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December 18, 2015

TIP OF THE WEEK: If you received an FCC Form 486 Urgent Reminder Letter dated December 2, make sure you file your FY2015 FCC Form 486 on or before the deadline of December 22. You can file and certify online, file online and certify on paper, or file on paper, but your FCC Form 486 and certification must be received or postmarked on or before the deadline to avoid a penalty.

Please note that USAC will not issue a News Brief next Friday, December 25. Also, the Client Service Bureau will be closed Thursday, December 24 and Friday, December 25.

Commitments for Funding Year 2015

Funding Year 2015. USAC will release Funding Year (FY) 2015 Wave 30 Funding Commitment Decision Letters (FCDLs) on December 24. This wave includes commitments for approved requests for all service types and at all discount levels. As of December 18, FY2015 commitments total just under \$2.81 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 [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 ("cardinal") 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 is 28 days after you make this cardinal change or post a new FCC Form 470.

Remember that if you receive only one bid – or no bids – after your 28-day waiting period, 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.

Note on mini-bids

Many states post FCC Forms 470, conduct competitive bidding processes pursuant to those forms, evaluate the bids received, select one or more service providers, and sign contracts with the provider(s) selected. Applicants who are eligible to purchase from such a state contract can cite the state-posted FCC Form 470 on the appropriate funding request(s) on their FCC Form 471.

However, if the state awards contracts to multiple service providers as a result of its posted FCC Form 470 and competitive bidding process, the applicant must conduct a bid evaluation for all service providers able to provide services to the applicant under those contracts. We call this evaluation process a "mini-bid." To conduct a mini-bid, the applicant determines the factors to use for its evaluation – with the price of the eligible products and services as the most heavily-weighted factor – scores the service providers appropriately, and chooses the most cost-effective solution.

- The applicant does not need to post an FCC Form 470 to conduct a mini-bid. However, the applicant must retain documentation providing evidence of the mini-bid evaluation process and the service provider selection. The applicant can use a bid evaluation matrix for this purpose as described above.
- The applicant does not need to conduct a mini-bid if only one service provider is able to provide service. For example, if three service providers sign contracts with the state pursuant to the state-filed FCC Form 470 but only one of the service providers can provide service in the applicant's geographic location, a mini-bid is not required.

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. You must post an FCC Form 470 and open a competitive bidding process for these services each year – e.g., for FY2016, you must post an FCC Form 470 and cite that form in the appropriate funding request(s) on your FY2016 FCC Form 471.
- **Under a contract.** Tariffed or month-to-month services provided under a contract are considered to be contracted services. Also, internal connections and basic maintenance products and services are generally provided under a contract. 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.)

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 for at least 10 years (or whatever retention period is required by the rules in effect at the time your program form is certified) after the last day of service delivered in a particular funding year. 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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