

Cellular Expansion Fund Proposal Guide



Table of Contents

- 1. Program Overview 2**
 - 1.1 Program Objectives..... 2*
 - 1.2 CEF Process Overview..... 2*
 - 1.2.1 Program Timelines 2*
- 2. Participant Eligibility 3**
- 3. Eligible Projects 3**
- 4. Funding..... 4**
 - 4.1 Awarding of Funding..... 4*
 - 4.2 Eligible/Ineligible Costs 4*
 - 4.2.1 Eligible Costs 4*
 - 4.2.2 Ineligible Costs 5*
- 5. Project Submission 6**
- 6. Application Assessment 7**
 - 6.1 Connectivity Benefits..... 7*
 - 6.2 Corporate Capability 7*
- 7. Successful Proponent Information 7**
 - 7.1 Site Visits and Audits..... 8*
 - 7.2 Progress and Final Reporting Requirements 8*
 - 7.3 Events and Communications..... 8*
 - 7.4 Freedom of Information 9*
- 8. Proponent Support/Contact Information..... 9**
- 9. Appendix 1 – Definitions..... 10**
- 10. Appendix 2 – BC Highway Cellular Map 11**

1. Program Overview

The Cellular Expansion Fund (CEF), the “Program”, is funded by the Province of British Columbia and administered by Northern Development Initiative Trust (Northern Development, “the Trust”). The Program is designed to increase cellular coverage along primary and secondary highways within the province, of which 4,200 kilometres are currently without cellular service.

This guide is intended to help proponents submit project proposals to the Program.

1.1 Program Objectives

The goal of the Cellular Expansion Fund is to provide incremental funding to eligible projects that will deliver 550 kilometres of net new cellular connectivity along primary and secondary highways by March 31, 2027. Additional objectives above and beyond this target include project outcomes that:

- Provide net new or expand cellular connectivity in communities in proximity to highways;
- Provide cellular or Wi-Fi connectivity at designated rest areas along highways, including inland ferries;
- Provide emergency call boxes along highways.

Eligible projects must expand cellular coverage along underserved primary and secondary highways in B.C., as documented in Appendix 2. Projects may also include additional benefits, described above. Proponent may apply for funding up to a maximum of 90% of total eligible project costs. The remaining funds will come from other sources such as the proponent, other connectivity funding programs or other levels of government.

1.2 CEF Process Overview

The process:

A. Call for Expression of Interest – Complete

In June 2023, Northern Development reached out to eligible cellular providers currently operating in British Columbia to gauge interest in participating in the Cellular Expansion Fund. Cellular providers who expressed interest in the program will be invited to submit proposals in September 2023. Additional eligible participants in CEF may be considered on an ongoing basis. Northern Development may also consider requests for co-funding for cellular solutions from other government programs.

B. Request for Proposals

Cellular providers who have expressed interest will be invited to submit proposals beginning in September 2023. The Trust will make available for each interested party additional information, described below, including current highway coverage, highway segments with access to power, technology requirements, timelines, grant maximums, and other criteria. Proponents will be required to provide detailed mapping and budgets for review by the Trust. Complete proposals will be reviewed by the Trust and shared with the Province for technical review before funding decisions are made.

1.2.1 Program Timelines

Proposals should demonstrate that the project is to be completed by March 31, 2027, in accordance with a funding agreement signed between the proponent and Northern Development.

Target program timelines:

- June 2023: Call for expression of interest
- September 2023: Invitation to submit proposals
- Fall 2023: First proposals submitted, evaluation begins
- Winter 2023: First project funding awarded

Proposals will be accepted on an ongoing basis until program funds are fully allocated. To best prioritize the 2024 build season, NDI encourages proposals to be submitted as soon as possible.

2. Participant Eligibility

Participants eligible to submit proposals to CEF are cellular service providers currently operating in British Columbia who have been invited through the Call For Expression process. At Northern Development's discretion, they may invite other entities to participate in CEF, e.g. additional service providers, First Nations who are partnering with a cellular provider, or funding recipients capable of providing call boxes along underserved highways.

