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Schools and Libraries News Brief

March 31, 2006

Funding Year 2005 Waves

USAC will release Wave 42 funding commitment letters on April 5. This wave will include commitments for approved Internal Connections and Basic Maintenance funding requests at 88% and above. As of March 31, FY2005 commitments total over \$1.48 billion. See [Automated Search of Commitments](#) for more information.

New Deadlines Tool

USAC has posted a new tool on its website to assist applicants and service providers in determining the deadline for particular program forms, requests, and actions. The [Deadlines Tool](#) provides general information on deadlines and a specific page for each deadline, together with a means of determining the deadline and a link to additional information.

In general, there are three types of program deadlines:

- **Fixed deadlines**, such as the Form 471 application filing window deadline.
- **Calculated deadlines**, such as the deadline for filing a Form 486, *Receipt of Service Confirmation Form*. To calculate this deadline, you must know both the date of the Funding Commitment Decision Letter (FCDL) and the Service Start Date reported (or to be reported) on the Form 486 itself.
- **Extendable deadlines**, such as the deadline for delivery and implementation of non-recurring services. USAC will automatically extend this deadline in some situations. In others, this deadline can be extended but the extension must be requested, reviewed, and approved by USAC.

If a deadline is fixed, the page for that deadline simply provides the deadline. If the deadline must be calculated, the page contains calendars and instructions for entering the dates required for the calculation. If a deadline can be extended — either automatically or by request — the link at the top of the page provides information on how to file an extension request.

It is important to note that the consequences of missing a deadline are different for different deadlines. For example, if a Form 486 is certified after the deadline, funding may be reduced. However, if an invoice is filed after the deadline, the applicant or service provider can request an extension of the deadline and, if the extension is approved, resubmit the invoice. At the top of each deadline page, there is a link to further guidance or form instructions that provide detailed information on the deadline.

Cost Effectiveness

In evaluating bids from prospective service providers, applicants must select the [most cost-effective offering](#) from the bids received. In other words, the winning bid must be the most competitive of those received. In addition to this requirement, the selected bid must itself be cost-effective compared to prices available commercially. Specific pricing information is available on the Internet. A number of Internet sources cover comparative pricing information for technology products, so you can gauge market prices. You might also want to check with other school districts or libraries as a yardstick for what's reasonable. As an example, in the [Ysleta Order](#) (FCC 03-313), the FCC states that components "at prices two or three times greater than the prices available from commercial vendors would not be cost effective, absent extenuating circumstances."

To ensure that costs for products and services supported by USF funds are reasonable, USAC reviews applications for cost effectiveness. Our evaluation of cost effectiveness may be based on an individual funding request or all funding requests for an entity. If you are selected for a review, you will have an opportunity to submit information about factors that may impact your costs, such as your geographic location or the types of services included.

Let's preview the information USAC may request from an applicant whose Basic Maintenance funding request is being reviewed for cost effectiveness. Note that most or all of this information may be contained in the maintenance contract itself:

- A copy of the contract for the services requested
- The make, model, and quantity of equipment that will be maintained
- The functionality of servers that will be maintained
- The quantity of cable drops that will be maintained
- A breakdown of the maintenance costs, including a statement of work that lists tasks and associated costs at the level of the individual school or library
- Maintenance costs per piece of equipment, including relevant information such as total hours of maintenance, cost per hour, and cost per school or library
- Any special circumstances that would assist USAC in understanding why your maintenance costs seem higher than those of other comparable entities (for example, if installation or support services are not available locally)

Remember that detailed information is very helpful to our review of your request. For example, some technical support contracts consist of "break-fix" services that provide for the repair of eligible hardware, while other technical support contracts include configuration changes that provide services for user changes. The two types of contracts might be priced very differently.

We recommend that you work closely with your service provider(s) to provide complete and accurate responses to our questions. As with other requests for information, you have seven days to provide a response and you can ask for an extension if needed.

FCC Orders Now Available on USAC Website

USAC has posted the major FCC orders and other documents that deal with USAC and the Universal Service Fund under [FCC Orders](#) in the [About USAC](#) section of the website. The list provides an overview of major USF/USAC-related orders, notices of proposed rulemaking, Joint-Board Recommended Decisions, and some public notices.

The documents are listed in chronological order together with a brief description, and each is linked to its official FCC number (e.g., FCC 97-157, FCC 98-306, etc.). To find a document, you can view a list by year or you can view [all major FCC Orders 1997-2006](#) and use the PDF "Search" command to locate a particular order by keyword.

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