

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

Schools and Libraries News Brief

December 3, 2010

TIP OF THE WEEK: Keep in mind the January 28, 2011 invoicing deadline for FY2009 non-recurring services. Applicants and service providers should be working to complete their invoicing activities for those services by that date or – if they know that they will not be able to do so – filing an [invoicing deadline extension request](#).

Commitments for Funding Years 2010 and 2009

Funding Year 2010. USAC released FY2010 Wave 28 Funding Commitment Decision Letters (FCDLs) December 2 and will release Wave 29 FCDLs December 7. These waves include commitments for approved Priority 2 (Internal Connections and Basic Maintenance) requests at 85% and above. As of December 3, FY2010 commitments total just under \$1.86 billion.

Funding Year 2009. USAC will release FY2009 Wave 75 FCDLs December 8. This wave will include commitments for approved Priority 2 requests at 77% and above and denials at 76% and below. As of December 3, FY2009 commitments total over \$2.78 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.

Revised Forms 470 and 471 and Instructions Approved

On November 19, 2010, the FCC released [Public Notice DA 10-2218](#) announcing that revised FCC Forms 470 and 471 and their accompanying instructions have been approved for use by the Office of Management and Budget (OMB).

The forms and instructions will be available for actual submission by E-rate participants after being posted on USAC's website by January 11, 2011, before the opening of the FY2011 application filing window. **Applicants should NOT submit the new forms until they are posted on USAC's website.**

Also, the FCC Form 471 now requires that the Item 21 attachment be submitted with the form.

The forms and instructions as approved by the OMB are available on the FCC website for your review:

- [Form 470](#)
- [Form 470 Instructions](#)
- [Form 471](#)
- [Form 471 Instructions](#)

Note that USAC provided additional guidance for FY2011 Form 470 online filers in the [November 19, 2010 SL News Brief](#).

Avoiding Application Pitfalls

In future SL News Briefs, we will be providing detailed guidance to assist applicants through the application process for FY2011. However, in this issue we would like to feature some common pitfalls and how to avoid them for the benefit of those applicants that have already started the process for FY2011.

Form 470 and the competitive bidding process

In Form 470 Block 2, Summary Description of Needs or Services Requested, applicants provide information about the products and services for which potential bidders can submit bids. These descriptions should:

- define the scope of the project and/or the needs or services, including any details necessary in order for potential bidders to prepare responsive bids
- be clear and complete descriptions rather than encyclopedic lists of eligible products and services
- not provide specific makes and model numbers except as references to clarify the characteristics of the products desired.

Here are some examples of acceptable and unacceptable descriptions:

Acceptable	Unacceptable
Local and long distance telephone service for 10 classrooms and an administrative office in a single building.	All eligible Telecommunications Services or a list of all the services in a given category of service. <i>This is considered an encyclopedic Form 470. FRNs citing an encyclopedic Form 470 will be denied.</i>
High-speed Internet access for 5 computers per classroom for 7 classrooms (total 35 computers)	Internet access as needed. <i>This description is only acceptable when applicants can provide specific and timely information to potential bidders regarding the specific services sought. Otherwise, this description is considered generic and funding requests citing it will be denied.</i>
XYZ manufacturer's high-speed router model 345J or equivalent to provide service for 57 classrooms in five buildings (description of school district available with RFP). <i>NOTE: Applicants can have a bid evaluation criterion for preferred make and model or for adherence to local IT standards in their bid evaluation matrix.</i>	XYZ manufacturer's high-speed router model 345J. <i>This is considered a violation of the fair and open competitive bidding process requirement because the specific products and services are predetermined. This is equivalent to sole-sourcing and funding requests citing it will be denied.</i>
Basic maintenance services for 5 XYZ manufacturer's high-speed routers model 345J, all two years old, with time, hourly rates, and materials estimates broken out.	Maintenance on internal connections. <i>This description is only acceptable when applicants can provide specific and timely information to potential bidders regarding the specific services sought. Otherwise, this description is considered generic and funding requests citing it will be denied.</i>

Requests for Proposals

A Request for Proposals (RFP) is a document that describes a project undertaken. It includes specific details to inform potential bidders of the scope, location, and any other requirements for the project.

