



NACo Legislative Conference

Recovery & Infrastructure Grant Office Hours

February 13, 2022



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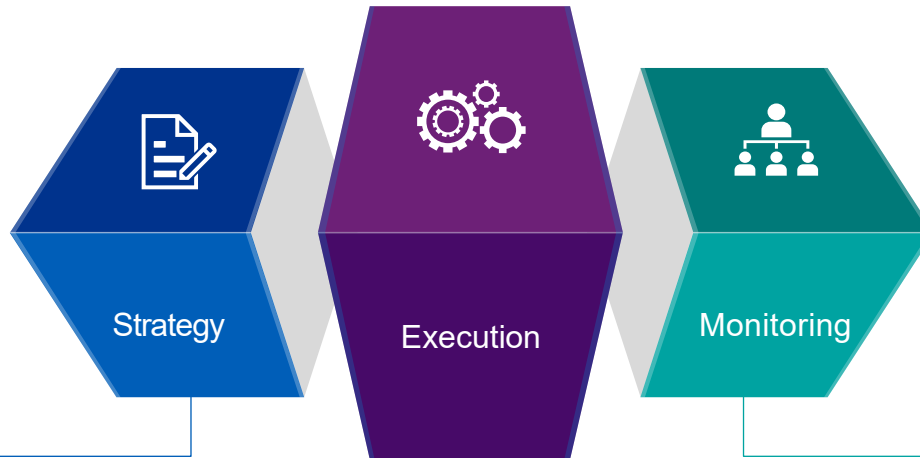
Capitalizing on momentum from the Bipartisan Infrastructure Law



Where are my opportunities?

KPMG utilizes a comprehensive, practical approach in helping select and deliver on the most critical initiatives that will utilize BIL funds:

- This presents a series of opportunities for Broadband, Rural Bridges, and Electrification.
- COVID has impacted operations and revenue streams, exerting financial pressures on Counties.
- Obtaining highly competitive Federal grants are a key tool for Counties to reduce this burden, deliver more projects and accelerate benefits.



Establishing strategic framework to align on funding priorities; Integration of new federal selection criteria; Project business case development to maximize impact.

Building capacity to support grant development; Formulate granular plans, processes, and procedures to execute projects + programs.

Continuous monitoring and evaluation of upcoming funding opportunities; Evaluation and mitigation of performance and compliance risks related to deployment of funds and reporting requirements.

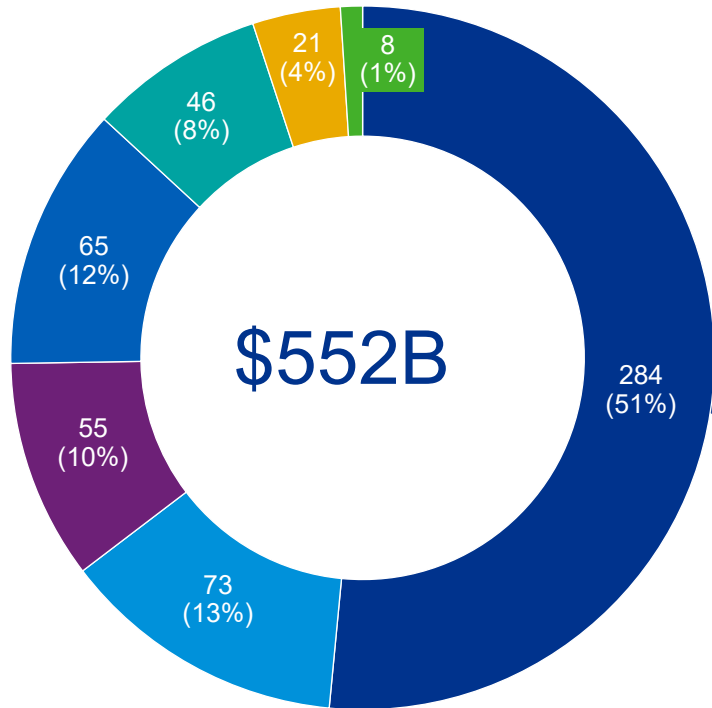
Key Questions



- How can we effectively align key project priorities and accelerate longer term projects?
- How do we maximize funding potential against new policies and selection criteria?
- What can I do to improve the cost and performance of new or existing programs?
- What should I be thinking about now in terms of reporting and compliance?
- Which kinds of capabilities will I need to develop and execute these initiatives?

