E-RATE PROGRAM APPLICATION PROCESS, PART 1
E-RATE PROGRAM TRIBAL APPLICANT TRAINING
2016
AGENDA

- Competitive Bidding
  - About competitive bidding
  - Open competitive bidding (FCC Form 470)
  - Evaluate and select a vendor

- Requesting E-rate discounts
  - Application form (FCC Form 471)
  - Deadlines

- Document Retention
## Competitive Bidding

<table>
<thead>
<tr>
<th>Step</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Select a Service Provider</strong></td>
<td>Sign a contract or arrange for tariffed or month-to-month services</td>
</tr>
<tr>
<td><strong>Request services by submitting</strong></td>
<td>FCC Form 470 for bids</td>
</tr>
<tr>
<td><strong>Evaluate bids received</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Wait at least 28 days</strong></td>
<td>The competitive bidding process must be open for at least 28 days</td>
</tr>
</tbody>
</table>

## Applying for Discounts

<table>
<thead>
<tr>
<th>Step</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Seek discounts for services by</strong></td>
<td>Submitting FCC Form 471 within the filing window</td>
</tr>
<tr>
<td><strong>Program Integrity Assurance (PIA)</strong></td>
<td>Review</td>
</tr>
</tbody>
</table>

## Services Start

<table>
<thead>
<tr>
<th>Step</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Confirm to USAC that services</strong></td>
<td>Have started and report CIPA status by submitting FCC Form 486*</td>
</tr>
</tbody>
</table>

## Invoicing

<table>
<thead>
<tr>
<th>Method #1</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Submit FCC Form 498</strong></td>
<td>To receive an applicant 498 ID for direct BEAR payments</td>
</tr>
<tr>
<td><strong>Reimbursement from USAC</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Completing Invoice Review**

- Correct errors and resubmit forms if necessary.

**Method #2**

- If requesting reimbursement from USAC for approved discounts provided on services, submit FCC Form 474 (SPI)
COMPETITIVE BIDDING
E-RATE PROGRAM APPLICATION PROCESS, PART 1
COMPETITIVE BIDDING

START BY OPENING COMPETITIVE BIDDING

- Request services by submitting FCC Form 470 for bids
- Evaluate bids received
- Seek discounts for services by submitting FCC Form 471 within the filing window
- Determine invoice method: During this time, work together to choose an invoicing method (BEAR or TIP)
- Wait at least 28 days: The competitive bidding process must be open for at least 28 days

SELECT A SERVICE PROVIDER
Sign a contract or arrange for stranded or month-to-month services

APPLYING FOR DISCOUNTS
COMPETITIVE BIDDING

WHAT IS COMPETITIVE BIDDING?

• Competitive bidding is a formal process to identify the products/services you need, and allow vendors to submit bids to provide them

• The goal is to attract as many bidders as possible, so you can receive better service and a lower price

• Ensures a low cost and good value for E-rate participants

• For E-rate, you also need to remain fair and open
  – All vendors must have an equal opportunity to win you as a customer
COMPETITIVE BIDDING

HOW COMPETITIVE BIDDING WORKS

1. Describe your requirements and needs to potential E-rate vendors
   • Using FCC Form 470

2. Vendors read your requirements and bid to provide them at the best price possible
   • Give them at least 28 days to review and respond

3. Compare the offers you received from vendors

4. Select the best value
COMPETITIVE BIDDING

28-DAY REQUIREMENT

You are required to wait at least 28 days while service providers review and respond to your requirements.

Only after the 28-day period, you can:

1. Evaluate the bids you received
2. Choose your service provider(s)
3. Sign a contract or any other legally binding agreement
4. Request discounts (using FCC Form 471)
COMPETITIVE BIDDING

OPEN AND FAIR PROCESS

• The competitive bidding process must be open and fair
  • "Open" means there are no secrets in the process
    – Information shared with one bidder must be shared with all

• "Fair" means that all bidders are treated the same
  – Bidders must be evaluated fairly and equally

• Note: When tribes contain both a service provider and an applicant, requirements such as separation of staff, finances and procurement is key for program compliance
### COMPETITIVE BIDDING

### SET YOUR EVALUATION CRITERIA IN ADVANCE

Use a chart like this to fairly evaluate responses from potential vendors. **Price must be the most heavily weighted factor.**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Points Available</th>
<th>Vendor 1</th>
<th>Vendor 2</th>
<th>Vendor 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price of the ELIGIBLE products and services</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior experience w/vendor</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prices for ineligible services, products and fees</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexible Invoicing: FCC Forms 472 or 474</td>
<td>15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local or in-state vendor</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
QUICK QUIZ!
COMPETITIVE BIDDING
QUESTIONS?
COMPETITIVE BIDDING
OPEN COMPETITIVE BIDDING (FCC FORM 470)
E-RATE PROGRAM APPLICATION PROCESS, PART 1
• Open competitive bidding with FCC Form 470
OPEN COMPETITIVE BIDDING (FCC FORM 470)

