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Virginia Office of Broadband Broadband Equity, Access, and Deployment (BEAD) Program

Policy Notice on Pre-Contract Meetings and Prior Authorization for Provisionally Awarded
Subgrantees under the BEAD Program

General Statement: The Commonwealth of Virginia encourages all provisionally awarded BEAD subgrantees to identify methods to accelerate project delivery. In addition to working with the Virginia Office of Broadband (VA OoB) to streamline and address any project delivery hurdles, BEAD subgrantees should leverage existing federal and state guidance on the BEAD program to begin certain activities on their BEAD project as soon as possible following announcement of provisional awards.

The following policy notice is provided to outline the options for provisionally awarded subgrantees under the BEAD program to expedite project delivery. The VA OoB strongly encourages provisionally awarded subgrantees to take advantage of these opportunities and will proactively reach out to subgrantees to check in on the status of implementing these provisions into project workflows.

Summary of Requirements of Virginia by NTIA – Provided for Informational Purposes Only

The National Telecommunications and Information Administration (NTIA) published a <u>guidance</u> <u>document</u> in December 2024, which outlined how Eligible Entities (states) and subgrantees can Accelerate the Construction of BEAD Projects.

Pre-Contract Meetings and Prior Authorization to Proceed with Certain Activities

Pre-Contract Meetings and Template Subgrantee Agreement

The Va OoB plans to move quickly after the announcement of all provisional awards under the BEAD subgrantee selection process to proceed with pre-contract activities and requirements. The first step of this process will be scheduling an individual pre-contract meeting with each provisionally awarded subgrantee. During this meeting, the VA OoB will outline all pre-contract requirements under the BEAD program.

While the VA OoB plans to circulate subgrantee agreements and issue pre-contract requirements, the VA OoB is not permitted by NTIA to execute subgrantee agreements prior to approval of the Commonwealth of Virginia's BEAD Final Proposal. During this time, provisionally awarded subgrantees will be required to initiate or complete pre-contract items and may request prior authorization for pre-contract requirements that have associated costs.

¹ Per NTIA's Guidance Document, states may begin pre-contract requirements and circulating subgrantee agreements with provisionally awarded subgrantees prior to Final Proposal Approval.

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Environmental Review

Pursuant to the National Environmental Policy Act (NEPA) and based on the existing requirements of the BEAD program, all BEAD projects must be analyzed for potential environmental impacts before infrastructure deployment may begin. In the pre-contract meeting the VA OoB will outline the requirements for such environmental review. Provisionally awarded subgrantees will be encouraged to begin this process as soon as practicably possible after the pre-contract meeting is held. Provisionally awarded subgrantees should review slides 23 through 36 in the December 2024 BEAD Application development workshop, which are provided at this link.

Authorization to Incur Expenses Pre-Contract and Opportunity for Reimbursement

Per NTIA Guidance, states may allow subgrantees to claim reimbursement for pre-contract subgrant costs in certain circumstances in accordance with 2 CFR 200.458. The Va OoB's guidance on this topic is outlined below.

Following the pre-contract meeting, the provisionally awarded subgrantee may submit a request for prior authorization (PA) to incur pre-contract subgrant expenses before the subgrantee agreement is executed. PA requests must be submitted in writing to broadband@dhcd.virginia.gov within 10 business days from the pre-contract meeting. The Va OoB will respond with PA determinations in writing in 10 business days. Allowable items eligible for PA, include but are not limited to construction related soft costs such as ordering equipment and materials, negotiating for right of way and pole attachments, completing environmental and historical reviews, and other make ready activities.

While the Va OoB anticipates timely NTIA approval of Virginia's BEAD Final Proposal, please note that the provisionally awarded subgrantee assumes the risks of if there is a delayed approval of Virginia's Final Proposal. These risks include any NTIA-required amendments, curing comments and responses, and yet-to-be-published Final Proposal NTIA guidance issued by NTIA after provisional award announcement and prior to receipt of Final Proposal approval by NTIA, which may affect proposal components and award recommendations, all of which may impact the provisionally selected subgrantee.