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Selective Review News Brief Series Competitive Bidding

May 17, 2006

This is the third in USAC's weeklong series of News Briefs on [Selective Review](#) topics.

Q5. I selected the lowest bid. Doesn't that mean it is automatically the most cost-effective?

No. It is true that applicants must select the *most cost-effective bid* with the price of the eligible goods and services being the primary factor. However, just because you select the bid with the lowest price, you may not have met the requirement that price be primary. For example, if previous experience was weighted most heavily in your selection criteria, price was not the primary factor. In that case, the bid you chose would not meet the FCC definition of most cost-effective even if it was the bid with the lowest price.

Remember that the price here is defined only as the price of the eligible goods and services. Other cost items (such as ineligible products and services, termination fees, and transaction costs) cannot be considered in evaluating the price competitiveness of a bid. They can, however, be included in the evaluation process in a different – and less heavily weighted – evaluation factor.

Price does not have to be the sole factor in selecting the service provider, but it must be weighted more heavily than any other factor. See [Construct An Evaluation](#) on the USAC website for more information.

Q6. I didn't receive any bids, so I selected my current service provider. Do I still need to provide bid documents?

If you do not receive any bids, you should indicate on your Selective Review response "*no bids received*" and submit documents explaining how you selected your service provider(s). You should also submit copies of your Request for Proposals (RFP) if you used one, selection criteria, evaluation sheets, and any correspondence with service providers.

- If you did not receive bids for tariffed services (e.g., local and long distance telecommunication services) or month-to-month services (e.g., monthly Internet services), you could decide to select your current service provider. You can provide a copy of a letter you sent to the service provider stating your intent to continue the service. You can also submit copies of bills or quotes to demonstrate that you have a current relationship with your service provider.
- If you did not receive bids for contracted services, you should submit an explanation of how you selected the service provider and determined cost effectiveness.

See [Run an Open and Fair Competitive Bidding Process](#) on the USAC website.

Q7. In my last Selective Review, I was denied for not having a contract, but I have tariffed or month-to-month services. Why was I denied?

Tariffed services (e.g., local and long distance telecommunication services) and month-to-month services (e.g., monthly Internet services) are sometimes offered through state master contracts or other types of contracts. If you sign a contract for these services (or if you are buying from a state master contract), USAC considers your services to be contracted services and asks that you submit a copy of the relevant contract with your Selective Review response. If a state master contract was previously provided to USAC or if it is available on a website, you may provide information about how to locate it instead of providing a copy.

See [Contract Guidance](#) on the USAC website for more information on contracts.

Tip: Sign Your Contract Before You Certify the Form 471

The service provider's and applicant's signature dates must be on or before the date that the Form 471 was certified — that is, the date the certification page was postmarked or the date it was certified online.

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