

Connecting British Columbia Program Phase Two – Intake Two – Last-Mile Application Guide



Introduction

The Connecting British Columbia program is a province-wide program administered by Northern Development Initiative Trust (Northern Development) and is available to all eligible applicants. The program is funded by the Province of British Columbia.

Program Purpose

The current objective of the multi-year Connecting British Columbia program is to accelerate the delivery of high-speed internet connectivity at minimum target speeds of 50 megabits per second (Mbps) down and 10 Mbps up to homes and businesses in rural communities in BC. Applications that are able to demonstrate the ability to support the target of 50/10 Mbps are highly preferred.

The high cost of infrastructure has been identified by local governments, First Nations, and internet service providers as one of the key barriers to expanding internet services. The Connecting British Columbia program helps pay for infrastructure required to deliver high-speed internet connectivity to rural areas of the province.

Approved projects must be completed by March 31, 2021.

Eligible Applicants

Applicants or parties of the contractual agreement used for this submission must agree to own, operate, and maintain the resulting network as a condition to obtain the funds (for 3 years after the solution has been delivered as operational).

Examples of eligible applicants include:

- Local, regional or national internet service provider.
- Municipal government or regional district established by BC legislation.
- Unincorporated area whose application is submitted through a regional district or a not-for-profit organization.
- First Nations or First Nations organizations – i.e., band council or a corporation controlled by a First Nation.
- Registered not-for-profit corporations, not for profit co-operatives or societies, registered and active in B.C.

Individuals cannot apply to the program.

Eligible Communities

The goal of the program is to improve last-mile connectivity in underserved rural communities across BC. Communities eligible for funding are identified in [Template 4 – Communities and Network Capacity](#).

If you are proposing a solution for a community listed as ineligible, then a rationale supported with evidence should be provided to justify why the community should be included in a project.

Eligible Project and Support

The program intake, effective July 1, 2018, is to provide funding for last-mile projects to ensure that infrastructure investments are, to the extent possible, coordinated, and scalable, provide value for money and achieve priority objectives for the region.

Applications will be reviewed and assessed on a first come, first serve basis until available funds are committed.

It is anticipated that some projects will have both last-mile and transport components. Applicant should reference the respective program guides for each component and submit applications on or after September 1, 2018. There is a separate program guide for transport (backbone) infrastructure.

It is highly recommended that proposals are in support of regional connectivity strategies that enable outcomes that are a priority for the local government or Indigenous community benefiting from the investment. Written support from the local government body, is required before an application will be considered for funding.

Eligible funding categories are outlined below:

Last-Mile Infrastructure Build

- Proposals will be eligible for up to 50% contribution of eligible costs.
- Solutions that deliver 50/10 Mbps using Fibre-to-the-Premise (FTTP), coaxial cable and Long-Term Evolution (LTE) technologies are strongly preferred.
- Proposed LTE solutions that share spectrum and infrastructure, also used for cellular services provided to the community, are not eligible.
- Last-mile infrastructure includes all equipment and materials required to connect households, businesses and institutions to the nearest suitable point-of-presence (PoP). Customer premise equipment is eligible for fibre and cable last-mile builds only.
- For last-mile applications targeting partially served communities to be considered, the applicant must provide sufficient evidence to demonstrate that the specific area targeted by the proposed project does not have access to a minimum of 50/10 Mbps.
- Proposals that provide new or improved coverage where an existing internet service provider does not already operate will be preferred.
- Proposals will be required to demonstrate that 50/10 Mbps internet services will be made available to customers at a price comparable to similar services in large urban cities.
- Collaboration between applicants and existing internet service providers for the same service area is highly recommended.

Third Party Contributions

Applications to the Connecting British Columbia program must also demonstrate leveraged funds from other sources that may include: funds from the applicant, funds from other funding agencies or funds from federal and/or other levels of government. However, any funds that were previously granted by the Province for other connectivity programs may not be used to leverage Connecting British Columbia funds.

