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January 11, 2013

FY2013 WINDOW COUNTDOWN

Days to window close	62
FCC Forms 470 filed to date	21,062
FCC Forms 471 filed to date	1,492
Online Item 21 attachments filed to date	2,697

TIP OF THE WEEK: The extended deadline for FY2011 recurring service invoices and FY2012 FCC Forms 486 is January 28. If you can, file these forms by the deadline; if not, watch future SL News Briefs for information on the steps you will need to take.

Commitments for Funding Years 2012 and 2011

Funding Year 2012. USAC will release FY2012 Wave 26 Funding Commitment Decision Letters (FCDLs) January 15. This wave includes commitments for approved Priority 2 (Internal Connections and Basic Maintenance) requests at 90% and denials at 89% and below. As of January 11, FY2012 commitments total over \$1.72 billion.

Funding Year 2011. USAC will release FY2011 Wave 76 FCDLs January 16. This wave includes commitments for approved Priority 2 requests at 88% and above and denials at 87% and below. As of January 11, FY2011 commitments total over \$2.50 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.

Receiving Responses from Bidders

In the [January 4 SL News Brief](#) we provided additional information about posting the [FCC Form 470](#), which applicants file to open a competitive bidding process for the services they desire. In this issue, we are including guidance on receiving responses from bidders.

Responding to questions from potential bidders

When completing the FCC Form 470, applicants must provide sufficient detail for a service provider to be able to formulate bids. This allows potential bidders to determine whether they provide the types and quantities of services that applicants are looking for. However, service providers may need further detail about the services in order to submit a responsive bid.

- For example, if an applicant posts for "local and long distance telephone service on 10 existing landlines," a service provider would probably not need more information in order to craft a responsive bid.
- On the other hand, if an applicant posts for "local and long distance telephone service for 10 new cell phones," the service provider would probably need information on the number of minutes that might be used, the likelihood that roaming charges would occur, and other information to craft a responsive bid.

Applicants – and consultants that act on behalf of applicants – should respond to bidder inquiries in a timely manner so that competitive bidding deadlines can be met. Not responding to a potential bidder can result in a compromised competitive bidding process which can result in funding denial.

- One solution is to post questions received from potential bidders along with your answers on your website. With questions and answers easily available, all potential bidders will have access to the same information – a key component in a fair and open competitive bidding process.

However, service providers also have a responsibility to respond to posted FCC Forms 470 and RFPs with specific requests for information necessary to prepare responsive bids. Simply sending a generic email to the applicant saying that the service provider can provide the general type of service requested and requesting a call-back would not be considered a good faith response to an FCC Form 470 posting. Emails that can be identified as "spam" do not require a response – especially if the applicant has indicated in the FCC Form 470 and/or RFP a specific procedure or mechanism for submitting questions.

Receiving one bid – or no bids

If you receive only one bid or no bids in response to your FCC Form 470, you can contact service providers to solicit bids and can then review and evaluate any bids received as a result. You may wish to note that you received only one bid or did not receive any bids in an email to yourself or a memo to the file in case questions come up later (e.g., during a review or an audit).

Rejecting all bids/canceling a procurement

If the applicant decides that none of the bids received is responsive and rejects all of them – or if the applicant decides to cancel the competitive bidding process for other reasons – the applicant must file a new FCC Form 470 to open a new competitive bidding process. Before posting a new form and issuing a new RFP, the applicant could then make any desired revisions or changes that might improve its chances of receiving responsive bids. In the event of a complete rejection or cancellation, the applicant cannot use the earlier FCC Form 470 nor cite that form on an FCC Form 471 Block 5 funding request. In fact, we suggest that the earlier FCC Form 470 be canceled to avoid any confusion.

Remember that the applicant must also be in compliance with all applicable state or local competitive bidding rules and regulations.

Making significant changes in the scope of a project and/or services requested

Applicants must post a new FCC Form 470 if they are making significant changes to the scope of the services requested on the FCC Form 470 and/or the RFP. This can happen because applicants are changing (1) the services sought or (2) the Billed Entities listed in Item 15 that will be able to purchase services. Posting a new FCC Form 470 starts a new 28-day waiting period, so applicants must allow for that additional time. As stated above, applicants must also be in compliance with all applicable state or local competitive bidding rules and regulations – especially important if an RFP was also issued – and should consider canceling the earlier FCC Form 470 to avoid confusion.

Considering all bids received

After the applicant has waited at least 28 days and the competitive bidding process has been closed, the applicant must carefully consider **all** of the bids received. Remember that bids can only be disqualified if the applicant spelled out the disqualification reasons in either the FCC Form 470 or the RFP.

Applicants can use one or more factors in their [bid evaluations](#), but the price of the E-rate eligible products and services must be considered a factor and must be weighted more heavily than any other single factor in the evaluation. If you need assistance constructing your evaluation documentation, there is a [sample bid evaluation matrix](#) on the USAC website for your reference.

After considering all bids, the applicant chooses the most cost-effective bid (i.e., the price of the eligible products and services is the most heavily weighted factor) and, if the services are not provided under tariff or on a month-to-month basis, can sign a contract and prepare to file the FCC Form 471. A complete discussion of evaluating bids can be found under [Applicant Step 3](#) on the USAC website, and will also be addressed in a future SL News Brief.

Retaining documentation

Applicants and service providers must retain all documents related to the application for, receipt, and delivery of discounted telecommunications and other supported service for at least five years after the last day of service delivered in a particular funding year. We suggest that you save final documents as

they are produced during the competitive bidding process, as they may be more difficult to locate after the process has been completed.

Specifically, we recommend that you retain the following in your files (this list is not exhaustive):

- The FCC Form 470
- The RFP, if one is issued
- Questions from potential bidders and your answers
- Copies of winning **and losing** bids
- The final bid evaluation matrix and any supporting documentation
- The contract, if one is signed.

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USAC | 2000 L Street NW | Suite 200 | Washington, DC 20036

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