Schools and Libraries Program News Brief

February 9, 2018

TIP OF THE WEEK: E-rate Productivity Center (EPC) outages. EPC will be unavailable from 7:00 PM to 8:00 PM EST on Saturday, February 10 for system maintenance and 3:00 AM to 7:00 AM EST on Sunday, February 11 for regular monthly maintenance. During these times users will be unable to log in to and use EPC. We apologize for any inconvenience.

Commitments for Funding Year 2017

Funding Year 2017. USAC is scheduled to release Funding Year (FY) 2017 Wave 41 Funding Commitment Decision Letters (FCDLs) on February 16. As of February 9, FY2017 commitments total over $2.16 billion.

On the date that FCDLs are issued, you can access your FCDL notification from the **Notifications** section of your landing page in EPC.

Reminder to State Coordinators - Please Complete Your State's Valid File

In January, USAC emailed a request to all state coordinators to update their state valid files. Program Integrity Assurance (PIA) reviewers use these files during the review of applications to verify student counts and entity eligibility. Having this data may help to speed the processing of FCC Forms 471.

The valid file attached to each request already features your state's school districts, their associated individual schools, and independent schools, together with their Billed Entity Numbers (BENs). Please review your file and make any necessary corrections, such as:

- updating student counts;
- providing data for schools or school districts that participate in the Community Eligibility Provision (CEP) of the National School Lunch Program (NSLP);
- adding missing entities; and
- verifying that the entities featured on the file are in fact eligible.

Be sure to preserve the existing file format when you make updates, corrections, or other changes. This will allow us to upload the information directly into our system and thereby speed the review process.

If you have questions or need assistance updating your valid files, please use the contact information contained in our original email request.

Your updated file should be returned to us by February 26, 2018.

Reminders on Evaluating Bids

In last week's SL News Brief, we provided some additional reminders on the FCC Form 470 and the competitive bidding process. Following are some reminders on closing your process and choosing your service provider(s).

Before you close your competitive bidding process, ask yourself these four questions. Note that, depending on your answers, you may need to post a new FCC Form 470. The last date you can post a new FCC Form 470 and still meet the 28-day requirement for FY2018 is Thursday, February 22, 2018 at 11:59 PM EST.

- **Did I post for the correct service type(s)?**

The service types you can post for on an FCC Form 470 are:

  - Internet Access and/or Telecommunications (which includes voice services on the FCC Form 470)
  - Internal Connections
  - Basic Maintenance of Internal Connections
  - Managed Internal Broadband Services

You will not be able to cite your FCC Form 470 on an FCC Form 471 funding request if you did not post for the correct service type for that funding request. If you need to post a new FCC Form 470 to include a new service type, you still have time to do so. Remember that, if you are not sure which service type to choose, you can post for both and mention that fact in the narrative.

You cannot add a service type to a certified FCC Form 470 – see the January 26 SL News Brief for more information.

- **Did I make a cardinal change to my project or services?**

In general, you should post a new FCC Form 470 if you make one or more significant changes that are outside the scope of your original project or service requests ("cardinal changes"). In some cases, you can explain those changes by posting a new RFP document to an existing form, but you will have to start a new 28-day waiting period and count the days yourself. Again, see the January 26 SL News Brief for more information.

- **Have I issued or do I intend to issue an RFP document even though I did not attach one to my original certified FCC Form 470?**

If so, you must post a new FCC Form 470 and attach the RFP document to that form. As a reminder, an "RFP document" is not necessarily a formal competitive bidding document, but rather it is any document you issue as part of the competitive bidding process that describes your project and/or requested services in more detail than in the fields provided on the FCC Form 470.

- **Do I intend to disqualify bids that do not meet certain requirements?**

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.

Here are some additional considerations:

Receiving one bid – or no bids

If you receive only one bid – or no bids – you can keep your competitive bidding process open and solicit bids, and then review and evaluate any bids you receive as a result. We suggest that you send yourself an email or write a memo to the file noting that you received only one bid or did not receive any bids in case questions come up later (e.g., during a review or an audit). Even if you receive only one bid, the bid must still be cost-effective.

If you have a current service provider for your recurring services and that service provider has not submitted a bid, you can use a recent customer bill from that service provider as a bid response. You should ask for an email or other documentation from that service provider that they intend to continue to provide services to you at their current rates (or note any changes to those services or those rates) that you can retain as documentation.

Evaluating the bids you receive

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.

- **Remember that you must always include the price of the eligible products and services as the primary factor, and that factor must be weighted more heavily than any other single factor in your evaluation.**

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. The USAC website features a sample bid evaluation matrix you can use as a guide.

Conducting a mini-bid

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. If you are eligible to purchase from such a state contract, you can cite the state-posted FCC Form 470 on the appropriate funding request(s) on your 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, you must conduct a bid evaluation for all service providers able to provide services to you under those contracts. We call this evaluation process a "mini-bid." To conduct a mini-bid, determine the factors to use for your evaluation – with the price of the eligible products and services as the most heavily-weighted factor – score the bids appropriately, and choose the most cost-effective solution.

- You do not need to post an FCC Form 470 to conduct a mini-bid. However, you must retain documentation providing evidence of the mini-bid evaluation process and the service provider selection. You can use a bid evaluation matrix for this purpose as described above.
- You do 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 your 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.** Recurring services such as monthly internet access may not require a contract. If you do not sign a contract, you must post an FCC Form 470 and open a competitive bidding process for these services each year.
- **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

All applicants and service providers are required to retain receipt and delivery records relating to pre-bidding, bidding, contracts, application process, invoices, provision of services, and other matters relating to the administration of universal service for a period of at least ten years after the latter of the last day of the applicable funding year or the 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, and any RFP documents.
- Questions from potential bidders and your answers.
- Copies of winning **and losing** bids (including disqualified bids).
- The final bid evaluation matrix (or matrices, if you have multiple reviewers) and any supporting documentation.

- If there is a restriction that prevents services and costs from being made public, a copy of the precise cite to the law, statue, local rule, or court order identifying the restriction.
- The contract, if one is signed.

Back