Project Timelines

Applications must demonstrate that the project will be completed by March 31, 2021. A high-level project plan, including major milestones is strongly preferred.

Applications for projects with an immediate start date will be more favourably ranked in the assessment and review process. The need for additional steps before a project can start (e.g., securing other funding, completion of other projects) will be taken into consideration in the review and assessment of applications. Such applications may also be deferred for consideration to a future intake round pending availability of funds.

Eligible and Ineligible Costs

Eligible costs under the program are the reasonable and essential expenses required to complete the project. The program will fund one-time costs associated with deploying expanded or enhanced networks and could include: engineering and design work, environmental assessments, the purchase of hardware and software, equipment, and fees for associated contracted services related to the build of the network. The determination of eligible expenses rests with the program.

Eligible Costs

- Equipment Hardware and Software Costs: Servers, switches, fibre-optic cable, repeaters, radio equipment, towers, poles, back-up power supplies, shelters and network broadband connectivity devices including upgrades and adaptations.
- Labour Costs: Gross wages or salaries incurred for work which can be specifically identified and measured as having been performed on the project. Associated CPP, EI, WCB are eligible.
- Material Costs: Cost of materials which can be specifically identified and measured as having been used or to be used in the performance of the project.
- Engineering and design: Network architecture and systems design and integration.
- Other direct costs: Related to development and implementation of the project such as material.
- Travel Costs: Cost of travel which is deemed necessary to the performance of the project. Travel expenses, at economy rates, shall be charged at actual costs. To be eligible, travel costs must clearly document the purpose of each trip and be considered reasonable by the program.
- Site survey, engineering and design.
- PST.

Ineligible Costs

- General organizational support costs.
- Ongoing costs for existing staff salaries and benefits.
- Project related labour cost reimbursement for any premiums above actual gross pay (e.g., overtime, shift differentials, and any reimbursement or benefit conferred in lieu of salaries or wage).
- Any costs associated with administering the project, such as preparing progress reports.
- Land acquisition.
- Project contingency costs.
- Insurance costs (e.g., construction, general liability, commercial, etc.).
- Ongoing operation costs such as leases, legal fees, survey fees, right-of way/access fees, audit fees, rent, land applications, co-location, financing and carrying costs.
- Fees paid to members of a Board of Directors for their time.
- Purchase of large capital equipment that will be retained by the organization.
- Customer-Premises Equipment (CPE): This refers to any terminal and associated equipment located at the subscriber's premises that is connected with a carrier's telecommunication network at a Demarcation Point. A "Demarcation Point" is the point where the local loop (the network transmission equipment) ends and the inside wire (which is the responsibility of the customer) begins.
- Financing or carrying costs, loan and interest payments.
- Maintenance costs and other operational costs such as customer service.
- General office space and equipment i.e., photocopiers, furniture, telephones, computers, printers and office software.
- Advertising / promotional activities.
- Radio and spectrum licensing fees.
- Research and development of pilot projects.
- In-kind contributions.
- Costs incurred prior to the date of written conditional approval of the application by Northern Development.
- GST or HST.

Applying to the Program

The application form is available for download at www.northerndevelopment.bc.ca/funding-programs/partner-programs/connecting-british-columbia/. Please note that some components of the application (i.e., council/band resolutions) may require additional time and planning to complete.

The program will begin to accept applications on July 1, 2018 until funding is fully committed. All applications received by the program will be treated as confidential.

Applications must contain all completed Required Attachments for the application to be considered. Incomplete applications will not be reviewed.

All program communication will take place with the primary contact using the contact information provided in the application. It is the responsibility of the applicant to notify Northern Development regarding any changes to the contact information provided.

If you need help in completing your application, please refer to section titled ‘Application Support’.