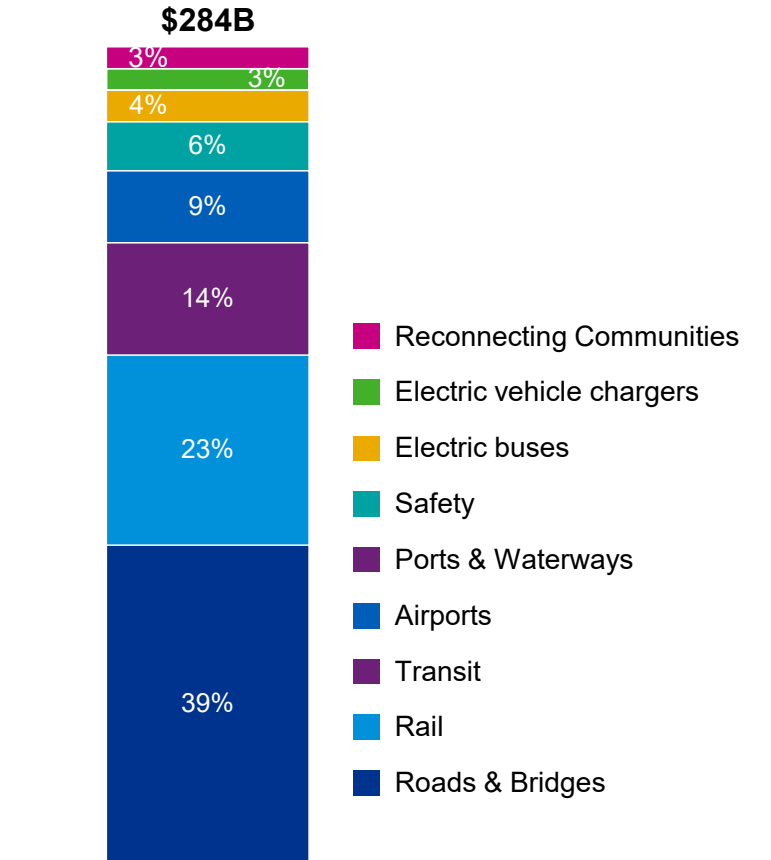
The Infrastructure Investment & Jobs Act (IIJA) will provide over \$550B in new investments across a variety of sectors, with transportation a clear focus

Authorized Funds Over Baseline Spend



- Transportation
- Energy & Power
- Water
- Broadband
- Resiliency
- Environmental
- Water

Transportation Sub-categories



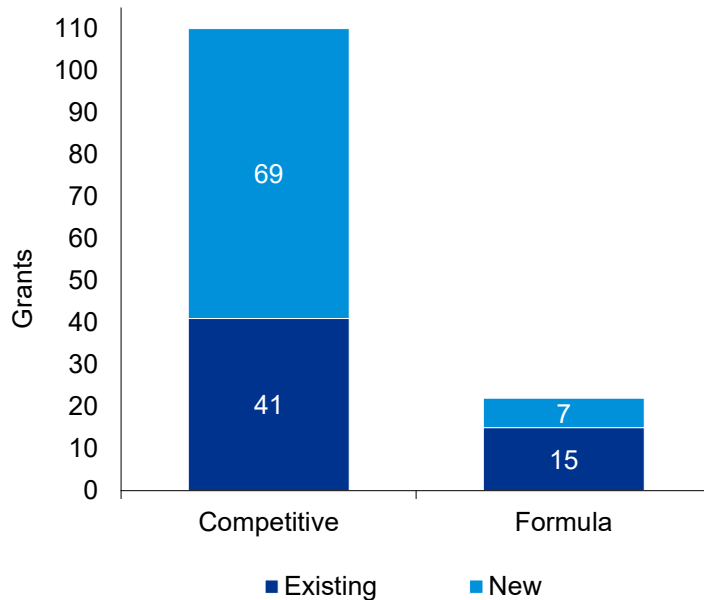
Unpacking the Bipartisan Infrastructure Law



