10	14	5	7	10
	1000+	8	12	16	6	8	12

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Note: For projects not offering last-mile (e.g., middle-mile, community Wi-Fi projects), the evaluation will consider the potential unserved and underserved premises that could benefit from the project. All projects must aim to advance broadband across unserved and underserved areas.

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A2) Comprehensive Community Impact	12 points
Degree of impact beyond connectivity to residents and businesses, including: community institutions, government sites, backhaul service to commercial mobile and public safety networks, connectivity to data centers, etc.	<ul> <li>✓ Degree of connectivity to community institutions, government sites, farms lacking adequate broadband</li> <li>✓ Network design that accommodates commercial mobile network operators and current and planned macros and micro cells</li> <li>✓ Backhaul services designed for public safety network operators (e.g., FirstNet)</li> <li>✓ Connections to existing and planned data centers</li> </ul>
A3) Socioeconomic Development	4 points
Designing network and providing solutions to foster near and long-term social and economic development	<ul> <li>✓ Residential Communities: Connecting (or bypassing) emerging or planned residential communities, multidwelling units, etc.</li> <li>✓ Commerce: Connecting (or bypassing) emerging or planned business centers, industrial parks, government facilities, retail centers, data centers, economic development zones, etc.</li> <li>✓ Farming: Programs to foster farming efficiency and productivity, new applications for precision agriculture, etc.</li> <li>✓ Public Services: Enhancement to capabilities to execute mission in more effective and efficient manner (across schools, libraries, hospitals, clinics, social service centers, community gathering centers, etc.)</li> <li>✓ Degree to which project fits into an existing community strategic plan</li> </ul>
A4) Degree of Economic Hardship	4 points
Level of existing economic distress (e.g., unemployment rates, poverty level)	<ul> <li>✓ Rates for unemployment, poverty, free/reduced lunch eligibility, or population loss are significantly adverse relative to statewide averages</li> <li>✓ Median household income is significantly lower than statewide average</li> </ul>

#### **B.** Community Participation (20 points)

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B1) Local and Regional Partnerships	8 points
Overview	Factors for Consideration
Local and regional community partnerships  B2) Community Support	<ul> <li>✓ Partnerships with local, tribal, and regional governments aimed to expedite permitting, serve as anchor clients, form a public-private partnership, etc.</li> <li>✓ Partnerships with community organizations to foster project awareness, serve as anchor clients, etc.</li> <li>✓ Collaboration with broadband service providers to share network facilities, purchase backhaul, etc.</li> <li>✓ Potential benefits enabled by these partnerships</li> </ul>
B2) Community Support	8 points
Degree of breadth and depth of community support from residents, businesses, institutions and other local interests (e.g., customized support letters filed)	<ul> <li>✓ Degree of "personalized" letters that reflect a broad spectrum of community members</li> <li>✓ Recent survey that covers broad spectrum of community with statistically meaningful results regarding level of need, gaps, and project support</li> <li>✓ Evidence of community outreach efforts to gauge interest in project</li> <li>✓ Other community feedback that shows compelling need and project support</li> </ul>
B3) Community Financial Contribution	4 points
Financial and in-kind contribution from community organizations and individuals	<ul> <li>✓ The degree of financial contribution from community-based members and institutions</li> <li>✓ In-kind resource commitments from community-based members and institutions</li> <li>✓ Evidence to support verification of pledge</li> </ul>

# C. Economic Efficiency (20 points)

C1) Matching Contribution	8 points
Overview	Factors for Consideration
Degree of matching contribution above the minimum 25% requirement	✓ Following table assigns points for a higher proportion of a matching contribution

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Matching Contribution	Points
50% or greater	8
40 - 49.9%	6
35 - 39.9%	4
30 - 34.9%	2
25 - 29.9%	0

