

Supplement to the NOFO: Expanded Guidance on Middle-Mile Investments for ARPA SLFRF Grant

Subject: Expanded Guidance on Middle-Mile Investments under the ARPA SLFRF Grant Program

Introduction:

This supplement to the Notice of Funding Opportunity (NOFO) provides expanded guidance specifically for middle-mile broadband projects funded through the American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF). This guidance aligns with the latest U.S. Treasury guidance including that which was published May 17, 2023, and 2 CFR 200 requirements, aiming to ensure that middle-mile investments effectively support last-mile connectivity and contribute to overall broadband expansion efforts in Oklahoma.

Eligibility and Requirements for Middle-Mile Investments:

1. Middle-Mile Infrastructure Investments:

Treasury's guidance allows for investments in middle-mile infrastructure, which serves as the crucial link between core network infrastructure and last-mile connections. Acceptable projects will complete and improve last mile connection service that meets or exceeds 100/100 Mbps. To be eligible for funding, middle-mile projects must meet the following criteria:

A. Acquisition of Middle-Mile Network Services:

- **Third-Party Network Services:** Funding may be used for acquiring middle-mile network services from third-party providers if such services are essential for extending last-mile broadband connectivity. Applicants must:
 - Provide evidence of agreements or contracts with third-party providers detailing how the acquired services will facilitate or enhance last-mile connectivity or state infrastructure.
 - Ensure that these agreements include commitments for service delivery in underserved or unserved areas, demonstrating a direct impact on improving last-mile service.

B. Construction of New Middle-Mile Networks:

- **Project Necessity:** Investment in constructing new middle-mile networks is permissible if it is necessary to facilitate last-mile service coverage in eligible areas or improves state infrastructure. Preference will be given for projects that demonstrate further investment in fiber-optic infrastructure. Applicants must:
 - Demonstrate that the construction of new middle-mile infrastructure is integral to enabling or enhancing last-mile service delivery, emphasizing unserved and underserved areas as described in the associated map.

- Provide a detailed justification of how the new middle-mile network will improve broadband access, including projected benefits and service expansion plans.

2. 2 CFR 200 Compliance:

Unless legal exceptions exist, compliance with federal requirements is mandatory, including 2 CFR 200, and applicants must adhere to the following:

A. Cost Principles and Allowable Costs:

- **Allowable Costs:** All expenditures for middle-mile projects must be reasonable, allocable, and necessary for the achievement of project objectives. Costs must comply with the principles outlined in 2 CFR 200 Subpart E.
- **Cost Allocation:** Clearly document and allocate costs associated with middle-mile infrastructure to ensure they are directly related to the project's goals and meet federal guidelines.

B. Procurement Standards:

- **Competitive Procurement:** Follow competitive procurement standards as outlined in 2 CFR 200.318 through 200.326. Ensure that all procurement processes for middle-mile services and construction are transparent, competitive, and well-documented.
- **Conflict of Interest:** Implement and document policies to avoid conflicts of interest in procurement processes, as required by 2 CFR 200.318.

C. Reporting and Documentation:

- **Performance Reporting:** Provide regular and comprehensive performance reports on the status and impact of middle-mile investments. Reports should include metrics on how the middle-mile infrastructure is contributing to enhanced last-mile connectivity.
- **Documentation:** Maintain accurate and detailed records of all middle-mile expenditures, agreements, and project-related activities. Documentation must support compliance with 2 CFR 200 and be available for audit purposes.

D. Subrecipient Monitoring:

- **Monitoring and Evaluation:** If middle-mile projects involve subrecipients, ensure that appropriate monitoring and evaluation mechanisms are in place to assess compliance with federal requirements and project performance.
- **Audits and Reviews:** Conduct periodic reviews and audits of subrecipient activities to ensure adherence to 2 CFR 200 standards and proper use of ARPA SLFRF funds.

Application Requirements:

When submitting proposals for middle-mile projects, include:

- **Detailed Project Justification:** Provide a clear explanation of how the middle-mile infrastructure will support or enhance last-mile service, including specific agreements or commitments from third-party providers.
- **Cost Documentation:** Include detailed cost estimates and budget justifications that adhere to 2 CFR 200 requirements.
- **Procurement Documentation:** Submit evidence of competitive procurement processes and compliance with federal procurement standards.
- **Performance Metrics:** Outline metrics for measuring the success of the middle-mile infrastructure in improving last-mile connectivity.

Conclusion:

Middle-mile investments play a critical role in expanding broadband access and enhancing connectivity. By following this expanded guidance and ensuring compliance with 2 CFR 200 requirements, applicants can effectively leverage ARPA SLFRF funding to support meaningful improvements in broadband infrastructure across Oklahoma.

For further assistance or questions regarding this guidance, please contact the Oklahoma Broadband Office at MiddleMile@broadband.ok.gov.