Ineligible proponents:

- Individuals cannot receive funding
- Service providers who have not received an invitation

Eligible proponents must meet the following General Conditions:

- Eligible proponents must agree to own and operate the proposed network for three years after the project is complete.
 - If the proponent does not maintain and operate the network for three years, a pro-rated repayment of the funds would be required.
- Eligible proponents should have experience deploying and operating the proposed technology solution for a minimum of three years in Canada, or partnered with an entity that can provide this experience.

3. Eligible Projects

Eligible projects will expand or provide net new cellular coverage along the 4,200 kilometers of currently unserved primary and/or secondary highways within B.C., as shown in Appendix 2. If the map shows that an area is currently served with cellular, where a provider believes there is no service, they should include information about a contested area in the proposal for evaluation.

Projects that deliver net new highway cellular coverage to segments of greater than six kilometres or two or more cellular towers (i.e. are not small segments of "infill" for existing cellular coverage) will be considered more favorably.

While improving cellular coverage along highways is the focus of the program, projects may also include the following eligible activities:

- Cellular in communities in proximity to a highway cellular expansion project;
- Cellular or Wi-Fi connectivity at designated rest areas along highways, including ferries;
- Emergency call boxes along highways in remote locations, which may count towards kilometres of served highway.

4. Funding

In addition to project specific funding stipulations mentioned in 4.1 and 4.2 below, proponents may apply for funding up to a **maximum of 90% of total eligible project costs**. The remaining funds will come from other sources such as the proponent, other connectivity funding programs or other levels of government.

The program will not accept duplicates of proposals previously submitted to other funders. Proponents are required to submit a detailed breakdown of the total costs for the project including costs that are eligible and ineligible for funding, as described in Section 5.

Proposals that achieve one or more of the following will be viewed more favourably. Projects:

- Where the proponent is funding a portion of the project cost
- Where a lower percentage of Program funding is requested
- That demonstrate capacity to accommodate shared access to other providers to towers

4.1 Awarding of Funding

Approval of funding to successful proponents will be conditional to the signing of a funding agreement that sets out the terms and conditions of the project. The Program reserves the right to award partial contributions towards the total funding request. **General Conditions:**

- Funding agreements will require the proponent to follow the Program guidelines and requirements, including submitting progress and final reports and financial reporting documents.
 - Further details on reporting requirements will be provided to successful proponents.
- Failure to meet the requirements of the grant agreement could result in a declaration of default of the agreement and cancellation of funding approval, the requirement for the repayment of funding to the Program or the proponent being disqualified from future funding consideration.

4.2 Eligible/Ineligible Costs

Eligible costs under the Program are the reasonable and essential expenses required to complete the project.

If a proponent intends to include a cost that is not explicitly listed or does not reasonably fit the costs listed, the proponent may state in their proposal why that cost should be eligible. Northern Development will then assess the eligibility of the cost.

4.2.1 Eligible Costs

- Equipment hardware and software (including licenses) which can be specifically identified and measured as having been used or will be used in the implementation of the project including: servers, switches, fibre-optic cable, repeaters, radio equipment, towers, poles, shelters and enclosures, back-up power supplies and network broadband connectivity devices including upgrades and adaptations
- Expenses which can be specifically identified and measured as having been used or will be used in the implementation of the project including cost of materials and direct labour (including gross wages or salaries) and work that can be specifically identified and measured as having been performed on the project
- Contracted services related to the build of the network

- Project management (PMP)
- Third party project validation (P.Eng)
- Engineering and design: network architecture and systems design and integration
- Travel: cost of travel which is deemed necessary to the performance of the project
 - Travel expenses, at economy rates, shall be charged at actual costs. Per diems may be included to a maximum of provincial government rates. To be eligible, travel costs must clearly document the purpose of each trip and be considered reasonable by the Program
- Freight and/or shipping
- Provision of site power
- Other direct costs: related to development and implementation of the project
- PST

