

[Back](#) [header](#)

Schools and Libraries News Brief

December 7, 2007

FY2008 WINDOW COUNTDOWN

Days to window close **62**

Forms 470 filed to date **15,327**

Forms 471 filed to date **691**

The number of Forms 470 filed has increased by 11.2% over this time last year.

TIP OF THE WEEK: If you plan to post a Form 470 for FY2008, you should do so promptly. **January 10, 2008** 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 2007

Funding Year 2007. USAC will release FY2007 Wave 33 Funding Commitment Decision Letters (FCDLs) December 11. This wave will include commitments for approved Internal Connections and Basic Maintenance requests at 83% and above and denials at 79% and below. As of December 7, FY2007 commitments total over \$1.76 billion.

On the day after the FCDLs are mailed, you can check to see if you have a commitment by using USAC's [Automated Search of Commitments](#) tool.

Application Process: Competitive Bidding

In the [November 30, 2007 SL News Brief](#), we discussed the Form 470, the first program form that applicants will file. After the Form 470 has been posted to the USAC website, applicants must conduct an open and fair competitive bidding process for the services listed on the Form 470.

"Fair" means that all bidders are treated the same and that no bidder has advance knowledge of the project information. "Open" means there are no secrets in the process – such as information shared with one bidder but not with others – and that all bidders know what is required of them. The Form 470 and – if one is issued – the Request for Proposals (RFP) should be clear about the products, services, and quantities the applicant is seeking.

In order to be sure that a fair and open competition is achieved, any marketing discussions held with service providers must be neutral so as not to taint the competitive bidding process. That is, applicants should not have a relationship with a service provider prior to the competitive bidding that would unfairly influence the outcome of a competition or would furnish the service provider with "inside" information or allow the service provider to unfairly compete in any way.

For example, a conflict of interest exists when your consultant is associated with a service provider that is selected and is involved in determining the services you seek and the selection of your service provider(s).

Neutral consultants not connected to service providers can assist you in filing your Form 470 and responding to USAC questions. Be sure to have a [Letter of Agency](#) or similar document with a consultant who acts on your behalf.

As part of the competitive bidding process, applicants also must obtain specific cost information including prices for products and services to be provided. Failure to adhere to these rules violates the requirement of choosing the most cost-effective service provider.

After the 28-day waiting period, applicants review the bids they have received and choose the most cost-effective service provider from among those bids.

- Applicants that received one bid — or no bids — should memorialize that fact with a memo to the file or an email. Remember that, if an auditor visits two or three years from now and has questions about this competitive bidding process, you may no longer be in your current job and someone else may have to find documentation of what occurred.
- 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.

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.

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. In other words, the lowest bid may not necessarily be the one you choose.

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.
- 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 Form 470 for the life of the contract. Each year, you would cite that original or "establishing" Form 470 on your Form 471 Block 5 funding request for the services covered under that contract.
- In general, we would expect a contract to be in place for services other than tariffed or month-to-month services.

Form 470 and Competitive Bidding Reminders

When completing your Form 470, make sure you post in ALL the categories of service (Telecommunications Service, Internet Access, Internal Connections, and Basic Maintenance) for which you will be requesting discounts on your Form 471. You cannot seek discounts in a category of service on your Form 471 if those services in those categories were not indicated on a Form 470.

Retain any final documentation you produce for this process, such as:

- A copy of your RFP (especially if RFPs are maintained on a website for a limited period of time).
- A copy of your technology plan with the creation date memorialized somewhere on the plan. (Remember that this is not your final approved plan but the written plan that provided the basis for your Form 470.)
- Any specific documentation you used for reference to prepare your request.
- Copies of winning and losing bids.
- Your evaluation plan and a description of the evaluation process.
- Your evaluation criteria.
- A copy of your Form 470.
- Your Form 470 security code if you file online.

Sample Technology Plan Approval Letter Updated

If you are applying for more than basic telephone service, you need to write a technology plan. A [USAC-certified Technology Plan Approver \(TPA\)](#) must review and approve your technology plan before services start.

USAC has updated the [sample Technology Plan Approval Letter](#) posted on the website to include all of the information we look for on an approval letter from a TPA. For those TPAs that have

already developed a letter or template to use for approvals, it is not necessary to make changes. However, you should review the new sample to verify that your current approval letter contains all of the appropriate information:

- Name of the TPA and TPA contact information
- Name of the school or library
- Date the technology plan was approved
- The effective start and end dates of the technology plan

You may download and print copies of [Schools and Libraries News Briefs](#) on USAC's website. You may [subscribe](#) to or [unsubscribe](#) from this news brief. For program information, please visit the [Schools and Libraries area](#) of the USAC website, [submit a question](#), or call us toll-free at 1-888-203-8100. Feel free to forward this news brief to any interested parties.

Please do not reply to this email directly, as it was sent from an unattended mailbox.

1997-2007, Universal Service Administrative Company, All Rights Reserved.

[Back](#)