

PEG/PCN Grant Fund

Guidelines & Applicant Information

I. PEG ACCESS & PCN Grant Fund Authority

The Metropolitan Area Communications Commission (“MACC”) was created through an Intergovernmental Agreement (“IGA”) among the cities of Banks, Beaverton, Cornelius, Durham, Forest Grove, Gaston, Hillsboro, King City, North Plains, Lake Oswego, Rivergrove, Tigard, Tualatin, West Linn, and Washington County. On behalf of its member jurisdictions, MACC administers Cable Television Franchises for use of the public rights of way with Comcast of Oregon II, Inc. (“Comcast”), Frontier Communications (“Frontier”), and with Qwest Broadband Service d/b/a CenturyLink (“CenturyLink”) (“Franchises”).

The PEG ACCESS & PCN Grant Fund - As a requirement of the Franchises, MACC receives funds from its cable operators to support MACC Jurisdictions’ Public Communications Networks (“PCN”) and the Public, Educational, and Government Access (“PEG”) television programs carried on the cable systems.

MACC is charged with administering this program and with disbursing its funds in the form of Grants (“Grant(s)”). The MACC Board of Commissioners (“Commission”) has established these Guidelines to facilitate the application for and the receipt of Grant funds.

II. Purposes of PEG/PCN Grant Fund

The Franchises authorize the Commission to provide funding to support the capital equipment and facility needs of PEG, and capital and limited operational needs of MACC Jurisdictions’ PCNs.

The Franchises define “PEG” to include use of the cable system for non-commercial public, educational and government programming. The Commission authorizes the Designated PEG Access Providers (“DAPs”), which are entities designated to manage or provide the PEG channels and facilities and are eligible to receive Grant funds

The Franchises define “PCN” as a separate communications network designed principally for the provision of non-entertainment, interactive services to schools, public agencies, or other non-profit agencies for use in connection with the ongoing operations of such institutions. The Franchises designate PCN users as MACC area public agencies, schools, colleges, and nonprofit agencies (“PCN Users”), all of which are eligible to receive Grant funds.

III. PEG/PCN Grant Process

PCN Users – The PEG/PCN Grant Fund will provide capital funds and limited operational support to PCN users and capital funds to MACC’s DAPs through a competitive Grant program. Grants will be awarded semi-annually.

DAP Grant Support – Portland Community College (“PCC”) is a DAP for purposes of the Guidelines. PCC will submit Grant applications for capital equipment that directly supports PCC’s use and operation of the PEG Access Channel assigned to them by the cable operators (generally

Channel 27) in the same timeframe as PCN User applications. Since PCC channels are cablecast to areas outside Washington County, Grant requests will be proportional to the number of PCC students within Washington County. Grant funding for PCC operations in Multnomah and Clackamas Counties may be available through other agencies.

TVCTV Grant Support – TVCTV is a DAP, however it does not receive funding through the Grant process. As part of MACC’s annual budget process, MACC/TVCTV staff prepares a proposed list of capital equipment expenditures or projects required in the upcoming fiscal year. MACC’s Budget Committee reviews the list and recommends an appropriate budget. The Commission reviews the Budget Committee’s recommendation along with all other budget allocations at the Annual Meeting.

IV. PCN Grant Administration

MACC oversees the administration of the PEG/PCN Grant Fund using the following guidelines, which have been adopted by the Commission and which may be amended from time to time as the Commission directs. The MACC Administrator shall act as the Grant Program Coordinator.

General MACC Responsibilities --

1. Publicize the PEG/PCN Grant Program;
2. Hold orientation session(s) to provide pre-application information and assistance, and provide technical support to organizations developing Grant applications;
3. Provide applicants with Grant Fund information, guidelines, criteria, application forms, and timeline information;
4. Recruit and seek the advice of a Grant Advisory Committee, if necessary;
5. Review applications for minimum eligibility requirements;
6. Assist applicants in identifying and recommending partnership opportunities and shared resource options to effectively leverage funds;
7. Provide fiscal administration and oversight of compliance with requirements of Grant funds, including financial review of Grant applications;
8. Recommend to, and assist in, the Commission’s determination of final Grant awards;
9. Monitor program compliance by Grant recipients;
10. Provide periodic reports and recommendations to the Commission; and
11. Provide cable operators with annual reports on the use of PEG/PCN Grant Fund use.

