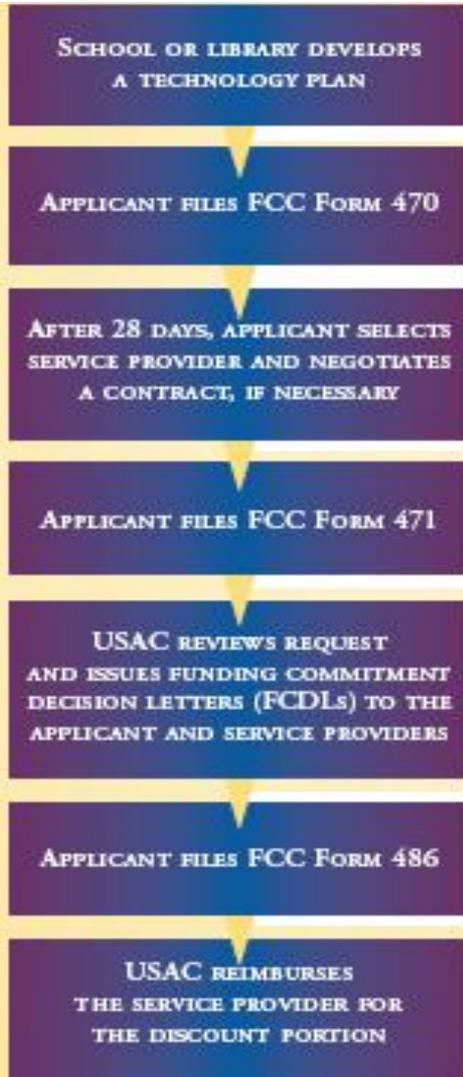# Application Process

Schools and Libraries Division

Washington, DC • Seattle • Denver • Chicago • Newark • Los Angeles • Atlanta

September/October 2008

A Guide to the Application Process

1. Create Technology Plan

2. File Form 470

3. Competitive Bidding

4. File Form 471

5. PIA review and FCDL

6. File Form 486

7. Submit invoices to USAC

SCHOOL OR LIBRARY DEVELOPS A TECHNOLOGY PLAN

APPLICANT FILES FCC FORM 470

AFTER 28 DAYS, APPLICANT SELECTS SERVICE PROVIDER AND NEGOTIATES A CONTRACT, IF NECESSARY

APPLICANT FILES FCC FORM 471

USAC REVIEWS REQUEST AND ISSUES FUNDING COMMITMENT DECISION LETTERS (FCDLs) TO THE APPLICANT AND SERVICE PROVIDERS

APPLICANT FILES FCC FORM 486

USAC REIMBURSES THE SERVICE PROVIDER FOR THE DISCOUNT PORTION

Beginner Summary Slide

- Important steps to know before beginning with the 7-step application process
  - Funding year timetable
  - The filing window
  - Eligibility (School, Library, Consortia, NIF's)
  - Categories of eligible services
    - P1 (Telecommunications and Internet Access)
    - P2 (Internal Connections and Basic Maintenance of Internal Connections
  - Eligible Services List (ESL)

Step 1 - Technology Planning

- Applicants must develop a <u>technology plan</u>
  - Use telecommunications services and information technology to achieve educational goals and/or library improvements
- A technology plan **IS** required for all 4 categories of service (Telecommunications, Internet Access, Internal Connections and Basic Maintenance of Internal Connections) other than <u>basic telephone service</u> and voice mail

Requirements - Technology Planning

- Must be written before Form 470 is filed
- Must cover all 12 months of the funding year
- Should not cover more than 3 years
- Must be approved by a USAC-certified Technology Plan Approver (TPA) by the start of services or the filing of Form 486, whichever is earlier
- Service providers should not be involved in the writing of the technology plan and should not act as the technology plan approver

Technology Planning

- Must contain five elements:
  - Goals/Strategies for using technology
  - Professional development
  - Needs assessment
  - Evaluation process
  - Sufficient budget

Make sure your technology plan is written before the Form 470 is filed

Technology Planning

- Goals/Strategies for using technology
  - What improvement would you like to see from the use of technology by the students, teachers and library patrons?
  - How will your school or library develop and integrate technology?
  - What standards do you have to adhere to for implementation of technology?
  - What steps will you take to integrate the technology into your school or library?

Technology Planning

- Professional Development
  - Who will be in charge of planning and coordinating staff training?
  - What type of training will be available to ensure proper instruction of technology?
  - How will you develop staff and student competency from using technology?
  - Do you have the resources in house to train staff members or do they need to go to outside courses?

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Technology Planning

- Needs Assessment
  - Provide a current status of your technology
  - Based on your current technology, describe your new technology needs
  - Describe what maintenance is needed for new and existing equipment
  - Provide detail about your future technology needs
  - Do you have the necessary resources to handle the infrastructure in place?