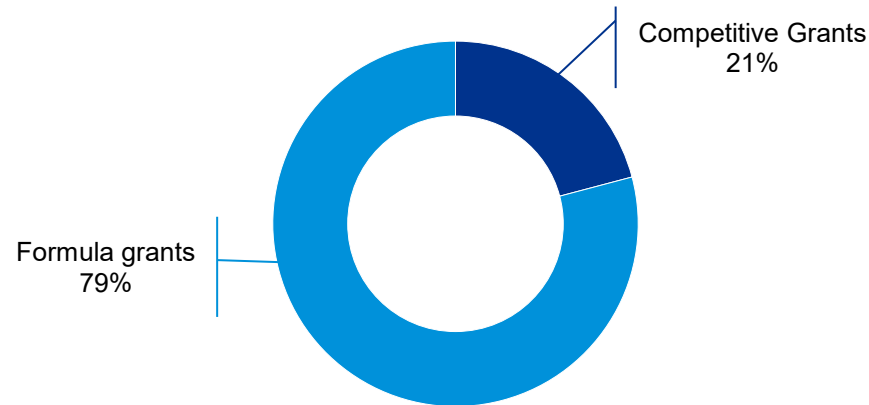
BIL has more breadth than typical Federal Infrastructure Bills

- \$1.2 Trillion dollar bill with roughly \$550 billion in new spending above baseline levels
- Cuts across every sector of infrastructure, from transportation and water to energy, broadband, and resilience
- Creates programs for various Federal agencies including Department of Transportation, Energy, Commerce, Agriculture, and more
- Establishes funding criteria that targets mobility and community connectivity, environmental justice, and social equity

BIL Grant Programs (132 Total)



BIL Grant Funding Formula vs. Competitive



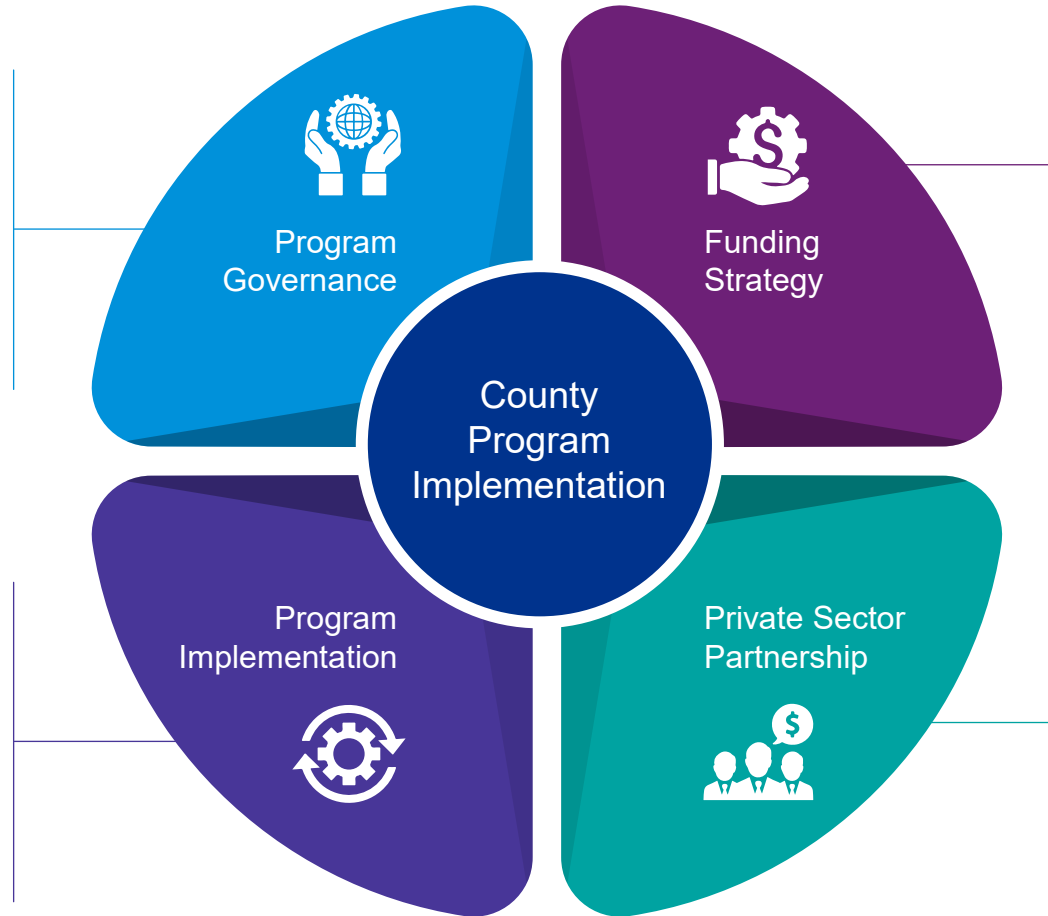
Key Takeaways

- More competitive grants to track and apply for
- Highly competitive grant application process
- New criteria to assess and incorporate into projects and applications
- Significantly more funding flowing to local governments via Formula funds
- More funding and data to implement, monitor, and report

Framework for Program Implementation

- Defined central role of the Office
- Develop strategy for interaction with partners agencies including:
 - Funding and asset allocation
 - Rrequirements and resource commitments
- Develop Policies (Ownership policies, ROW access, Dig Once policy, Small Cell attachment, information sharing / mapping, etc.)