V. Grant Eligibility Requirements

Eligibility for PEG/PCN Grants extend to PCN Users within the boundaries of the MACC Franchise area and connected to, or eligible and plan to be connected to, a PCN and any DAP not part of the MACC budget process.

A. MACC Review of Application Eligibility – The Grant Program Coordinator will screen applications to determine minimum eligibility and will work with applicants to clarify any outstanding issues prior to the Grant Advisory Committee’s review of applications.

B. Compliance with Reporting Requirements For Previously Awarded Grant(s) - An applicant that has previously been awarded PCN Grants from the Commission must have completed all reporting requirements for those Grants as specified in Section XIV (Grant Expenditure Requirements and Timeline) and Section VIII (Application Process and Timeline) of these

Guidelines, and in their Grant Fund Agreement. Failure to comply will result in future Grant applications ineligibility.

Awarded Grant funds shall not be transferred to another entity, nor used in a manner inconsistent with the purpose(s) expressed in the Grant application **without approval of the Commission**. Failure to comply with this provision may result an applicant's suspension from future Grant cycles and/or the full repayment to MACC of any current Grant award to applicant.

VI. Role of the Grant Advisory Committee

MACC staff may designate up to a three-member Grant Advisory Committee to assist in the technical, legal and practical evaluation of PCN and DAP Grant applications, for non-standard or technically complicated requests.

In the event MACC staff opts to use a Grant Advisory Committee, following screening of Grant applications by MACC staff to ensure applications are complete, the Grant Advisory Committee will advise MACC staff and the Commission, as applicable, on the best apportionment of available Grant funds.

The Commission may establish annual or ongoing priorities for Grant fund distribution, in addition to the priorities set forth in these guidelines.

VII. Funding Considerations

General Funding Requirements:

A. Capital Items - Qualified capital items are resources whose useful life can be expected to exceed a period of one (1) year or longer as consistent with Generally Accepted Accounting Principles (GAAP), and for which at least \$1,000 must be spent to complete acquisition. In addition, capital items must comply with the applicant's capitalization policy and operational thresholds for capital purchases.

The purchase price may include reasonable and appropriate costs for purchase, transport, installation, preparation, programming, user training, to enable the items for use.

Items purchased as capital shall not include consumables (e.g. supplies, fuels, electricity), repair and maintenance, or other operational expenses.

B. Professional Services - Qualified professional services includes:

The purchase of professional services specifically used for planning, designing, and estimating new capital equipment systems prior to the bid/purchase, or architectural and design services used to plan for, and design, capital facility projects. This may include professional management services for capital facility construction.

C. Eligible Grant Purchases -

1. Eligible DAP Purchases: DAP Grant funds may be used for capital support only. In accordance with the limits of the Franchise: PEG operating expenditures are ineligible for the PEG/PCN Grant Fund; and capital Grant requests must relate directly to the PEG Access channels provided as part of the MACC Franchises.

a. Eligible DAP funding requests include: Equipment used to program the PEG

Access channels, including television production/playback equipment (studio/remote); TV transmission/reception equipment; production vans/vehicles; the repair of such capital equipment; and capital facility design/build construction costs.

- b. The following costs are not eligible for DAP Grant requests: General office furniture/equipment (including personal and portable computers whose primary use is for clerical/word processing), general office software, and other non-production related vehicles or equipment.

2. Eligible PCN Purchases: PCN Users may apply for Grant funds for capital equipment that reside on the PCN side of the demarcation, and in some cases as designated by the Commission, operating expenses. In some cases, network caching systems, proxy servers, or other network aggregation equipment located on the User-side of the PCN demarcation point may also be eligible for Grants if the requested equipment/devices reduce network traffic flow or provide other bandwidth economies. Applicants applying for equipment that would reside on the User-side of the demarcation must clearly and specifically explain how the equipment/items will reduce traffic flow, save money, provide inter-agency partnerships, and/or provide PCN bandwidth economies.