Required Attachments

Attachments to the application are mandatory or “if applicable” and must be submitted at the same time as the application. All attachments must be specific to the legal entity applying for funding and may not be from a related organization such as a parent company or subsidiary. If mandatory attachments are not included with the application, the application will not be considered for the funding.

- Detailed Project Plan using the provided template (mandatory). [Template 1 – Project Plan](#)
- Detailed Project Budget Costing in excel format, using the provided template (mandatory) [Template 2 – Project Budget](#)
- Detailed Financial Operational Plan in excel format, using the provided template (mandatory). [Template 3 – Financial Operational Plan](#)
- Identify which communities will benefit from the proposed project and how many households and anchor institutions services will be provided, as well as the calculations required to evaluate Network Capacity, using the provided template (mandatory). [Template 4 – Communities and Network Capacity](#)
- If one or more of the applicants are Internet Service Providers (ISPs), a complete internet service provider (ISP) corporate profile (in MS Word format), which includes the following items (mandatory).
 - Name of the ISP.
 - Number of years in business.
 - Organizational diagram.
 - Contact information: ISP location and contact information.
 - Number of customers.
 - Technical and project management experience of the ISP.
 - Maps of current areas served.
 - Past projects.

- Additional information illustrating the ISP’s experience and suitability for this project (i.e., interests, background, volunteer experience).
- ISP References: Attach current references and customer testimonials from people or businesses familiar with the ISP’s past projects and work experience.
- Incorporation Documents: Certificate of incorporation (or, if applicable, certificate of change of name) and most recently filed Annual Report (mandatory).
- An organizational diagram that details the structure of your organization, including any parent, subsidiary, affiliates, and related companies (mandatory).
- Financial statements (mandatory).
 - Financial statements must be specific to the legal entity applying for funding and may not be from a related organization.
 - The financial statements submitted must be in the final approved form, including signatures from the organizations representatives.
 - Applicants must submit financial statements for the 2017 fiscal year or newer.
 - Financial statements must be submitted in their entirety; partial documents will not be accepted.
 - There are three types of financial statements that may be submitted:
 - Notice to Reader Financial Statements.
 - Review Engagement Financial Statements.
 - Audited financial Statements.
- Coverage map(s) in a geo-coded format (mandatory) (i.e., Google Earth KMZ, ESRI shp file, or similar). PDF maps will not be accepted and the application will be rejected.
 - The map(s) must show the current and the proposed service area, identifying speeds where possible.
 - If the applicant is an internet service provider, the map must show all applicant-owned or operated fibre lines, and/or towers showing the microwave links for the regional district geographic area that the project is in.
- Logical Network Diagram of the proposed solution (mandatory).
- Targeted Household and Market Analysis (mandatory).
 - The information should include network infrastructure, services, and targeted residences and businesses. This can be in a format that is easily understood, precise and appropriate for analysis.
- Proposed equipment details (mandatory).
- Letters of support from businesses and institutions (mandatory).
 - Letters must be recently dated and reference the project.
- Municipal Council / Regional District resolution of support/approval for the proposed project (mandatory, if this is a new last-mile build).
 - Letters must be recently dated and reference the project.
 - Resolutions are not required for proposed projects to upgrade existing software and hardware infrastructure to provide 50/10 Mbps speeds to the households.
- Band Council Resolution, Tribal Council Resolution or other equivalent documentation from self-governing First Nations indicating support for the proposed project (mandatory, if this is a new last-mile build).
 - Resolutions must be signed and recently dated and reference the project.

- Resolutions are not required for proposed projects to upgrade existing software and hardware infrastructure to provide 50/10 Mbps speeds to the households.
- Funding approval letters from other sources (mandatory, if applicable).
- Submission package to ‘other funding sources’, if any (mandatory, if applicable).
- Regional District or First Nation connectivity strategy (mandatory, if available).

NOTE: Failure to submit the completed required attachments will result in the ineligibility of the application.

Application Limit

An eligible applicant may submit more than one project application for last-mile projects. There is no limitation on projects or participation as a partner.

