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February 20, 2015

FY2015 WINDOW COUNTDOWN

Days to window close	34
FY2015 FCC Forms 471 filed to date	4,386
FY2015 FCC Forms 470 filed to date	30,704*

*This number includes FY2014 forms intended for FY2015.

TIP OF THE WEEK: If you are a library outlet or branch that is part of a library system, remember to identify the library system in the Discount Calculation section of your FCC Form 471 and list all of the library outlets and branches in that system. You must fully complete this section even if you pay your own bills and file this form as the Billed Entity.

Reminder - FCC Form 470 Filing Deadline Is Next Week

February 26, 2015 – next Thursday – is the last day you can [post an FCC Form 470 to the USAC website](#) and still meet the 28-day requirement before filing your FCC Form 471. If you are required to file an FCC Form 470 but have not yet done so, please file your form promptly.

Commitments for Funding Year 2014

Funding Year 2014. USAC will release Funding Year (FY) 2014 Wave 42 Funding Commitment Decision Letters (FCDLs) on February 25. This wave includes commitments for approved Priority 1 (Telecommunications Services and Internet Access) requests at all discount levels. As of February 20, FY2014 commitments total over \$2.13 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.

Evaluating Bids

In the [last week's SL News Brief](#) we provided guidance on receiving responses from bidders to a posted FCC Form 470 and/or Request for Proposal (RFP). In this issue we discuss the bid evaluation process.

Closing your competitive bidding process

When you post an FCC Form 470 to the USAC website, the system calculates your Allowable Vendor Selection/Contract Date (ACD). The ACD is the earliest date that you can select a service provider, sign a contract (if applicable), and sign and submit your FCC Form 471.

The system calculates the ACD as the date 28 days after the form is posted to the website. However, keep in mind that if you issue an RFP after the form is posted, your actual ACD is 28 days after the RFP is publicly available. Moreover, if you make a significant change to the scope of your project or the

services you are requesting or take any other action that involves posting a new FCC Form 470, your ACD will change.

On or after your ACD, you can evaluate the bids you have received. Remember that if you receive only one bid – or no bids – you can keep your competitive bidding process open and contact service providers to solicit bids.

Disqualification reasons

You may decide that you will only accept bids that meet certain requirements, and disqualify bids that do not meet those requirements. You must state those disqualification reasons in your FCC Form 470 and/or RFP.

Disqualification reasons must be binary – i.e., the bidder or the bid either meets the requirement or does not meet the requirement. Here are some examples of disqualification reasons:

- The service provider must be bonded.
- The service provider must have a Service Provider Identification Number (SPIN).
- The bid must contain responses to all five of the questions listed in the RFP.

Bids that do not meet the requirements can be disqualified and not evaluated further.

Constructing an evaluation

To evaluate the bids you receive, you must [construct an evaluation](#). You decide what factors you want to consider in your evaluation and how important each factor is to you. You can use as few or as many evaluation factors as you like, and you can assign percentages or points to the factors you use to reflect their relative importance. Note that you must **always** include the price of the eligible products and services as a factor, and that factor must be weighted more heavily than any other single factor.

For each bid, you can evaluate how well it meets each of the factors and assign a point value or percentage as appropriate. By totaling the scores for each bid, you can arrive at the most cost-effective bid.

Preparing a bid evaluation matrix helps you evaluate bids and also provides documentation of the process you followed to select your service provider. In addition to the document [Construct an Evaluation](#), the USAC website features a [sample bid evaluation matrix](#) you can use as a guide.

Requesting tariffed/month-to-month services and contracted services

You can receive services:

- **Under tariff or on a month-to-month basis.** Services such as basic telephone service or Internet access may not require a contract or legally binding agreement. For non-contracted services, you must post an FCC Form 470 and open a competitive bidding process each year – e.g., for FY2015, you must post an FY2015 FCC Form 470 (or an FY2014 FCC Form 470 where you indicated in Item 13 that your form was intended for FY2015) and then cite that form in the appropriate funding request(s) on an FY2015 FCC Form 471.
- **Under a legally binding agreement.** Tariffed or month-to-month services provided under a contract or other legally binding agreement are reported as contracted services rather than tariffed or month-to-month services on the FCC Form 471. Also, internal connections and basic maintenance products and services are generally provided under a contract or legally binding

agreement. If you sign a multi-year contract resulting from an FCC Form 470 posting, that form becomes the "establishing FCC Form 470" and you do not have to post an FCC Form 470 or open a competitive bidding process again for the life of that contract. (You can refer to the [Contracts](#) guidance on the USAC website for more information about contracts.)

Services that do not require an FCC Form 470

Starting with FY2015, the Federal Communications Commission (FCC) created an exemption from its competitive bidding rules – including the posting of an FCC Form 470 – for applicants seeking E-rate support for purchase of a commercially available, business-class Internet access service that costs \$3,600 or less for a single year, including any one-time installation and equipment charges.

For a business-class Internet access service to qualify for an exemption, the service must meet ALL of the requirements set forth in the *E-rate Modernization Order*. For specific information on these requirements, you can refer to the [November 7, 2014 SL News Brief](#).

Note that an exemption was also created for services purchased from a contract designated by the Wireline Competition Bureau of the FCC as a preferred master contract. However, we do not expect any contracts to be designated as preferred master contracts for the FY2015 application cycle.

Retaining documentation

We continue to stress that applicants and service providers must retain all documents related to the application for, receipt, and delivery of discounted telecommunications and other supported services. The *E-rate Modernization Order* extended the document retention period from five to 10 years after the latter of the last day of the applicable funding year or service delivery deadline for the funding request.

Documents to retain as part of the competitive bidding process include but are not limited to:

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

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