

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

Schools and Libraries News Brief

November 14, 2008

TIP OF THE WEEK: If you are filing your Form 470 certification on paper, be sure to include all the Block 5 certification pages, not just the signature page. Your submission should include Items 19 through 31e.

Commitments for Funding Years 2008 and 2007

Funding Year 2008. USAC will release FY2008 Wave 30 Funding Commitment Decision Letters (FCDLs) November 19. This wave will include commitments for approved Internal Connections and Basic Maintenance requests at 90% and denials at 80% and below. As of November 14, FY2008 commitments total over \$1.64 billion.

We apologize for any confusion caused by previous announcements of the wave date.

Funding Year 2007. USAC will not issue a funding wave for FY2007 next week. As of November 14, FY2007 commitments total just under \$2.5 billion.

On the day 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 [October 17, 2008 SL News Brief](#), we discussed the Form 470, the first program form that applicants file. After an applicant posts a Form 470 to the USAC website, the applicant must conduct an [open and fair competitive bidding process](#) for the services listed on the Form 470.

- "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.
- "Fair" means that all bidders are treated the same and that no bidder has advance knowledge of the project information.

In addition to posting a Form 470, applicants can also issue a Request For Proposals (RFP). RFPs are not required under program rules, but they may be required by your state or local procurement rules or regulations. If you issue or intend to issue an RFP, you must indicate that fact on the Form 470 together with information on how to obtain a copy of the RFP.

The Form 470 and – if one is issued – the Request for Proposals (RFP) should be clear about the products, services, and quantities you are seeking. If there are reasons that bids can be disqualified, you should include those reasons for disqualification as well.

In order to be sure that you run a fair and open competition, any marketing discussions held with service providers must be neutral so as not to taint the competitive bidding process. That is, you should not have a relationship with a service provider prior to the competitive bidding process 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.

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](#), a contract, or similar document with a consultant that acts on your behalf. The letter of agency should spell out the types of services and any authority delegated to the consultant by the applicant (such as the authority to sign program forms).

However, make sure that a conflict of interest does not exist with a consultant that assists you with your competitive bidding process. For example, a consultant who is involved in the planning, execution, and/or bid evaluation for your competitive bidding process should not also represent a service provider that will participate in the competitive bidding process as a bidder.

After the Form 470 and RFP have been posted and available for at least 28 days, you can review the bids you have received and choose the most cost-effective service provider from among those bids.

- If you receive one bid — or no bids — we suggest that you memorialize that fact with a email to yourself or a memo to the file. This provides documentation in the event that questions arise later about your competitive bidding process.
- If you don't receive any bids, you can contact service providers to solicit bids and can then review and evaluate any bids received as a result. However, if you post a new Form 470, issue a new RFP, or amend your existing RFP, you start the clock on another 28-day waiting period.

A very important component of your evaluation process is the list of evaluation factors and their relative weights. You must select the most cost-effective solution, and the price of the eligible products and services must be the primary factor in your evaluation. Although that factor must be the factor that is weighted most heavily, you can consider other factors. Because of these other factors, the lowest bid may not necessarily be the one you choose as the most cost-effective solution.

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.

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. In general, we would expect a contract to be in place for services other than tariffed or month-to-month services.

If you indicated on your Form 470 that you were interested in a multi-year contract or a contract with voluntary extensions (Item 7b on the form) 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 cite that original or "establishing" Form 470 on your Form 471 Block 5 funding request for the services covered under that contract.

- Note, however, that if you do NOT indicate your interest in a multi-year contract or a contract with voluntary extensions and then you sign such a contract, you must file a Form 470 the following year and run the risk that your contract will not be the most cost-effective solution to your new Form 470 posting.

Retain any final documentation you produce for your competitive bidding process, for example:

- A copy of your Form 470. (Also keep a record of your security code if you file online.)
- A copy of your RFP.
- 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 in preparing your Form 470 or RFP.
- Copies of winning and losing bids.
- Your evaluation plan and a description of the evaluation process.
- Your evaluation criteria.
- Your completed bid evaluation that demonstrates the bid you chose was the most cost-effective.
- A copy of your contract if you sign one.

For more information, you can refer to [Step 3. Open a Competitive Bidding Process, Construct an Evaluation](#), the [sample Bid Evaluation Matrix](#) and related links on the USAC website.

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[Back](#)