Applicants who received funding during previous intakes are not restricted from applying during current or future intakes.

Project Review and Assessment

Eligible applications will be subject to a competitive review and assessment process. Eligible applications will be assessed and ranked against selection criteria (see section entitled Selection Criteria).

If additional clarifying information is needed to support the review and assessment, eligible applicants will be contacted and additional information requested.

Funding decisions are final.

Selection Criteria

Applications will be adjudicated and assessed against the criteria below.

Communities (% of overall score = 15%)

- The application identifies multiple unconnected communities to be served.
- The application describes the number of unconnected homes that will have access to increased connectivity as a result of this project.
- The application provides evidence that the proposed deployment of internet services to homes and businesses is based on a realistic assessment of community needs and anticipated benefits.

Corporate Capability (% of overall score = 25%)*

- The applicant has demonstrated they have selected or are an experienced internet service provider with the expertise and qualifications to implement the project.
- The applicant has demonstrated project management expertise and experience with overseeing high-speed internet connectivity projects.
- The project is able to start quickly.
- The applicant has addressed rights of ways and permits in the timelines of the project.
- The internet service provider is local or regional and can leverage existing infrastructure.
- The project milestones are reasonable.

Technology Used (% of overall score = 15%)*

- The application confirms there is an internet gateway, point-of-presence (PoP) or other backhaul capability in place in order for the project to proceed.
- The technical solution describes the type of network being installed, the type of technology to be deployed, where it will be used and how it will be installed.
- The technical solution adequately serves the projected number of subscribers (i.e., the connectivity supplied to the end user meets the definition of high-speed internet connectivity).
- The solution can be scaled and supported to address future needs of the locale(s).
- The solution does not require the use of satellites for its primary backhaul technology.
- The last-mile technology used to deliver the service to the customer is fibre, cable or fixed wireless (LTE).

Financial Leverage Program Funding (% of overall score =40%)*

- Proposals with a higher leveraging ratio of provincial funds toward total eligible costs.
- A lower cost per household is preferable as this means that more people are being served per dollar spent by the program.

Quality of Application (% of overall score =5%)*

- Is the contribution necessary to fill the funding gap and complete any portion of the project or not?
- If the funding will meet a minimum requirement and allow a project to proceed (as opposed to simply improve on a project that is already feasible, this is preferable as it will lead to more people being connected).
- Applicant has provided a quality proposal.
- The proposal gives confidence that the project can and will succeed.

* Note: Application must meet a minimum of 50% threshold in each of the categories marked with an asterisk (*) to qualify for funding.

Project Approval, Grant Agreement and Reporting

Awarding of funding to successful applicants will be conditional upon finalization of a grant agreement that sets out the terms and conditions of funding. The program reserves the right to award partial contributions of the total funding requested.

Grant agreements will require the applicants to follow the program guidelines and requirements, including submitting progress reports and financial reporting documents. Funding recipients will be required to submit progress reports and a final report that outlines the project's performance and outcomes. Further details on reporting requirements will be provided to successful applicants.

Failure to meet the requirements of the grant agreement could result in the requirement for the repayment of funding to the program and disqualify the funding recipients from further applications to the program.

Audits and Site Visits

Funding recipients will be subject to project, financial or performance audits or site inspections at any time during the term of the grant agreement and for up to three years following the distribution of the program funds to the recipient, so that the program funder can examine project progress, documentation, and stated results.

Events and Communications

The grant agreement may require the following:

- Funding recipients must keep the program contact person(s) informed in advance (with a minimum notice period) of any promotional activities or events related to the project.
- The program funder (the Government of British Columbia and the Ministry of Citizens' Services) be acknowledged in project communications, events and signage.
- Consent of the Province to publish project details in reports and in promotion of the program (i.e., on websites and in public material).

Freedom of Information

Applications submitted under the program are subject to the Freedom of Information and Protection of Privacy Act. The information being collected is for the purpose of administering the program and evaluating eligibility of the proposal.