- Lead governmental coordination
- Evaluate and structure private partnerships
- Implement policies / procedures
- Communicate with stakeholders with transparent information
- Administer grant program
- Evaluate performance metrics, comply and report



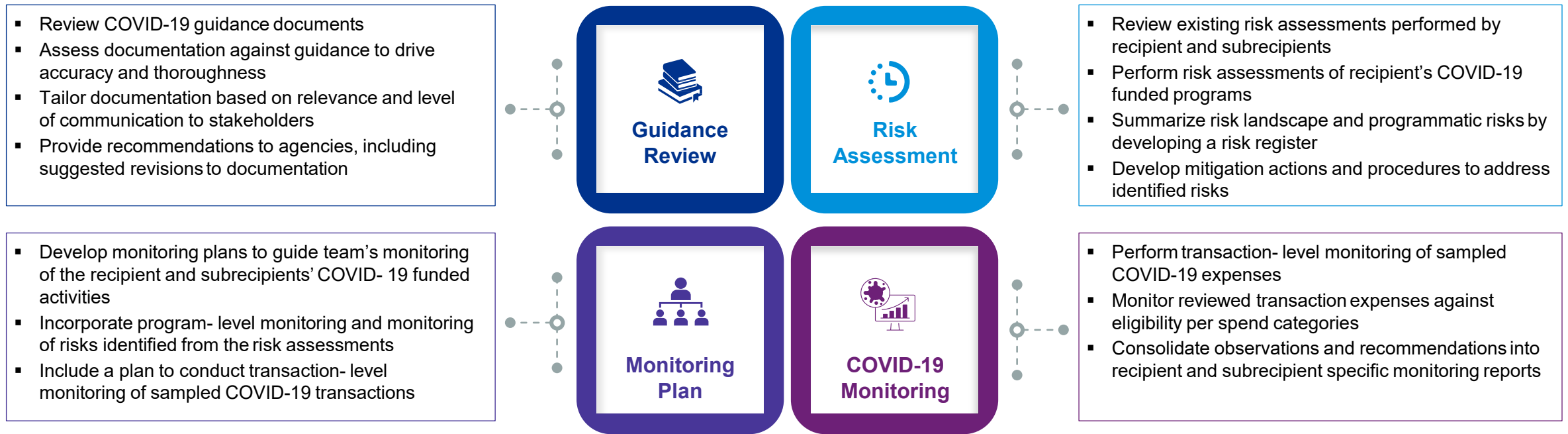
- Position the County to maximize Federal and State funding
- Prioritize investment and screen projects for “shovel readiness”
- Develop targeted strategy for last-mile connectivity
- Dynamically assess the commercial landscape to understand key metrics including broadband gap and ROI

- Collaborate with the partner agencies
- Structure public private partnerships
- Fostering ISP / Electric Co-ops strategy
- Integrated Technology Strategy

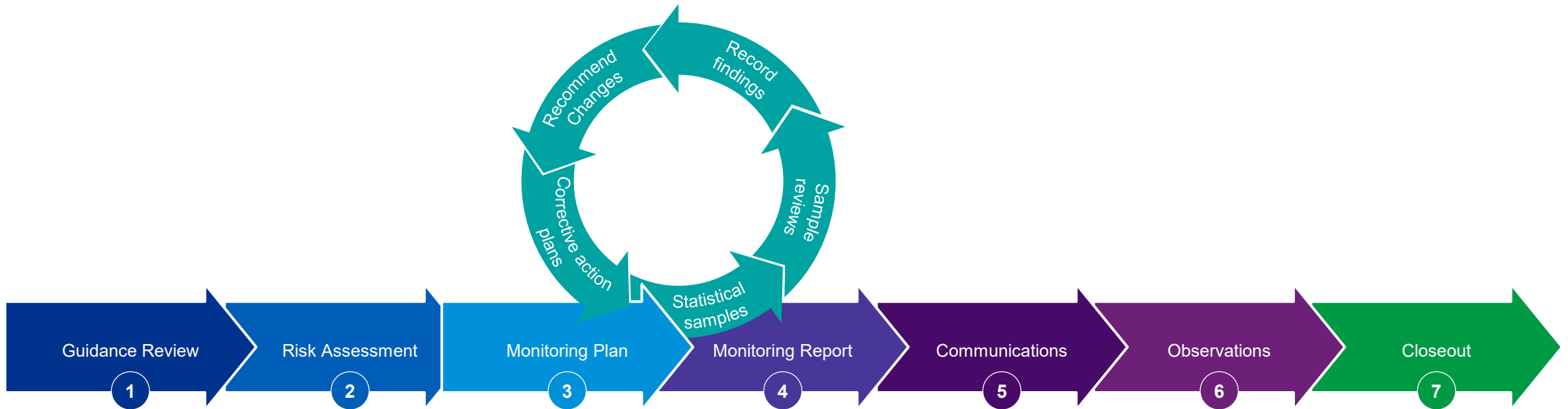
Local government grant management and oversight