ABOUT FCC FORM 470

• FCC Form 470 is the “Description of services requested and certification form”
  – First form in the application process
• List the types and quantities of services that you need
• Submit it in the fall, winter, or spring before the funding year starts
  – And at least 28 days before filing FCC Form 471
OPEN COMPETITIVE BIDDING (FCC FORM 470)

FCC FORM 470 REQUIREMENTS

- Describe your desired products and services
  - Use enough detail so potential vendors can submit bid responses
- Only an authorized representative of the applicant can prepare, sign or submit the FCC Form 470
- Be ready to accept bids from potential vendors once you submit FCC Form 470
OPEN COMPETITIVE BIDDING (FCC FORM 470)

HOW WE USE FCC FORM 470

• FCC Form 470 opens the 28-day competitive bidding process
• USAC posts your FCC Form 470 to the public
  – Potential vendors review your form and submit bids to provide the service
• Sets your allowable vendor selection/contract date (ACD)
  – Find it on your FCC Form 470 confirmation
OPEN COMPETITIVE BIDDING (FCC FORM 470)

FCC FORM 470 EXEMPTIONS

• Not everyone is required to file an FCC Form 470

• High-speed Internet under $3,600
  – No FCC Form 470 needed for commercially available Internet access if it has a minimum 100 Mbps download / 10 Mbps upload and the pre-discount price is $3,600 or less annually (including any one-time charges)

• Multi-year contracts
  – No annual FCC Form 470 needed if the costs/services are still within the scope of the establishing FCC Form 470 and contract
QUICK QUIZ!
OPEN COMPETITIVE BIDDING (FCC FORM 470)
QUESTIONS?
OPEN COMPETITIVE BIDDING (FCC FORM 470)
SELECT A VENDOR

E-RATE PROGRAM APPLICATION PROCESS, PART 1
SELECT A VENDOR

NEXT, EVALUATE THE BIDS YOU RECEIVED

COMPETITIVE BIDDING

WAIT AT LEAST 28 DAYS
The competitive bidding process must be open for at least 28 days

YOU ARE HERE

Request services by submitting FCC Form 470 for bids

SELECT A SERVICE PROVIDER
Sign a contract or arrange for tariffed or month-to-month services

Evaluate bids received

APPLYING FOR DISCOUNTS

Seek discounts for services by submitting FCC Form 471 within the filing window

DETERMINE INVOICE METHOD
During this time, work together to choose an invoicing method: BEAR or TPI
SELECT A VENDOR

EVALUATION CRITERIA

• Evaluation criteria is a list of features you’re interested in
  – Create a weighted report card in advance to evaluate responses from potential vendors

• The right service at the best price
  – Price must be the most heavily weighted evaluation factor
  – Include other factors like service level, experience, and reputation
## EXAMPLE: BID EVALUATION MATRIX

Here is the same chart we mentioned before, filled in with evaluations of the responses from potential vendors. Vendor #3 wins.

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<td>Prior experience w/vendor</td>
<td>20</td>
<td>20</td>
<td>0</td>
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<td>15</td>
<td>0</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Local or in-state vendor</td>
<td>10</td>
<td>10</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100</strong></td>
<td><strong>65</strong></td>
<td><strong>68</strong></td>
<td><strong>92</strong></td>
</tr>
</tbody>
</table>
SELECT A VENDOR

ZERO BIDS AND ONE BID

• If you receive only one bid, and it is cost-effective,
  – You may accept it
  – Document it with a memo or email for your records

• If you did not receive any bids, you can solicit bids
  – Reach out to vendors in the area
  – Ask your current service provider to submit a bid in response to your FCC Form 470
SELECT A VENDOR

SELECT THE BEST VALUE

• Sign a contract with the vendor that provides the best value to your organization
  – “Cost effectiveness” is a requirement
  – Best value ≠ cheapest

• Keep copies of all competitive bidding documentation!
QUICK QUIZ!
SELECT A VENDOR
QUESTIONS?
SELECT A VENDOR
REQUEST DISCOUNTS (FCC FORM 471)
E-RATE PROGRAM APPLICATION PROCESS, PART 1
REQUEST DISCOUNTS (FCC FORM 471)