Under the rules of the E-rate program, RFPs are not specifically required. However, if you are required under your state or local procurements rules or regulations to issue an RFP, you must do so.

If you issue or intend to issue an RFP, you must indicate that fact on the Form 470. You must also state where the RFP is available (on a website or from the contact person or technical contact person identified on the form) and make sure it is available as indicated.

The Form 470 must be posted – AND the RFP must be available – during the same period of at least 28 days. In other words:

- If you issue an RFP before you post your Form 470, then you cannot close your competitive bidding process until the Form 470 has been posted for at least 28 days.
- If you issue your RFP after you post your Form 470, then you cannot close your competitive bidding process until the RFP has been available for at least 28 days.

Whether or not the applicant issues an RFP, the applicant or its designated contact must be available to assist potential bidders in a timely manner with requests for information necessary to prepare responsive bids. "We are happy with our current provider and do not plan to change" is not an acceptable response to a potential bidder.

Consultants assisting applicants with Forms 470

Consultants must know and understand the needs of their clients. If an applicant authorizes a consultant to take one or more actions on its behalf, we expect that a Letter of Agency, contract, or other document specifically indicating that authorization exists.

- If a consultant is designated as the contact person for an RFP or the Form 470, that consultant must be knowledgeable about the specific requirements and available to provide copies of the RFP and/or additional information as appropriate, especially if the Form 470 description is generic (see examples above). The consultant must respond promptly to inquiries from potential bidders.
- If the consultant is receiving and evaluating bids, all responsive bids that meet the requirements detailed in the Form 470 and/or RFP must be considered, and the most cost-effective bid (with the cost of the E-rate eligible services as the factor weighted most heavily in the evaluation) must be chosen. As with all applicants, the consultant must also abide by any applicable state or local procurement rules.
- A consultant representing an applicant cannot also be working for or representing a service provider that may bid on the applicant's Form 470 and/or RFP. In fact, we expect that consultants will choose to work either on behalf of applicants or on behalf of service providers, but not both, to avoid any appearance of a conflict of interest.

Form 471 Item 21 attachments

Item 21 attachments are filed with or after a Form 471 during the Form 471 application filing window. The Item 21 attachment is a description of the products and/or services for which discounts are sought and is specific to a Form 471 Block 5 funding request, which USAC identifies by a Funding Request Number (FRN).

If an applicant files more than one FRN on a Form 471, the Item 21 attachments for all the FRNs can be submitted in the same document, but each attachment must be labeled with the attachment number provided by the applicant in Item 21 of its associated FRN.

Starting with FY2011, Item 21 attachments must be filed by the close of the Form 471 application filing window. Applicants can submit Item 21 attachments online (using the Item 21 Attachment button on the [Apply Online](#) page), by email, fax, or delivery service or mail. You can find specific instructions for submitting Item 21 attachments in Section 4 of the Reference Area document [Item 21 Attachments for Form 471](#).

In general, an Item 21 attachment includes the following information:

- Narrative overview or description
- Line item detail and cost associated with the eligible and ineligible products and services requested
- Any additional details, if needed, such as equipment locations or other information to support the funding request.

Information on an Item 21 attachment must be specific. For example, an Item 21 attachment referencing equipment must include make and model number for each piece of equipment. For your reference, here are links to examples of Item 21 attachments for each eligible category of service:

- [Telecommunications Services example](#)
- [Internet Access example](#)
- [Internal Connections example](#)
- [Basic Maintenance example](#)

For additional information and examples, you can refer to the Reference Area document [Item 21 Attachments for Form 471](#).

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[Back](#)