4.2.2 *Ineligible Costs*

Funding will not be provided under the program to cover ineligible costs. Northern Development retains discretion over which projects and costs will be considered ineligible including, but not limited to, the following:

- Costs incurred prior to the date of written (conditional) approval by Northern Development
- Costs related to funding application development
- GST
- Radio and spectrum licensing fees
- Insurance (e.g. construction, general liability, commercial, etc.)
- Financing or carrying costs, loan costs and interest payments
- Legal fees, survey fees, right-of way/access fees, audit fees, rent, land applications and co-location
- Land acquisition and/or leasing buildings, and other facilities, including permanent shelters for housing network-related equipment (except for temporary facilities directly related to project construction)
- Purchase of capital assets including: land, buildings and vehicles, as well as other indirect, fixed, and/or capital costs
- Overhead administration and labour costs including: administration, management, finance, general business overhead
- Vacation pay, overtime, shift differential, bonuses, stock shares, allowances, CPP, EI, WCB and other benefits
- Operational costs to run infrastructure built to support the project; general repairs and ongoing maintenance resulting from the project and related structures
- Ongoing operation expenses such as vehicle leases, general office space, office equipment (e.g. photocopiers, furniture, telephones, computers, printers and office software)
- Project administration including: maintenance costs, research and development of pilot projects, operational costs resulting from the project such as customer service, progress reports, etc.
- Fees paid to members of a Board of Directors for their time
- Advertising and/or promotional activities related to the project
- Project contingency costs
- Any goods and services that are received through donations or in-kind.

5. Project Submission

Participants must submit all required forms, templates and supporting documentation as listed below. 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 information is missing from the proposal, the proposal will not be reviewed.

- Completed Proposal Form
- Completed Proposal Workbook
- Corporate Profile of Internet Service Provider
- Certificate of Incorporation
- Most recently filed Annual Report
- Financial statement (2022 fiscal year or newer):
 - Must be specific to the legal entity applying for funding and may not be from a related organization
 - Statements submitted must be in the final approved form, including signatures from the organization’s representatives
 - Statements must be submitted in their entirety; partial documents will not be accepted
 - The following types may be submitted:
 - Notice to reader financial statements
 - Review engagement financial statements
 - Audited financial statements
- Mapping Data in a geo-coded format (*i.e. Google Earth KMZ, ESRI shp file, or similar. **NOTE: Not accepted - PDF maps or static images***)
 - ✦ *Note: information will be used for assessing applications and used for internal purposes only*
 - Mapping must include the following layers and information:
 - Current Network Infrastructure: All proponent-owned or operated PoPs, towers, and cellular coverage within the Province of British Columbia.
 - Current Network Infrastructure: All proponent-owned or operated PoPs, towers, and cellular coverage within the Province of British Columbia. Proposed highway coverage for the project;
 - Current coverage for the highways proposed in the project, identifying available service standard (e.g. 3G, 4G, 5G);
 - Locations (colour differentiated) of new and upgraded: towers, PoPs, fibre, PTP microwave links, COs;
 - New PTP microwave paths (colour differentiated) between towers within the project area;
 - The location of project specific backhaul/backbone access points;
- Logical network diagram of the project
 - Diagrams must include the following items and information:
 - All current and proposed network devices (colour differentiated) from the point of transport to the last-mile drop point
 - All current and proposed links between devices (colour differentiated) from the point of transport to the last-mile drop point
 - Labelled throughput capacity between devices

- Labeling should match labels found within the application workbook and mapping layers
- Letter(s) of support or resolution(s) of support of the project (*required only for community projects*):
 - For municipalities, a Municipal Council letter or resolution is required
 - For unincorporated communities and villages, a Regional District Board letter or resolution is required
 - For Indigenous communities, a Band Council or Tribal Council letter or resolution is required
 - Must be signed, recently dated and specifically reference the project
- Funding approval letters from other sources (if applicable)
- Regional District or First Nation connectivity infrastructure strategy (if available)
- Other letters of support (optional)

6. Application Assessment

Proposals will be assessed based on the following categories and criteria.