Reference Material

A new Connectivity Handbook has been developed to promote the importance of access to affordable, reliable and adequate broadband infrastructure to meet the needs of British Columbians. The Handbook is intended to help local governments and community organizations become more engaged, taking on leadership roles in defining key service deficiencies and unserved or under-served areas; and, in developing practical plans that can lead to realistic and affordable broadband solutions to meet those needs.

Definitions

Anchor Tenant: One or more committed customers on a network, often a business or government entity. Anchor tenants are important to identify for network sustainability.

Backhaul: A network connection that transports data traffic from one Point-of-Presence to another or from a Point-of-Presence to a location that contains the internet gateway.

Bandwidth: The capacity for transferring data over a network as measured in bits per second (bps), kilobits per second (Kbps) or megabits per second (Mbps).

Customer Premise Equipment: Refers to any telecommunications equipment located at a subscriber’s premises that is connected to a service provider’s telecommunications network at a demarcation point. Examples include wiring, modems (DSL, cable, wireless) as well as antennae or other wireless equipment.

Dependencies: Also known as order of build, this is where separate projects depend on the completion of other projects in order to proceed.



The diagram above indicates a series of projects exhibiting dependency. Project 3 requires the completion of Project 1 and Project 2, Project 2 depends on the completion of Project 1 and so on.

The dependencies can also be described this way:

| Project >> | Project 1 | Project 2 | Project 3 |
|------------|-----------|-----------|-----------|
| depends on | None | Project 1 | Project 1 |
| | | | Project 2 |

Demarcation Point: A point that separates the customer premise equipment from the service provider’s network infrastructure equipment. In other words, a “Demarcation Point” is the point where the local loop (the network transmission equipment) ends and the inside wire (which is the responsibility of the customer) begins.

Download: Data traffic travelling from the Internet to the end user.

High-speed internet: Also referred to as broadband, high-speed Internet is an ‘always on’ fast connection to the Internet with a minimum download speed of 5 Mbps. Three of the most commonly used technologies to provide broadband are cable, DSL (Digital Subscriber Line) and wireless broadband.

Monetized donations: Means contributions of goods or services, other than cash from third-parties.

Internet Gateway: A network connection that provides access to the Internet for the service provider's last-mile distribution system.

Internet Service Provider: An organization that offers its customers access to the Internet.

Last-Mile Infrastructure: The components used to connect homes and businesses to the Internet service provider's Point-of-Presence. This may include routers, towers, antennae, fibre optical, cable, Digital Subscriber Line (DSL) equipment, cable modems, wireless radios and so on.

Locale: Can refer to a neighbourhood, community, subdivision, town site, reserve or village in a rural or remote area.

Long-Term Evolution or LTE: A standard for high-speed communication for mobile devices and data terminals. It increases the capacity and speed using a different radio interface together with core network improvements.

Milestones: Significant stages of completion for your project(s).

National Service Providers: Internet service providers who also provide service outside British Columbia.

Point-of-Presence (PoP): A facility where internet service providers house servers, routers, switches and other communications equipment. A PoP is where an internet service provider's last-mile infrastructure connects to an internet gateway.

Risks: When projects depend on outside factors to proceed. This can include order of build, grants from other sources, matching funding, Crown Land applications and so on. For the purposes of the Connecting British Columbia Program, any risks must be clearly stated in your application.

Scalability: The ability of a network to expand service to a larger area around the vicinity of the existing connected locale.

Settlement: An unincorporated area/community, for the purpose of application to the program, is considered to be a settlement area within a regional district electoral area.

Single End User: Where a single customer or business is the only user of the network.

Unincorporated Area: An unincorporated area/community, for the purpose of application to the program, is considered to be a settlement area within a regional district electoral area.

Application Support / Contact

If you have a question that is not addressed in this program guide, support is available from program staff at:

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