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Schools and Libraries News Brief

December 15, 2006

FY2007 WINDOW COUNTDOWN

Days to window close	54
Forms 470 filed to date	16,837
Forms 471 filed to date	941

TIP OF THE WEEK: If you have been reimbursed for all of your eligible services from FY2005 and funds remain on your funding request, please file a Form 500 to return those remaining funds to USAC. Doing so frees up the funding and may allow USAC to make commitments for FY2005 applications that are still pending.

Commitments for Funding Years 2006 and 2005

Funding Year 2006. USAC will release FY2006 Wave 35 Funding Commitment Decision Letters (FCDLs) December 19. This wave will include commitments for approved Internal Connections and Basic Maintenance funding requests at 88% and above. As of December 15, FY2006 commitments total just over \$1.58 billion.

Funding Year 2005. USAC will release FY2005 Wave 65 FCDLs December 18. This wave will include commitments for approved Internal Connections and Basic Maintenance funding requests at 81% and above. As of December 15, FY2005 commitments total just under \$1.85 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.

Service Provider Selection and State Master Contracts Questions from the Field

The [December 8, 2006 News Brief](#) covered the evaluation process used to select a service provider. Before moving on to Form 471 guidance, we would like to spend some time on questions that came up during the fall training about selecting service providers from state master contracts.

What exactly is a state master contract?

A state master contract is a contract that is competitively bid and put in place by a state governmental entity for use by others.

What is a state replacement contract?

Some state master contracts expire before or during the funding year for which applicants are applying. A state replacement contract is a state master contract that replaces an existing state master contract but that may be competitively bid, negotiated, and/or signed after the close of the Form 471 application filing window. Under certain circumstances, applicants can apply for services covered under a state replacement contract if they and the state follow [USAC's state replacement contract procedures](#).

For a state master contract, who should file the Form 470 — the state or the individual applicant?

Either the state or the individual applicant can file a Form 470.

- If the state files the Form 470, individual applicants that purchases from the resulting state contract can cite that Form 470 on their Form 471 funding requests, assuming that their type of entity is indicated in Item 16b of the Form 470. (If this is your situation, refer to the question below about contracts resulting from state-posted Forms 470.)
- If the applicant files the Form 470, the applicant can consider the state master contract as a bid response. In this case, if the applicant chooses the state master contract as the most cost-effective solution, the applicant should record the date that the state master contract was chosen as the “contract award date” (Item 18 on the Form 471 funding request).
- In general, it does not present a problem if both the state and the applicant file a Form 470. However, the applicant must indicate the Form 470 that was actually used as the basis for the competitive bidding process (the “establishing” Form 470) on its Form 471 funding request(s).

How do I know that a state master contract will meet FCC requirements?

In general, this is not an issue for an applicant that files a Form 470 and chooses a state master contract as the most cost-effective solution. However, under certain conditions, problems may occur if the state files a Form 470. (Assume in the following situations that only the resulting contract is at issue — in other words, state and local procurement regulations were followed, the Form 470 was posted for the correct category of service, etc.)

- If the state-filed Form 470 resulted in a contract with a single service provider, an applicant can choose that contract without having to justify its selection of that service provider.
- If the state-filed Form 470 resulted in contracts with multiple service providers or a multiple award schedule, an applicant cannot simply select any service provider from the contract or schedule. Instead, the applicant must be able to document why it selected a specific service provider from among those service providers, with the price of the eligible products and services being the primary factor in its evaluation. This process must be documented in the same way that an applicant must document its selection process when it files its own Form 470. (Note that in some cases – for example, if each of the service providers serves a unique geographical area of the state – there is not really a choice of service providers even though there are multiple contracts. In such cases, applicants must keep appropriate documentation of their circumstances.)
- If the state-filed Form 470 resulted in terms and conditions but not prices, this does not meet FCC requirements. In this situation, an applicant must file its own Form 470 and conduct a competitive bidding process to select its service provider.
- For situations where a state master contract will expire either before or during the funding year, the state **must** be the entity that files the Form 470 in order to establish a [state replacement contract](#) (see above) and all of the state replacement contract procedures must be followed. Otherwise, any contract that will be in effect during the funding year must be signed before the Form 471 is filed and the window closes.

How do I choose a service provider from a state master contract?

You can follow the guidance from the previous question to make your selection and, if necessary, to be prepared to justify your selection. In addition, some state master contracts may impose additional requirements such as the preparation of purchase orders, letters of intent, or other documents. Under FCC rules, you must comply with state and local procurement rules and regulations and competitive bidding requirements.

How do I know if I am eligible to purchase from a state master contract?

In general, entities such as public schools and public libraries are eligible to purchase from state master contracts. In some states, other entities may also be eligible. Because the rules and regulations for eligibility may vary from state to state, you should check any requirements with the appropriate agency in your state.

Topical Index for News Briefs

USAC has completed development of a [topical index](#) for all of the Schools and Libraries News Briefs. Now, each Friday when a News Brief is issued, the topical list and the chronological list will both be updated so that users can search past issues for guidance on specific topics. If you prefer to search by date, there is also a chronological list of News Briefs under the "By Date" tab.

Holiday Contact Procedures in Effect

From December 15, 2006 through January 5, 2007, USAC's Winter Contact Procedure is in effect. That means that USAC must make a successful two-way contact before it can enforce its [Deadlines for Information Requests](#). Please verify that your contact information is current on your forms and in USAC's database so that USAC can continue processing your forms and requests. This includes any holiday and vacation contact information on Item 6f of the Form 471.

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