Examples:

- New connection charges to extend franchisee’s fiber plant to new User sites (“the last mile of fiber”); cost for fiber drops to the User’s point of demarcation; the cost of an “edge device” (if any) for new PCN connection; and related computer software or hardware.
- Equipment such as modems, routers, and servers that are directly connected to the PCN, and/or enable the use of the PCN.
- Cost for Universal Power Supply (UPS) protection of PCN Provider equipment and User equipment at the demarcation point that enables the operation of the PCN connection.
- Costs for some outside charges incurred by User in connecting the demarcation site equipment. This includes provision of adequate AC power and costs for fiber splicing/extensions, jumpers and related outside design/engineering consultation.
- Firewall protection equipment and related software that protects PCN service connection site equipment.
- Wi-Fi service equipment, installation, encryption software and related equipment at PCN User sites that are served via the User’s PCN connection to enable a wider distribution of Wi-Fi Internet access to User’s staff or the general public. This includes so-called “Wi-Fi Hot-spots” in public locations outside the PCN demarcation site.
- Voice-Over-Internet-Protocol (VOIP) telephone systems that are served via the User’s PCN connection.
- Operating Grants for Agencies Authorized by MACC:
 - The MACC Commission has determined that the following agencies are eligible to apply for PEG/PCN Operating Costs Grants (as described below); Banks, Cornelius, Durham, Gaston, King City, North Plains, Rivergrove, the public libraries and rural fire districts

serving these MACC jurisdictions, and the Virginia Garcia Memorial Health Centers. These eligible PCN Users must re-apply annually for the following year's operating charges. The Commission currently has a moratorium on operating Grant awards for those PCN Users not on the above list.

- Examples: Monthly service fees for bandwidth/signal transport; fees charged for membership in the Broadband Users Group (BUG); contracts for professional network services; or, specialized training directly related to an overall Grant request, etc.
- New sites of existing PCN Users may apply for capital Grants to connect those sites to the PCN or other sites. New PCN sites have been designated a priority for funding by the Commission. New User sites are also a priority for funding. Agencies that have never been connected to a PCN are eligible as "New Users".

D. Retroactive Grants – Applications may be submitted for "retroactive" funding for eligible expenditures for replacement equipment in situations where such expenditures have been made since the application deadline of the preceding Grant cycle. When applying for a retroactive Grant, applicants must note that:

- The application is "retroactive",
- Provide evidence that the equipment failed since the most recent application deadline,
- Provide a copy of a paid invoice showing the replacement equipment purchased and the install and purchase date.

Examples (not inclusive) include service to new PCN sites, replacement of the UPS equipment that protects the PCN switch, User demarcation equipment i.e., replacement of a primary server/router that distributes the PCN signal/services to the agency or between agency facilities; replacement of a failed firewall, etc. (vendor costs to install these devices may also qualify).

Funding is at the discretion of the Commission and based on the availability of Grant funds. Whenever a project is planned for implementation between Grant cycles, funding requests should be made in the Grant cycle prior to the project implementation. The Expenditure Period for awarded Grants is twelve months. Extensions for expenditures are available with Commission approval.

E. Grant Award Limits – Unless established by the Commission, there is no maximum Grant amount.

F. Grants for Multiple Grant Cycles – Grants will not generally be approved over multiple Grant cycles unless the Commission finds it in the best interest of the Grant program.

G. Future Funding – There is no obligation or commitment on MACC to fund future Grants. Each application will be judged separately and on its own merits. Grants should not be considered entitlements.

Applications for funding of previously partially-funded Grants will be accepted for review, but new Grant applications have priority.

H. Compliance – All Grant recipients must comply with all of the terms and conditions specified by MACC in the PEG/PCN Grant Fund Agreement.

I. Applicant Purchasing Policy – Each applicant is responsible for complying with its individual purchasing policy for use of Grant funds. Estimated costs are to be based on competitive price bids from an appropriate pool of qualified vendors. To use Manufacturer’s Suggested Retail Price or claim “sole source”, the applicant must attest, in writing, to having made reasonable efforts to obtain comparable prices or that the vendor selected is the only source for that product. (Refer to “Bid Response Sheet” in Grant Application.) MACC has the right to periodically audit the use of any applicant’s purchasing policy as it relates to Grant awards. An applicant’s failure to comply with the applicant’s purchasing policies and MACC’s audit process may result in future ineligibility.

