



# Broadband as a Service Projects

## Memorandum of Understanding

Project Title: \_\_\_\_\_ Project #: \_\_\_\_\_

Organization: \_\_\_\_\_ Project State(s): \_\_\_\_\_

**I understand that the following guidelines apply to my Broadband as a Service (BaaS) project\*:**

### Non-Construction

BaaS grants are non-construction projects. As such, Grantee shall not use project funds to build, acquire, improve or modify any real property and/or capital assets, nor acquire any equipment. This means the Grantee is unable to use BaaS funds to directly provide broadband service by owning or controlling the capital assets needed to deliver the broadband service.

### Period of Performance

A BaaS grant's period of performance shall be 7 years unless a shorter period of performance is approved by ARC in writing. It is expected that grantees will enter into BaaS agreements with service providers that last longer than 7 years.

### Service Requirements

#### *Speed*

The internet service provider (ISP) must deliver service that reliably meets or exceeds symmetrical speeds of 100Mbps. However, ARC will consider, under certain circumstances, funding services that provide reliable broadband services of 100Mbps download and 20Mbps upload.

#### *Service Areas*

- Grantee must clearly define the project's geographic footprint and availability timelines for the entire geographic footprint or for each sub-geography if a phased implementation is proposed. Applicants are required to submit the census blocks that will encompass the proposed project area to ensure eligibility.
- A BaaS grant project must only serve areas designated Unserved (<25/3) or Underserved (<100/20) by their respective state broadband authority that lack existing federal or state commitments for broadband service.
- BaaS projects may involve multiple service areas as part of a single project though ARC funding but may only be applied to those areas that fall within ARC's geographical footprint.
- Service must be:
  - Available to all users within the grant footprint.
  - Provided with no data caps or usage-based throttling.
- BaaS projects must provide broadband services to businesses.

#### *Affordability and accessibility*

- Broadband service prices should be reasonably affordable for BaaS service subscribers.
- The ISP must indicate whether it is an Eligible Telecommunications Carrier (ETC) within the respective state.
- The ISP should participate in the Affordable Connectivity Program (ACP) or any successor program or any other program that would promote service affordability to the subscribers in the BaaS service area (such as those offered through USAC, i.e., Lifeline, E-Rate, High Cost, and Rural Health Care).

## Reporting Broadband Serviceable Location Fabric

Grantee must provide ARC with Broadband Serviceable Location Fabric for the project locations to be served. This information will designate homes, businesses and community anchor institutions associated with the BaaS contract as part of an Enforceable Commitment and will impact the project area's ability to receive future grant funding for broadband service availability.

### ISP Contracting

- The procurement of BaaS service providers must be competitively bid and comply with 2 CFR Part 200 Subpart D - Procurement Standards as applicable.
- It is **highly recommended** that grantees retain contract specialists early in the project development phase and that legal professionals be involved in setting the framework for contracts prior to the release of an RFP.

### ISP Monitoring

Grantee must:

- Establish a framework for evaluating risks posed by potential ISPs (financial stability, history of performance, quality systems and standards, suspension/debarment, etc.)
- Establish mechanisms to monitor BaaS contractor performance and adequately protect the Grantee in case of unsatisfactory performance, such as specific contractual covenants tied to milestone-based and/or periodic BaaS payments.
  - It is recommended that a third-party compliance review team be in place to monitor ISP performance throughout the duration of the project, to check and verify speeds and hold the provider accountable for post-award, contractual obligations.

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**Authorized Representative Full Name**

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**Authorized Representative Title**

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**Authorized Representative Signature**

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**Date**

\* More information on BaaS project guidelines is available at <https://www.arc.gov/resource/application-guidance-by-project-type/> under "Broadband as a Service".