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## Schools and Libraries News Brief

**December 8, 2006**

### FY2007 WINDOW COUNTDOWN

<b>Days to window close</b>	<b>61</b>
<b>Forms 470 filed to date</b>	<b>13,782</b>
<b>Forms 471 filed to date</b>	<b>602</b>

**TIP OF THE WEEK:** If you plan to post a Form 470 for FY2007, you should do so promptly. **January 10, 2007** is the last day you can POST a Form 470 to the USAC website and still comply with the 28-day waiting period under the competitive bidding requirement.

### Commitments for Funding Year 2006

USAC will release FY2006 Wave 34 Funding Commitment Decision Letters (FCDLs) December 12. This wave will include commitments for approved Internal Connections and Basic Maintenance funding requests at 88% and above. As of December 8, FY2006 commitments total just over \$1.55 billion.

USAC will continue to issue weekly funding commitment waves. After noon on the date that the FCDLs are mailed, you can check to see if you have a commitment by using USAC's [Automated Search of Commitments](#) tool.

### Form 470 and the Competitive Bidding Process – Part II

Running an open and fair competitive bidding process was covered in the [December 1, 2006 News Brief](#). It also covered the 28-day waiting period that must occur between the posting of the Form 470 to the USAC website or the issuance of a Request for Proposals (RFP), if that occurs after the Form 470 is posted, and the selection of a service provider. Part II of this topic covers the bid evaluation and service provider selection process.

After the 28-day waiting period, applicants review the bids received and choose the most cost-effective service provider from among those bids. As we noted previously, service provider involvement in this process can taint the process and lead to funding denials.

- Applicants that received one bid — or no bids — should memorialize that fact with a memo to the file. Remember that if an auditor visits two or three years from now, you may be in a different job. Your successor will thank you for documenting what happened. One easy way to do this is to send yourself an email, which is automatically dated for you.
- Applicants who don't receive any bids can contact service providers to solicit bids and can then review and evaluate any bids received as a result. Applicants are not required to post for an additional 28 days if this occurs but remember that you may have additional requirements in this instance from your state and local procurement rules.

Remember that applicants must select the most cost-effective provider of the desired products or services eligible for support, with the price of the eligible products and services as the primary factor.

As you plan and construct your evaluation process, you should ask yourself a number of questions, including:

- Should I notify all potential bidders when the bidding period closes?
- When will the bid evaluation take place?
- Who should perform the evaluation?
- How long will the evaluation process take?
- What evaluation criteria should I use?
- What kind of system will I use to weight those criteria?
- Are there any state or local procurement requirements, rules, or regulations that I have to comply with?

A very important component of your evaluation process is the list of evaluation factors. Although the price of the eligible products and services must be weighted most heavily, other factors can be considered in the evaluation. As a result, the lowest bid may not necessarily be the one you choose.

Here are two examples of bid evaluation criteria, together with information on the weight of the individual factors:

<b>Factor</b>	<b>Weight</b>
Price of eligible products and services	30%
Prior experience	25%
Personnel qualifications	20%
Management capability	15%
Environmental objectives	<u>10%</u>
<b>Total</b>	<b>100%</b>

<b>Factor</b>	<b>Weight</b>
Price of eligible products and services	30%
Other cost factors (including price of ineligible products and services, price of changing service providers, cost of breaking contract, etc.)	20%
Local service provider	20%
Ability to provide maintenance on equipment purchased	15%
Extended warranty on equipment	<u>15%</u>

<b>Total</b>	<b>100%</b>
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In both examples, you can see that price of the eligible goods and services is weighted most heavily, but other factors are considered and evaluated as well.

Note that the value or price competitiveness of services or products that are **ineligible** for support cannot be factored into the evaluation of the most cost-effective supplier of eligible services.

**For example,** Service Provider A offers a price for eligible services of \$1,000. Service Provider B offers a price for the same services for \$1,200, but this price includes \$900 of eligible services and \$300 of ineligible services to be provided at no additional cost to the applicant.

The value of the "free" software or hardware offered by Service Provider B cannot be factored into the evaluation of the most cost-effective supplier of eligible services. All other things being equal, Service Provider A is offering the most cost-effective bid for services eligible for support.

Once you have completed your evaluation process, you can select the most cost effective bid.

- Services provided under tariff or under a month-to-month arrangement do not require a contract. However, you must file a Form 470 for these services every year, and, as always, retain documentation about how and when you selected your provider.
- If you indicated on your Form 470 that you were interested in a multi-year contract or a contract that included voluntary extensions and you then signed such a contract, you do not need to post a new Form 470 for the life of the contract. Each year, you would cite that original or "establishing" Form 470 on your Form 471.
- In general, USAC expects a contract to be in place for products and services other than tariffed or month-to-month services.

Remember to save all documents associated with this evaluation process, such as:

- Winning bids
- Losing bids
- RFPs
- Evaluation plan and description of evaluation process
- Evaluation criteria
- Correspondence between the applicant and potential bidders
- Memoranda, letters, and/or notes regarding the bid process

### **Tips for Filing Billed Entity Applicant Reimbursement (BEAR) Forms**

Now that the online BEAR Form is available for applicants and service providers, USAC would like to offer the following tips on its use.

**If you have a PIN, file online.** The online system alerts you to most of the common errors that lead to nonpayment before you submit your BEAR Form. Because you have the opportunity to correct those errors, your form enters the review process more quickly and more accurately. USAC assigns and mails new PINs to applicants every week based on newly submitted paper certifications. Watch your mail for your PIN if you don't have one.

**Re-file. Don't appeal.** If you filed a BEAR Form for FY2006 and you don't understand why your reimbursement was reduced or not paid at all, call the Client Service Bureau (CSB) at 1-888-203-8100. CSB has access to information on denial reasons for individual invoices and can help you uncover what led to the reduction or denial of your invoice. Once you know what to fix, you still have time to refile your invoice — online, if possible, to minimize errors.

**If you have trouble logging in to the system, enter your email address in all caps.** Many email addresses supplied on paper forms were entered into our system using uppercase letters

when they were processed. Because the system is currently case-sensitive, that may be why it doesn't recognize your email address.

**If you are not receiving emails from USAC about your BEAR Forms, check with your information technology staff.** Filters may stop some messages before they reach you and a change in your system settings or your safe senders list may resolve this.

**Make sure your service provider has access to the online BEAR system and knows how to use it.** Some service providers have not updated the contact information — especially the email addresses — they originally provided on Forms 498, so the email notifications USAC sends may not reach them or the right person at their company. Also, service providers may not check the boxes next to individual line items on a BEAR Form and only click the "Certify" box at the bottom of the form. Because they did not check which line items they were approving, USAC will presume that they are not approving the BEAR Form. You can tell your service providers to call USAC at 1-888-641-8722 if they have questions about updating a Form 498 or certifying a BEAR Form online.

**If you need to review your previous invoices (paper and online), use the Bulk Download feature on the online BEAR.** You can specify a date range, a dollar range, a SPIN, an invoice number, a reimbursement form number, or a form status. The system will return all invoices since 1998 that fit the criteria you specified.

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