As state and local education agencies receive COVID-19 relief funds, such as from the Coronavirus Relief Fund (CRF), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), American Rescue Plan Act (ARPA), etc., as well as the Bipartisan Infrastructure Law (BIL or IIJA) it is essential that the expenditures of these funds have the proper oversight, compliance, and monitoring to limit the risk of reverting funds back to the federal government. General practical considerations for overall use of COVID-19 relief funds include:

- Implementing processes to identify whether a duplication of benefit is occurring for expenses
- Providing processes to remediate waste, fraud, and abuse of funds
- Developing monitoring plans to review spending



Timeline and Deliverables



Ensuring funds are used responsibly

KPMG has deep experience in monitoring complex, large-scale government contracts in the context of fraud, waste, and abuse prevention. KPMG is able to provide professional services in various phases of a project, including strategy and development, procurement and risk assessment, project oversight and monitoring (cost, schedule, quality), contract compliance, audit and cost recoveries, and antifraud oversight. KPMG's monitoring methodologies and approaches have been brought before a number of federal and state regulatory bodies, include the U.S. Securities and Exchange Commission, U.S. Department of Justice, U.S. Attorneys of Southern and Eastern Districts of New York, and the New York County District Attorney's Office.



Planning (one-time)

Create a set of plans to help guide our teams through the various phases of the project. Inclusive of system access and document requests.



Current State

An initial exploration to obtain insights and a detailed understanding of the key data elements that will be used to build models.



Model Development using Data & Analytics tools

Combine machine learning / Deep Learning models with business rules to develop robust risk-based scoring to detect fraud.



Investigations, Findings and Fraud Determination

Use of leading data analytic techniques, to provide an impartial means to establish truths and evaluate implications as needed.



Process & Policy Recommendations

Host discovery, leading practice brainstorming, and pre-policy development evaluation sessions designed to fully understand the risks.

Broadband Program – Implementation Considerations

- Effective transfer of O&M responsibilities to the private sector
- Achieve O&M savings through consolidation of O&M services to a single entity
- Set O&M standard that are consistent with the Industry



- Public agencies are well served to leverage federal, state, and local funding to build the network in a phased manner

- Performance risk transferred to the private sector operator
- Commercial revenues highly volatile and have low predictability
- Revenue risk should be shared

- Use various funding programs to catalyze broadband deployment and maximize coverage
- Broaden the potential customer base by allowing broad range of commercialization activities including dark fiber, lit wireline and wireless services leveraging assets in the Right-of-Way

KPMG Broadband Advisory Services – How Can We Help?

Our Service Offerings

Organizational and Market Assessment



- Assessment of the programmatic need for connectivity
- Market study / benchmarking to understand private market appetite and service offerings
- Gauge market appetite of potential technology solutions including outreach with investors, stakeholders, and suppliers / developers

Development of Connectivity Strategy



- Understand the connectivity goals and objectives
- Identify a range of technology solutions based on the programmatic needs
- Develop a connectivity strategy / Strategic plan

Funding, Financing and Commercialization Planning



- Economic forecast of potential revenue streams and cost implications for each technology solution
- Develop preliminary economic model
- Federal funds / grant availability and management
- Gauge market acceptance of potential commercial / procurement structures

Procurement of Services



- Craft a procurement strategy to maximize value / benefits
- Provide a full suite of commercial and financial advisory service offerings
- Develop commercial structures and procurement alternatives
- Due diligence and development of commercial and financial structures

Implementation and Operations



- Assist in execution in implementation of technology solutions
- Contract negotiations and audit / compliance
- Performance and operation efficiency analysis
- Programmatic integration of services

Thank you



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