C2) Project Cost Efficiency	8 points
Demonstration of strategic choices and actions to foster cost-efficiency (e.g., technology, network design, procurement policies, etc.)	<ul> <li>✓ Demonstration that the network technology and design constitute most cost-effective approach relative to population density, aggregate bandwidth requirements, etc. (e.g., consideration of both capital costs and longer-term total cost of ownership)</li> <li>✓ Plans and commitment to engage in competitive procurement for major expenditures</li> <li>✓ Other plans and steps to efficiently manage project costs</li> </ul>
C3) Leveraging Existing Assets	4 points
Degree to which project leverages existing network assets and facilities and non-network resources that would otherwise require expenditures	<ul> <li>✓ Clear identification of middle-mile assets (e.g., through IRU's)</li> <li>✓ Clear identification of last-mile network elements (e.g., co-location facilities, data centers, towers)</li> <li>✓ Clear description of non-network resources and assets being contributed (e.g. personnel, premises, offices, etc.)</li> </ul>

# D. Project Readiness (24 points)

D1) Network and Technology Details	8 points
Overview	Factors for Consideration
Details regarding the technology, network design and route maps	<ul> <li>✓ Details of network route and coverage map (e.g., delineation, identification of premises)</li> <li>✓ Consistency between network route map and key metrics (e.g., number of premises being connected and/or passed, route passed)</li> <li>✓ Vendor details</li> <li>✓ Details regarding network architecture</li> </ul>

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	<ul> <li>✓ Technology specifications that clearly indicate purported speeds and network indicators can be met</li> <li>✓ Wireless projects: Specification of frequency band, required spectrum, licensee</li> <li>Note: Professional Engineering certification is required as a gating factor</li> </ul>
D2) Budget Details	8 points
<ul> <li>Submission of a detailed, granular budget with delineation of estimated units and prices</li> </ul>	<ul> <li>✓ Detailed budget itemized for all cost items with designated estimates of units and prices</li> <li>✓ Narrative regarding the reasonableness of cost metrics</li> </ul>
D3) Project Schedule Details	4 points
Details regarding project schedule	<ul> <li>✓ Details regarding all project activities and milestones across all stages (e.g., planning, permitting, deployment, testing and commercial service rollout)</li> <li>✓ Detailed narrative on project schedule</li> <li>✓ Degree that project schedule is detailed, structured, clear, and consistent with committed deadlines</li> </ul>
D4) Risk Mitigation Strategy	4 points
<ul> <li>Risks identification and mitigation strategies</li> </ul>	<ul> <li>✓ Comprehensive identification of all major risk areas</li> <li>✓ Specific details regarding impact to project scope, budget and timeline</li> <li>✓ Development of risk mitigation strategies</li> </ul>

# E. Organization Qualifications (20 points)

E1) Organizational Experience and Capability	8 points
Overview	Factors for Consideration
Demonstrated experience and capabilities in executing similar projects	<ul> <li>✓ Details regarding experience and results in having deployed similar networks</li> <li>✓ Details regarding key personnel (e.g., qualifications, resume)</li> <li>✓ Identification of key project partners, roles, and letters of project commitment</li> </ul>
E2) Applicant Business Structure	8 points
<ul> <li>Networks owned or operated by, or affiliated with, local governments, non- profits, and cooperatives)</li> <li>Note: This is a consideration noted in the ARPA legislation</li> </ul>	<ul> <li>✓ Narrative regarding ownership structure and distinct advantages</li> <li>✓ Note: Per Department of Treasury guidelines, please explain benefits toward having less pressure to generate profits and with a commitment to serving entire communities.</li> </ul>

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E3) Local/Regional Workforce Participation	4 points
<ul> <li>Strategy to hire local workers and leverage local and regional firms and contractors to design, plan, deploy, and operate the project</li> </ul>	<ul> <li>✓ Details regarding strategy to hire local workers</li> <li>✓ Specific local firms which have agreed to support project</li> <li>✓ Narrative regarding strategy to hire local firms, workers, and contractors</li> <li>✓ History of using local and regional firms</li> </ul>

