

[Back](#)

Schools and Libraries News Brief

June 8, 2007

TIP OF THE WEEK: If you would like to file a Form 486 using the online PDF option, you must complete your work by June 15. After that date, you must start or continue any online filing using the Form 486 Interview.

Commitments for Funding Years 2007 and 2006

Funding Year 2007. USAC will release FY2007 Wave 6 Funding Commitment Decision Letters (FCDLs) June 12. This wave will include commitments for approved Priority 1 requests (Telecommunications Services and Internet Access) for schools and libraries at all discount levels. As of June 8, FY2007 commitments total just over \$356 million.

Funding Year 2006. USAC will release FY2006 Wave 55 FCDLs June 13. This wave will include commitments for approved Internal Connections and Basic Maintenance funding requests at 86% and above and denials at 84% and below. As of June 8, FY2006 commitments total just over \$1.91 billion.

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.

Contracts

USAC has made some updates to the existing website guidance documents on contracts. Following are some reminders of the contract-related information that Program Integrity Assurance (PIA) may ask you about during its review of your application.

1. Contracts must comply with state and local procurement laws

In general, a contract is a binding agreement, enforceable by law, between two or more parties that creates an obligation to do, or not do, something. Contract definitions and requirements are contained in each state's or territory's contract law. Applicants and service providers must comply with local and state procurement law. For example, if local procurement law requires a service provider to sign a contract, the service provider must do so even though a service provider signature is not a program requirement.

2. Applicants must wait at least 28 days after posting the Form 470 or Request for Proposals (RFP), whichever is later, before selecting a service provider and signing a contract.

USAC calculates the earliest date that an applicant may select a service provider and sign a contract. This date, the Allowable Vendor Selection/Contract Date, is printed at the top of the Form 470 Receipt Notification Letter. Keep in mind that, if you issue an RFP after the date that the Form 470 is posted, your 28-day clock starts on the date that the RFP is issued.

3. Services provided under a contract are considered contracted services.

Services that are provided under tariff or under a month-to-month arrangement may not require a contract. However, if you have signed a contract, USAC considers your services to be contracted services even if they are provided under tariff. If you have a contract, you must complete items on Form 471 related to contracts such as Contract Number, Contract Award Date, and Contract Expiration Date.

4. Applicants must sign and date contracts.

Program rules require applicants to sign and date contracts. Service providers are not required under program rules to sign or date contracts, but they may be required to do so by state or local procurement laws. The following are some examples that meet the applicant requirement:

- A handwritten applicant signature and date.
- An applicant signature and a contract award date contained in the body of the contract.
- An applicant signature and a date in the opening statements of the contract.
- A signature and date on a state master contract under which an applicant is purchasing products or services.

The contract award date must be on or after the Allowable Vendor Selection/Contract Date and on or before the date that the Form 471 is signed and submitted.

5. To voluntarily extend a contract, you must have indicated your intent to do so on the Form 470 and/or RFP.

A contract with a provision for voluntary extensions ends when the original term of the contract ends. If you indicated in Item 7b of your Form 470 and/or in your RFP that you were seeking a contract with voluntary extensions, you can extend the contract without filing a new Form 470. However, if you did not make that indication, you must post a new Form 470 and consider any other bids received before you can extend the existing contract.

6. Applicants have two methods for choosing to purchase products and services using State Master Contracts.

State master contracts are contracts that are competitively bid and put in place by state governments for use by others. In many cases, applicants can purchase from state master contracts but must follow program rules.

- If the state files a Form 470, an applicant can cite the state's Form 470 on its Form 471. The state must have followed a competitive bidding process that meets FCC requirements – including the 28-day waiting period – and state procurement law.
- If the applicant files its own Form 470, an existing state master contract can be considered as one of the bid responses. The applicant must follow a competitive bidding process that meets FCC requirements – including the 28-day waiting period – and state procurement law.

Some state master contracts contain multiple award schedules or price floors or ceilings. In these cases, the applicant must be able to demonstrate that selection of the state contract is the most cost-effective solution.

An applicant that purchases from a state master contract does not have to negotiate a separate contract unless state law requires it to do so. The state contract can meet the program requirement for a signed and dated contract. However, the applicant should record the date that the state master contract was chosen as the most cost-effective solution.

- If the state files the Form 470 and the applicant files the Form 471, the applicant should send a letter or an email to the service provider confirming the choice and its plan to purchase from the relevant state master contract.
- An applicant that files a Form 470 and then chooses a state master contract as the most cost-effective bid should record the date the choice was made as the Contract Award Date and report that date in Item 18 of the Form 471 funding request.

For more information on contracts, refer to the following website guidance documents:

- [Contract Guidance](#)
- [Application Do's and Don'ts Tip Sheet](#)
- [Contract Tip Sheet](#)
- [State Master Contract Tip Sheet](#)

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[Back](#)