VIII. Application Process and Timelines

See attached “Application Materials.” *Note: Failure to follow the Applications Process and Timeline requirements may result in ineligibility.*

IX. Selection Process

A. Preliminary Review - MACC staff will answer questions and provide information on the Grant process to potential applicants. The Grant Coordinator will establish and publish with the Grant application materials a “Grant application deadline.” Grants received after the established deadline will not be considered during that Grant cycle. The Grant Coordinator will also perform a preliminary review of application materials received within the established deadline to determine whether the information provided is complete and whether the application meets the minimum eligibility requirements. The Grant Coordinator may involve a Grant Advisory Committee as an advisory group for non-standard or technically complicated requests as provided in Section VI above.

B. Grant Review – The Grant Coordinator will determine merit, with assistance from other MACC staff and/or a Grant Advisory Committee if such support is requested by the Grant Coordinator. The Grant Coordinator or MACC staff may submit additional questions to applicants for clarification, and/or meet with applicants to discuss any outstanding issues concerning the application. Applicants should consider their responses to questions carefully since in most cases this will be the only time MACC will ask questions of applicants. An applicant’s failure to provide complete responses to additional questions within the prescribed timelines may result in disqualification.

C. Recommendations to Commission - The Grant Coordinator will make recommendations for awards to the Commission. Full funding, partial funding, or no funding will be recommended. Applicants will receive copies of all recommendations.

D. Requests for Reconsideration of Recommendations - Applicants who are not recommended for Grant awards may ask the Commission for reconsideration. Applicant “Requests for Reconsideration” shall be made in accordance with the process sent to all applicants with the Grant Coordinator’s recommendations. Failure to follow the prescribed process, or the timelines established for requests for reconsideration, may result in that request being denied. However, when considering submitting a request for reconsideration, applicant should NOT consider the Grant awards as an entitlement and should also consider the resources available for award during the Grant cycle.

E. Commission Consideration and Award - The Commission will review recommendations, and any eligible requests for reconsideration, and will make final decisions on Grant awards at a public

meeting. The decision of the Commission is final. In the event that the Commission is unable to meet in a timely manner to consider the Grant recommendations, the MACC Executive Committee may act on the Commission's behalf, with proper notice to all Commissioners and Grant applicants. Unsuccessful applications may reapply for Grants in future Grant cycles.

X. Distribution of Funds

Applicants awarded Grant funds will be notified by MACC in writing of the amount and any other necessary information. Grant recipients will be required to sign a Letter of Agreement in order to receive funds. Grant awards will be distributed in the form of a check from MACC, payable only to the Grant recipient.

XI. On-Going Reporting

A. Each Grant recipient will be required to provide MACC with a final report on the completion of its proposal. Reports are due within thirty (30) days after the end of the Grant expenditure period (See Section XIV). In addition, each Grant recipient may be asked to assist MACC in publicizing the benefits of the Grant program with the media and others.

B. MACC will be responsible for on-going monitoring of the use of Grant funds. In some cases, Grant recipients may be required to submit budget reports and progress reports as needed through completion of the proposal. MACC may also request financial, purchasing and technical documents related to Grant fund expenditures at any time. Failure to complete and return the final report, or to provide MACC with the information it requests, may result in the ineligibility of future Grant applications.

XII. Publicity of Grant Program

Recipients will assist in publicizing the benefits of the Grant program. Any document related to the Grant award shall indicate that the project or equipment used in the production of the program *“was made possible by a Grant from the Metropolitan Area Communications Commission – PEG/PCN Grant Program through funds provided by your local cable companies.”* Failure to comply with this provision of the Letter of Agreement could result in suspension of future Grants for the requesting agency.

XIII. Ownership of Equipment Purchased with PEG/PCN Grant Funds

A. MACC will retain title to all capital equipment purchased by a DAP with Grants from the PEG/PCN Fund. Capital equipment purchased with Grant funds awarded to a DAP that are installed in facilities owned by the member jurisdictions may be titled to the individual agency upon approval by the Commission.

B. Agencies or governments using the PCN are generally the owners of record for all capital equipment purchased for PCN uses with Grants from the PEG/PCN Fund, unless otherwise noted in the Grant Fund Agreement.