### F. Marketing and Services Strategy (32 points)

F1) Pricing Competitiveness	12 points
Overview	Factors for Consideration
<ul> <li>Prices commensurate with rates in competitive, urban markets</li> </ul>	<ul> <li>✓ Demonstration that price points reflective of prices in competitive markets with similar demographic backgrounds</li> <li>✓ Assessment regarding prices being consistent with FCC's Urban Rate Survey</li> <li>✓ Note: Five-year service commitment is required</li> </ul>
F2) Range of Service Packages to Target Variety of Customer Segments	8 points
Breadth of service offerings regarding broadband and other supporting services	<ul> <li>✓ Range of service offerings and price points to meet unique needs of diverse base of customer segments (e.g., household, business, institution) and their affordability levels</li> <li>✓ Upload speeds that reflect unique circumstances of increased teleworking and remote learning</li> <li>✓ Offerings that enable purchase of unbundled Internet at reasonable price points without obligations</li> </ul>
F3) Customer Acquisition and Retention strategy	8 points
Details around plans to capture and retain customers	<ul> <li>✓ Specific strategy regarding customer segmentation, targeting and positioning</li> <li>✓ Details regarding overall sales strategy to support customer journey - e.g., awareness, evaluation, purchase, service initiation, customer care/billing, retention</li> <li>✓ Details regarding sales organization and relevant partners</li> </ul>

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#### 4 points F4) Open Access Policies ✓ Details regarding open access policy • For last-mile networks, policies to offer ✓ Clear description of wholesale services and rates wholesale services to other retail service ✓ For open-access last-mile network, identification providers of retail ISP partner(a) and status of contract • For middle-mile networks, policies to negotiations (e.g., MoU, signed commitment, etc.) provide backhaul, transport services, and dark-fiber IRU to other network service providers. • Note: For specifically middle-mile segments, NOFO requires applicants to provide interconnection, wholesale services, and dark-fiber for government usage.

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# **G.** Adoption Assistance Programs (24 points)

G1) Affordability Assistance Programs	12 points
Overview	Factors for Consideration
<ul> <li>Collective set of programs and policies to foster affordability for all community programs.</li> <li>Note: NOFO requires applicants to participate in the FCC's Affordable Connectivity Program to enable affordability for designated low-income residents.</li> </ul>	<ul> <li>✓ Initiatives to help low-income residents take advantage of the FCC's Affordable Connectivity Program (ACP) and Lifeline Program</li> <li>✓ An entry-level service tier(s) that provides minimum level of broadband (e.g., 100/20 Mbps) for an affordable rate to encourage adoption</li> <li>✓ Special discounted rates for small businesses and community institutions</li> <li>✓ Special programs and partnerships that provide significant discounts to economically disadvantaged customers</li> </ul>
G2) Digital Inclusion Programs	12 points
<ul> <li>Programs to provide devices, digital literacy, call support services, community networks, etc.</li> </ul>	<ul> <li>✓ Detailed description of broadband adoption activities planned for project — e.g., access to low-cost devices, training, technical support, community networks, etc.</li> <li>✓ Technology strategies to enable adoption to general public (e.g., community networks that provide public Wi-Fi, others)</li> </ul>

### H. Project Sustainability (24 points)

H1) Financial Viability	12 points
Sustainability of the business case based on detailed forecasts of revenue and cost drivers and financial strength of applicant (or consortium)	<ul> <li>✓ Two-years of audited financial statements and other documentation to demonstrate the financial standing of the enterprise</li> <li>✓ Detailed financial statements of project (cash flow, balance sheet, income statement) for ten years to enable review of capital deployment stage and recurring revenue and operating expenditures</li> <li>✓ Details regarding when project generates positive operating cash flows; financial sources to cover early years of net cash outflows</li> <li>✓ Discussion of key financial risks that could impede sustainability (e.g., revenue shortfalls, cost overruns) and mitigation strategy</li> </ul>

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	<ul> <li>✓ Future capital investment sources are available if projects require a cash infusion</li> <li>✓ Key metrics regarding the financial targets required by non-State match contributors and how the business plan achieves those objectives</li> </ul>
H2) Network Capacity and Scalability	12 points
<ul> <li>Total capacity available today and capability of network to efficiently scale to accommodate bandwidth demand</li> <li>Demonstration that the capital investment today delivers a network that meets demand today and for the long-term</li> </ul>	<ul> <li>✓ Degree of capacity available relative to potential demand over the initial years of commercial service (e.g., five years)</li> <li>✓ Capacity of middle-mile networks to accommodate demand on the last-mile segment</li> <li>✓ General overview to upgrade network capacity – including the process, time, costs</li> <li>✓ Useful life of the technology</li> </ul>