Technology Planning

- # Evaluation Process
  - Evaluate your progress toward your goals and objectives
  - Review use of current technology to make sure it is supported by your technology plan and the goals you have outlined in your plan
  - Review changes/upgrades in technology to ensure staff is being training appropriately
  - Complete evaluations to monitor achievement and participation from the effects of the new technology

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- **Sufficient budget**
  - Plan provides a sufficient budget to acquire and support the elements of the plan not eligible for discounts
  - Plan provides a sufficient budget to pay the non-discount share
  - Second and third year budgets can be estimates

Technology Planning

- USAC certifies certain organizations to approve technology plans
  - Certified Technology Plan Approvers (TPAs) are listed on the USAC website. [Certified Tech Plan Approver Locator Tool](#) assists applicants in locating an approver
  - An effective tech plan review can help to assure applicants that their tech plans meet program requirements
  - TPAs issue tech plan approval letters

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Form 470 – Services Requested

- Filed by applicants to define desired services and open the competitive bidding process

- Choose the correct category of service (Telecommunications Services, Internet Access, Internal Connections, or Basic Maintenance of Internal Connections) for each set of services

Requirements - Form 470

- Must be posted on the USAC website for at least 28 days before selecting service provider and/or signing a contract

- Form 470 request must be based on the technology plan

- Applicants can also issue a Request For Proposal (RFP), which must also be available for at least 28 days before making a vendor selection

Multi-year or Annual Posting

- Can be filed once for multi-year contracts or contracts with voluntary extensions, if Form 470 (Block 2, Item 7b) and RFP indicate that you are considering such contracts

- Tariffed or month-to-month services <u>must</u> post Form 470 annually

- Service providers are prohibited from completing and signing Form 470 or representing an applicant in the bidding process

Receipt Notification Letter

Receipt Notification Letter (RNL)

- Issued by USAC after Form 470 is posted

- Provides important information

  – Allowable Vendor Selection/Contract Date (28 days after posting)

- Offers opportunity to make allowable corrections

Step 3 - Competitive Bidding

- The competitive bidding process begins when the Form 470 is posted to USAC's website.

- On Form 470, the applicant describes the types of products and services that are desired.

Requirements - Competitive Bidding

- The applicant must conduct a fair and open competitive bidding process

  - All bidders are treated the same

  - All bidders have equal access to information

  - All bidders know what is required of them

  - All bidders know any reasons for disqualification

Competitive Bidding

- Bid evaluation:
  - When evaluating your bids you must choose the most cost-effective offering with the price of the eligible products and services being primary
  - Can select other important factors for evaluating bids and weight each of those factors lower then price
  - Set up a simple chart, evaluate the bids and keep your documentation
- Sample: Bid Evaluation Matrix

Competitive Bidding

- What if I receive only one or no bids?
  - Once you have waited 28 days, you can solicit more bids
  - If you receive one bid and select this bid, document this fact by sending yourself an email indicating this was the only bid received

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Contracts

- Applicants must **<u>sign and date</u>** contracts before the Form 471 is submitted
  - Date can be written in contract
- Contracts can cover more than one year or contain voluntary extensions, but these options must have been indicated in the establishing Form 470
- Tariffed and month-to-month services do not require a contract, but they are considered contracted services if a contract is signed

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State Master Contracts (SMC)

- What is a state master contract?
  - A state master contract is a contract that is competitively bid and put in place by a state government for use by other entities in that state

State Master Contracts (SMC)

Two Options:

- Applicant files Form 470
  - Can use State Master Contract as a bid response
  - Contract Award date is date the applicant selected the SMC as its winning bid
  - Applicant may choose the SMC as long as it is the most cost effective solution
- State files Form 470
  - Applicants can cite state-filed Form 470 on their Form 471

State Master Contracts

- **Single winner**
  - Applicants do not need to justify the selection of the winning bidder assuming fixed price
- **Multiple winners**
  - Applicants must be able to document why they selected the specific provider off the master contract
- **Multiple Award Schedules**
  - Applicants must be able to document why they selected the specific provider off the multiple award schedule

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Step 4 - Form 471

Form 471 – Products and Services Ordered

- The Form 471 is the second program form that applicants complete.

- This form provides USAC with the detailed information necessary to review and make decisions on applicant funding requests

Requirements – Form 471

Form 471 – Services Ordered

- Must be filed each year within the filing window

- Contains specific information on services ordered, quantities, from whom, at what price

- Shows discount rate calculation and lists entities receiving services

- Applicant certifies compliance with rules and verifies that it has the necessary resources to make effective use of the discounted services

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Discounts

Discount Matrix

Percent of NSLP Eligible Students	Urban	Rural
Less than 1%	20%	25%
1% - 19%	40%	50%
20% - 34%	50%	60%
35% - 49%	60%	70%
50% -74%	80%	80%
75% -100%	90%	90%