XIV. Grant Expenditure Requirements and Timeline

A. Grants awarded in a single Grant cycle must be spent within the twelve (12) month timeline, the “Grant Expenditure Period,” specified in the Grant Fund Agreement. Fall-awarded Grant

Expenditure Periods begin on January 1 and end on December 31. Spring-awarded Grant Expenditure Periods begin on July 1 and end on June 30.

B. Applications for multiple Grant cycle funding must include specific plans for detailed annual expenditures for each fiscal year of the Grant. All funds provided through a multi-year Grant must be spent by the end of its specific Grant period.

C. Recipients requiring additional time to spend Grant awards beyond the Grant expenditure period must submit a letter to MACC at least sixty (60) days prior to the expiration of the Grant Expenditure Period. The letter must explain the need for additional time and the length of the extension requested.

1. The Commission, or its Executive Committee, will consider the request and Grantee will be notified at least ten (10) days prior to the end of the Grant expenditure period. Request for extension made with less than sixty (60) days before the end of the expenditure period will be considered at the next regularly schedule Commission meeting. Subsequent Grants and funding may be delayed until this request is decided on.

D. Repayment of Unspent Funds and Interest Penalties.

Grant funds may be spent only on the items listed in the Grant award. If actual project costs are lower than the amount of PEG/PCN Grant Funds awarded, or if the proposal is postponed or abandoned, Grant recipients must return any and all unused funds to MACC as soon as possible, but in no case later than within thirty (30) days of the expiration of the Grant Expenditure Period.

E. If a Grant project is postponed beyond the end of the Grant Expenditure Period or abandoned, one of the following actions must be taken by the Grant recipient as soon as possible, but in no case later than thirty (30) days prior to the end of the Grant Expenditure Period:

1. If postponing the project, return all unused funds to MACC; and provide to MACC a complete listing of all materials purchased with the Grant funds; or
2. If abandoning project, provide MACC with a written plan for disposition of any purchased materials; such plan must include a timeline for completion of disposition and the manner in which all proceeds will be returned to MACC; and obtain MACC's written approval for the disposition plan.

If a recipient does not comply with these actions, they may be required to pay interest on the entire Grant amount to MACC at the rate equal to the legal interest rate on judgments in the State of Oregon.

Failure to return unused funds to MACC within the above timeline, or as authorized by the Grant Coordinator, shall result in future Grant applications ineligibility. In addition, the recipient will, at MACC's sole discretion, pay to MACC an amount consisting of 100% of the original Grant amount along with interest on that amount from the due date at a rate equal to the legal interest rate on judgments in the State of Oregon.

F. The Commission may extend these timelines on a case-by-case basis due to extenuating circumstances.

XV. Ex Parte Communications with Commission and Grant Committee

A. Grant applicants or their affiliates should avoid communications with individual MACC Commissioners concerning Grant applications. Commissioners involved in a specific Grant application are expected to excuse themselves from discussion and final approval of Grant distributions.

B. Grant applicants or their affiliates may not communicate, in any way, with individual Grant Advisory Committee members concerning potential Grant requests, Grant applications, or the needs of their organization in relation to Grants. The exception to this policy is in response to inquiries made by the Grant Committee. Such responses will be made through the Grant Coordinator.

C. All information or inquiries to the members of the MACC Commission or the Grant Committee by Grant applicants or recipients must be made through the Grant Coordinator or during a public meeting, will be distributed to all members and will become part of the public record. (See Section XVI.)

D. Ex parte communications may result in the applicant's disqualification for that Grant cycle and/or from future Grant cycles.

XVI. Public Records

MACC Commissioners, Grant Committee members, and staff are bound by Oregon Government Standards and Practices laws and rules and the Public Meetings/Public Records law (ORS Chapter 192). All meetings of the Commission and Grant Advisory Committee are open to the public. All applications are public record and subject to these laws. Copies of Grant applications will be provided, at cost, upon request and will be on file at the MACC offices.

XVII. Grant Evaluation Criteria as established by the MACC Commission

The Commission has established the following priorities for small Jurisdiction PCN-related costs, including connection fees, annual service costs and Broadband User Group management charges.

- a. Banks
- b. Cornelius
- c. Durham
- d. Gaston
- e. King City
- f. North Plains
- g. Rivergrove
- h. Virginia Garcia Health Clinics
- i. Gaston Fire
- j. Banks Fire