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December 11, 2015

TIP OF THE WEEK: Be sure to file and certify your FCC Form 486 on or before the deadline in your FCC Form 486 Urgent Reminder Letter unless your services have not yet started. For FRNs featured on reminder letters dated December 2, the deadline to file and certify your FCC Form 486 without penalty is December 22.

Commitments for Funding Years 2015 and 2014

Funding Year 2015. USAC will release Funding Year (FY) 2015 Wave 29 Funding Commitment Decision Letters (FCDLs) on December 17. This wave includes commitments for approved requests for all service types and at all discount levels. As of December 11, FY2015 commitments total over \$2.75 billion.

Funding Year 2014. USAC will release FY2014 Wave 72 FCDLs on December 16. This wave includes commitments for approved Priority 1 (Telecommunications Services and Internet Access) requests at all discount levels. As of December 11, FY2014 commitments total over \$2.27 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.

PQA Requests for Information Are Going Out

The 2016 Payment Quality Assurance (PQA) assessment program is underway. PQA is a program that assesses E-rate payments made on invoices submitted during the past 12 months to verify that the payments were properly made – in other words, that all program rules were followed correctly when the payment was authorized and disbursed.

Emails notifying applicants whose payments have been selected for PQA are being sent from the domain name **usac.i-sight.com**. Please check your email and respond promptly if you receive an email from USAC's PQA Program. This will help expedite your review.

- Do not hesitate to contact your reviewer if you have questions. Contact information is provided in the email.
- Also, contact your PQA reviewer if you are unable to respond by the deadline.

For disbursements made each month in calendar year 2015, a certain number of payments will be chosen randomly, and applicants will be asked to provide specific documentation – for example, customer bills that support invoices submitted to USAC – to verify that those payments were made correctly. It is important that you maintain proper documentation in order to be able to respond correctly and completely to PQA requests. You can review the [E-rate Binder](#) on the USAC website for a list of documents to retain.

USAC is required to provide the Federal Communications Commission (FCC) with information about improper payments, as required by the Improper Payments Elimination and Recovery Act of 2010

(IPERA). USAC uses the PQA assessments to estimate the rate of improper payments and provides this information to the FCC annually. USAC's goal is to ensure that the dollar amount of all improper payments is below 1.5 percent of the total dollar amounts disbursed.

Receiving Responses from Bidders

In the [October 30](#) and [November 6](#) SL News Briefs, we provided 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 additional 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 asking for 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 funding request. In fact, the applicant should cancel the earlier FCC Form 470 to avoid any confusion or subsequent funding denials.

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

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

We strongly recommend that applicants post a new FCC Form 470 if they are making one or more significant changes ("cardinal" changes) to the scope of the services requested on the FCC Form 470 and/or the RFP. Remember that posting a new FCC Form 470 starts a new 28-day waiting period. Applicants must also be in compliance with all applicable state or local competitive bidding rules and regulations – which is 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 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 2](#) on the USAC website.

Retaining documentation

Applicants and service providers must retain all documents related to the application for, receipt, and delivery of discounted telecommunications and other supported services for at least 10 years (or whatever retention period is required by the rules in effect at the time a program form is certified) 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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