Discounts

- Individual schools use the percentage of students eligible for NSLP in the school
- Library outlets/branches use the percentage of students eligible for NSLP in the school district
- Shared Discounts
  - School districts use the weighted average of the discounts of individual schools in the school district
  - Library systems use the simple average discount of the school district in which they are located
  - Consortia use the simple average of the consortium members

Alternative Discount Mechanisms

- These mechanisms must use a measure of poverty equivalent to that used in NSLP
  - Participation in certain programs (e.g., Medicare, Section 8, LIHEAP)
  - Matching siblings
  - Income surveys
    - A sample survey and more information is available USAC website

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- Block 5: Funding Request Number (FRN) must include the following:
  - Contract information
  - Service start and end dates
  - Service Provider Identification Number (SPIN)
  - Eligible and ineligible amounts for each FRN

Form 471

- **Item 21 Attachment:**
  - A narrative overview or description of the products and services
  - Line item detail and cost associated with the eligible and ineligible products and services requested
  - Any additional details, such as equipment location, make, model and bandwidth for every product or service to support the funding request
  - Service providers can assist applicants to complete the attachment

Receipt Acknowledgment Letter (RAL)

- Issued by USAC to applicants and service providers after Form 471 is certified

- Confirms the filing of the Form 471 and provides the details of the funding requests

- Offers an opportunity to make allowable corrections

Step 5 – Program Integrity Assurance (PIA) Review

- PIA review Forms 471 for compliance with FCC rules concerning areas such as:
  - Eligible entities
  - Eligible services
  - Competitive bidding process and contracts
  - Proper discount calculations
  - Applicants ability to pay for their non-discount share
  - Proper posting of Form 470

Requirements - PIA Review

- When PIA reaches out to you:
  - Provide complete responses to PIA's questions within 15 days, more time can be requested
  - Ask for clarification if you don't understand
  - Service providers can assist applicants in responding to PIA questions about the products and services they are providing but not about other areas, such as the competitive bidding process and budget

Funding Commitments

- USAC issues [Funding Commitment Decision Letter (FCDL)](#) to applicants and service providers when PIA review is complete

- Funding status by Funding Request Number (FRN):
  - Funded (includes modifications)
  - Not funded
  - As yet unfunded (applicant FCDL only)
  - Canceled
  - Under Review (part of application still under PIA review)

- Funds approved for specific services from specific service providers at the applicant's approved discount rate

Form 486 – Services Confirmed

- Notifies USAC that invoices can be paid

- Provides the name(s) of the USAC-certified Technology Plan Approver(s) that approved the appropriate technology plans

- Certifies the status under the Children's Internet Protection Act (CIPA)

Requirements - Form 486

- Filed online or postmarked no later than
  - 120 days after the Service Start Date or 120 days after the date of the FCDL, whichever is later or
  - The deadline specified in the "Urgent Reminder: Your Form 486 May be Late" letter
- Service Start Date
  - Cannot be before July 1 of the funding year

Step 7 - Invoicing

Form 472 or 474 – Services Invoiced

- Requests reimbursement from USAC for discount on cost of services delivered

- The applicant has two options for requesting reimbursement
  - Form 472 filed by the applicant
  - Form 474 filed by the service provider

Requirements - Invoicing

Form 472 or 474 – Services Invoiced

- Filed online or postmarked no later than

  – 120 days after the last date to receive service or

  – 120 days after the date of the Form 486 Notification Letter, whichever is later

- Service Providers must file a Form 473 for each funding year (Service Provider Annual Certification) before USAC will pay invoices.

## Form 472

Billed Entity Applicant Reimbursement (BEAR) Form

- – Filed if applicant PAID for services in full
- – Reimbursement handled through service provider
- – Cash or credit reimbursement
- – Service provider must reimburse applicant within 20 days of receipt of funds

Invoicing

Form 474

Service Provider Invoice (SPI) Form

- Filed by service provider

- Applicant gets discounted bills

- Submitted AFTER applicant has received service and been billed by service provider
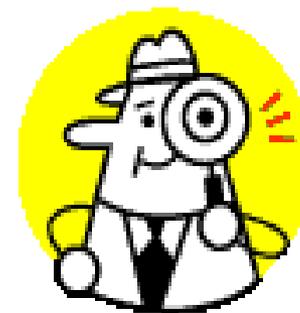
Appeals

- Decisions of the SLD can be appealed to the SLD or to the FCC

- Can be filed electronically or on paper

- Must be received or postmarked within 60 days of the SLD decision

- See Appeals Procedure in the Reference area for specific guidance

- Requests for waivers of rules must be filed with the FCC

COMAD/RIDF

- Commitment Adjustment (COMAD) / Recovery of Improperly Disbursed Funds (RIDF) are when USAC has to recover funds because we find out afterward that everything was not as it appeared

- The result of a COMAD/RIDF is a reduction in commitment and potentially a cash recovery
  - If you do not pay your debt on time, the Red Light Rule will take effect, meaning you risk losing all of your funding

Questions?

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