NEXT, APPLY FOR DISCOUNTS

- **Competitive Bidding**
  - Select a service provider
    - Sign a contract or arrange for tariffed or month-to-month services
  - Request services by submitting FCC Form 470 for bids
  - Evaluate bids received
    - Wait at least 28 days
      - The competitive bidding process must be open for at least 28 days

- **Applying for Discounts**
  - Seek discounts for services by submitting FCC Form 471 within the filing window
  - Determine invoice method
    - During this time, work together to choose an invoicing method:
      - BEAR or SPI
REQUEST DISCOUNTS (FCC FORM 471)

ABOUT FCC FORM 471

- FCC Form 471 is the “Description of services ordered and certification form”
- Second form in the application process
  - Or first, if you have a competitive bidding exemption
- Submit FCC Form 471 during the “filing window”
  - Varies by year; usually February – April
  - And at least 28 days after filing FCC Form 470
REQUEST DISCOUNTS (FCC FORM 471)

ON FCC FORM 471, TELL US…

- The services you’re requesting funding for
- The service provider(s) you selected
- The schools/libraries/etc. who are using the service
- Your discount level (calculated automatically)
- Your current connectivity speed
REQUEST DISCOUNTS (FCC FORM 471)

STRUCTURE OF A FUNDING REQUEST

FCC Form 471
File one per category of service (CATEGORY ONE, CATEGORY TWO)

Funding Request
- List of products/services and their price
- Each FCC Form 471 can include several funding requests
- One per service type, service provider, Form 470 used, and type of purchase agreement (contract, month-to-month)
- Identified by its FRN (Funding Request Number)

FRN line item
Details about each specific product and service
REQUEST DISCOUNTS (FCC FORM 471)

OTHER NOTES…

- FCC Form 471 is a highly technical form
  - USAC recommends asking your service provider for help completing the form
- SPIN = Service Provider Identification Number
  - Your vendor will have one
- Codes to include on your application
  - NCES (schools): National Center for Education Statistics
  - FSCS (libraries): Federal-State Cooperative System
  - Locale code (libraries): Institute for Museum and Library Services
DEADLINES
E-RATE PROGRAM APPLICATION PROCESS, PART 1
DEADLINES

APPLICATION DEADLINES

- FCC Form 470 – open competitive bidding
  - Available now!
  - Post at least 28 days before filing FCC Form 471*
  - USAC recommends filing in winter or early spring

- FCC Form 471 – request discounts
  - Available only during the “application filing window”
  - Exact dates vary but are usually January to March, and announced on our website ahead of time
  - Post no later than 11:59 PM EDT on the last day of the “application filing window”

* Keeping in mind the last date of the FCC Form 471 filing window!
QUICK QUIZ!
DEADLINES
QUESTIONS?
DEADLINES
DOCUMENT RETENTION
E-RATE PROGRAM APPLICATION PROCESS, PART 1
Document Retention

Keep all documentation for **10 years** from the last date of service

- If multi-year: 10 years after contract expires

Keep all receipt and delivery records for:

- Pre-bidding
- Competitive bidding
- Contracts
- The numbers cited on your application
- Invoices
- All other program matters
QUESTIONS?
DOCUMENT RETENTION
WHAT’S NEXT
E-RATE PROGRAM APPLICATION PROCESS, PART 1
WHAT’S NEXT

AFTER FILING FCC FORM 471…

• An application reviewer may contact you with questions about your form
  – Respond within 15 days
• You’ll receive a letter with a decision about your funding
  – FCDL = Funding Commitment Decision Letter
  – Shows approved and denied funding
Some applicants mistakenly think that the application process is over when they get a funding commitment. **IT’S NOT!**

**You still need to:**

- Notify USAC when your services start (USE FCC FORM 486)
- Invoice USAC to receive payment (CHOOSE FROM TWO INVOICING OPTIONS AND USE FCC FORM 472 OR 474)
- Keep documentation for 10 years
WHAT’S NEXT

In the next presentation, “E-rate Program Application Process, Part 2” we’ll cover the rest of the process.

<table>
<thead>
<tr>
<th>COMPETITIVE BIDDING</th>
<th>APPLYING FOR DISCOUNTS</th>
<th>SERVICES START</th>
<th>INVOICING</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Confirm to USAC that services have started and report CIPA status by submitting FCC Form 486*</td>
<td>Submit FCC Form 472 (BEAR)</td>
</tr>
</tbody>
</table>
THANK YOU!

E-RATE PROGRAM APPLICATION PROCESS, PART 1
LUNCH

NEXT PRESENTATION: E-RATE PROGRAM APPLICATION PROCESS, PART 2

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