6.1 Connectivity Benefits

Highway Projects (Cellular):

- The number of kilometres to receive highway coverage (currently without cellular coverage) per grant dollar requested

Highway Projects (Wi-Fi Hotspots and Call Boxes)

- The costs of the solution for each eligible location per grant dollar requested that meets the minimum specifications

Value Add Components

- Underserved communities, households and businesses will be connected by the project
- Project demonstrated value for money based on number of households to be served per grant dollar requested

6.2 Corporate Capability

- The project can start in a timely manner
- The proponent has identified any and all permits or permissions necessary for the completion of the project in the timelines of the project
- The proponent has demonstrated they have resources and capabilities to complete the project of the size and scope proposed by March 31, 2027
- The project milestones are reasonable

7. Successful Proponent Information

Successful funding recipients must review and comply with the criteria outlined in this section.

7.1 Site Visits and Audits

Recipients may be subject to project, financial and performance evaluations or site inspections at any time during the term of the grant agreement and for up to three years following distribution of the Program funds to the recipient, so that Northern Development can examine project progress, documentation and stated results.

Annually, for three years after the project has been completed, recipients must sign a declaration confirming that they still own and operate the network resulting from the project.

7.2 Progress and Final Reporting Requirements

Reporting documents will be posted on the Northern Development website.

Quarterly Reports are required throughout the duration of the project. Quarterly reports will include:

- Milestone progress (percentage of completion)
- Permitting progress updates
- Qualitative discussion regarding project or scope changes
- Qualitative discussion regarding financial updates or changes
- Qualitative discussion regarding timeline updates or changes

Upon completion of the project, recipients are required to provide final reporting. This includes a complete final reporting form along with all required attachments.

Final reporting attachments include:

- A project ledger detailing all eligible project expenses, printed from recipient's accounting software
- Spreadsheet detailing all project expenses, using the Expense Claim Form Template
- Finalized quarterly report, using the Quarterly Report Workbook Template
- Letter of attestation, after project completion, from an external third-party professional engineer (P.Eng) that includes the following:
 - Confirmation that the project was completed as described in the application/contract
 - Confirmation that any equipment noted in the application/contract is now in place and operational and was the actual equipment used in the project
 - Confirmation of system performance and coverage
- Mapping Data in a geo-coded format (i.e. Google Earth KMZ, ESRI shp file, or similar. NOTE: Not accepted - PDF maps or static images)
 - Mapping must include actual upgraded network infrastructure (project specific) with the following layers and information:
 - Coverage for the communities resulting from the project; identify available speeds
 - Locations (colour differentiated) of new and upgraded: towers, PoPs, PTP microwave links, COs.

10% of the final payment will be withheld until the project is validated by an external professional engineer or consultant. The recipient is responsible for completing this validation

7.3 Events and Communications

Throughout the project there may be a number of occasions that require communication support for events and/or publications. As such, the following is required:

- No public announcement can be made until the Program funder (the Province of British Columbia) makes a funding announcement
- 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 Province of British Columbia) and Northern Development Initiative Trust be acknowledged in project communications, events and signage
- The Province is required to provide consent to publish project details in reports and in promotion of the Program (e.g., on websites and in public material). Please contact Northern Development.

7.4 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 the eligibility of the proposal.

8. Proponent Support/Contact Information

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

Northern Development Initiative Trust

301-1268 Fifth Avenue

Prince George, B.C. V2L 3L2

250-561-2525

connectingbc@northerndevlopment.bc.ca

www.northerndevlopment.bc.ca

9. Appendix 1 – Definitions

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).

Community: The collection of geolocated placenames in British Columbia which include large and small cities, villages, First Nations communities, small hamlets etc. See the Proposal Workbook for a list of communities in B.C.

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

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

Facilities-based provider: A provider that owns and operates transmission facilities as defined by the CRTC.

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

Internet Service Provider (ISP): An organization that offers its customers access to the internet.

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

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

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

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.

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



Legend

- Highways with Cellular
- Highways with no Cellular
- Highways without Cellular but with Power



Highway Cellular