

# **Filing the FCC Form 470 and the Competitive Bidding Process**

Applicant and Service Provider Training

July 27, 2023



Universal Service  
Administrative Co.

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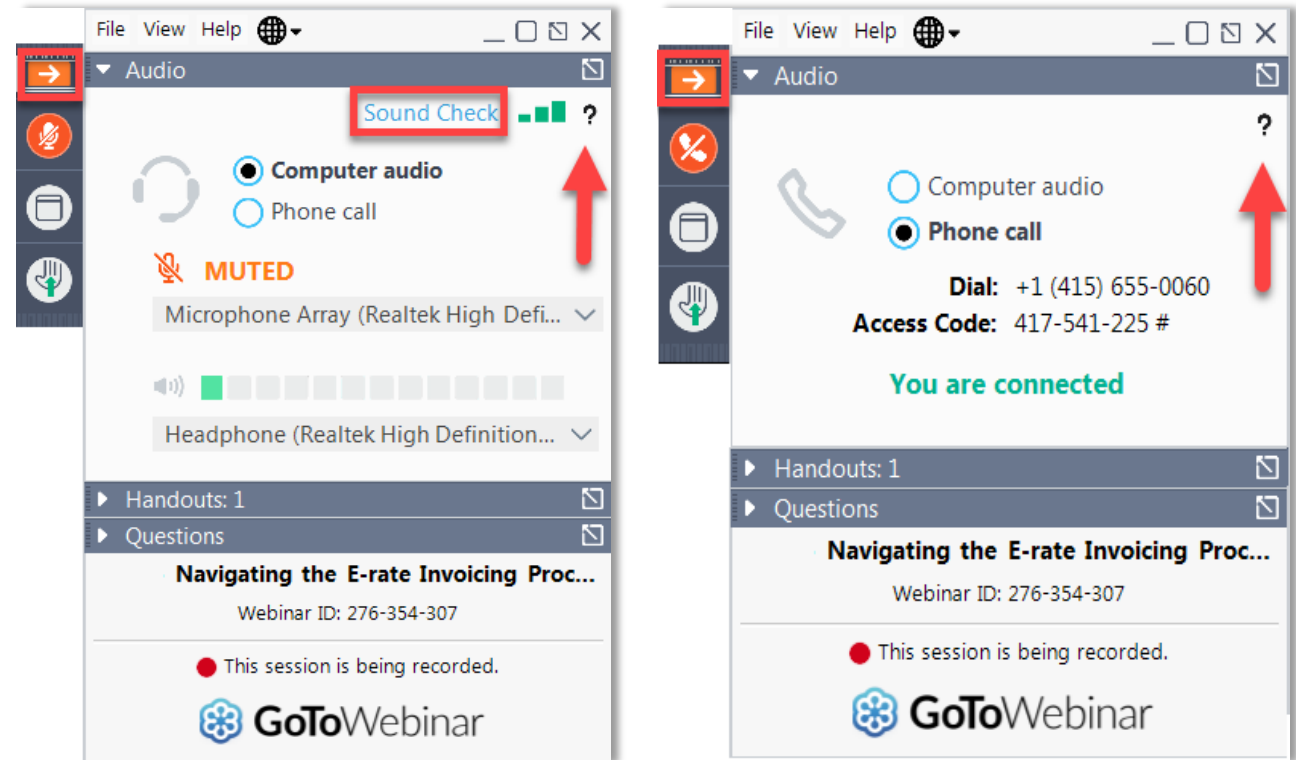
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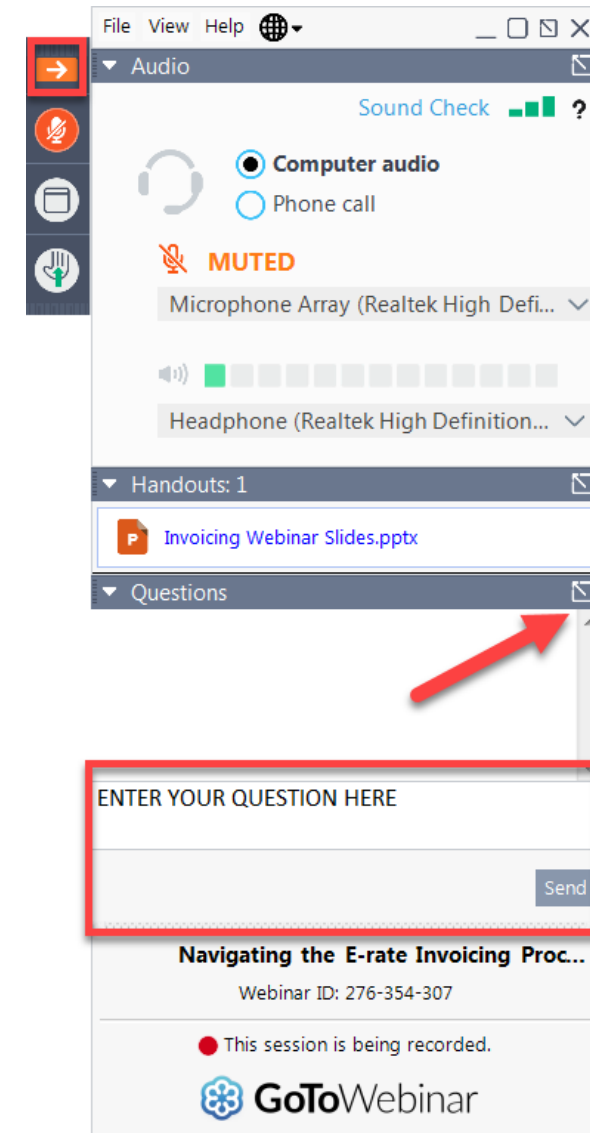
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  - Write in full sentences.
  - Ask one question at a time.
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# MEET OUR TEAM



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# Agenda

- Competitive Bidding Overview
- Applicant Steps
  - Get Ready to Request Bids
  - File and certify an FCC Form 470
  - Ensure an Open and Fair Process
  - Wait At Least 28 Days
  - Select a Service Provider
- The Service Provider's Role
- Questions and Answers



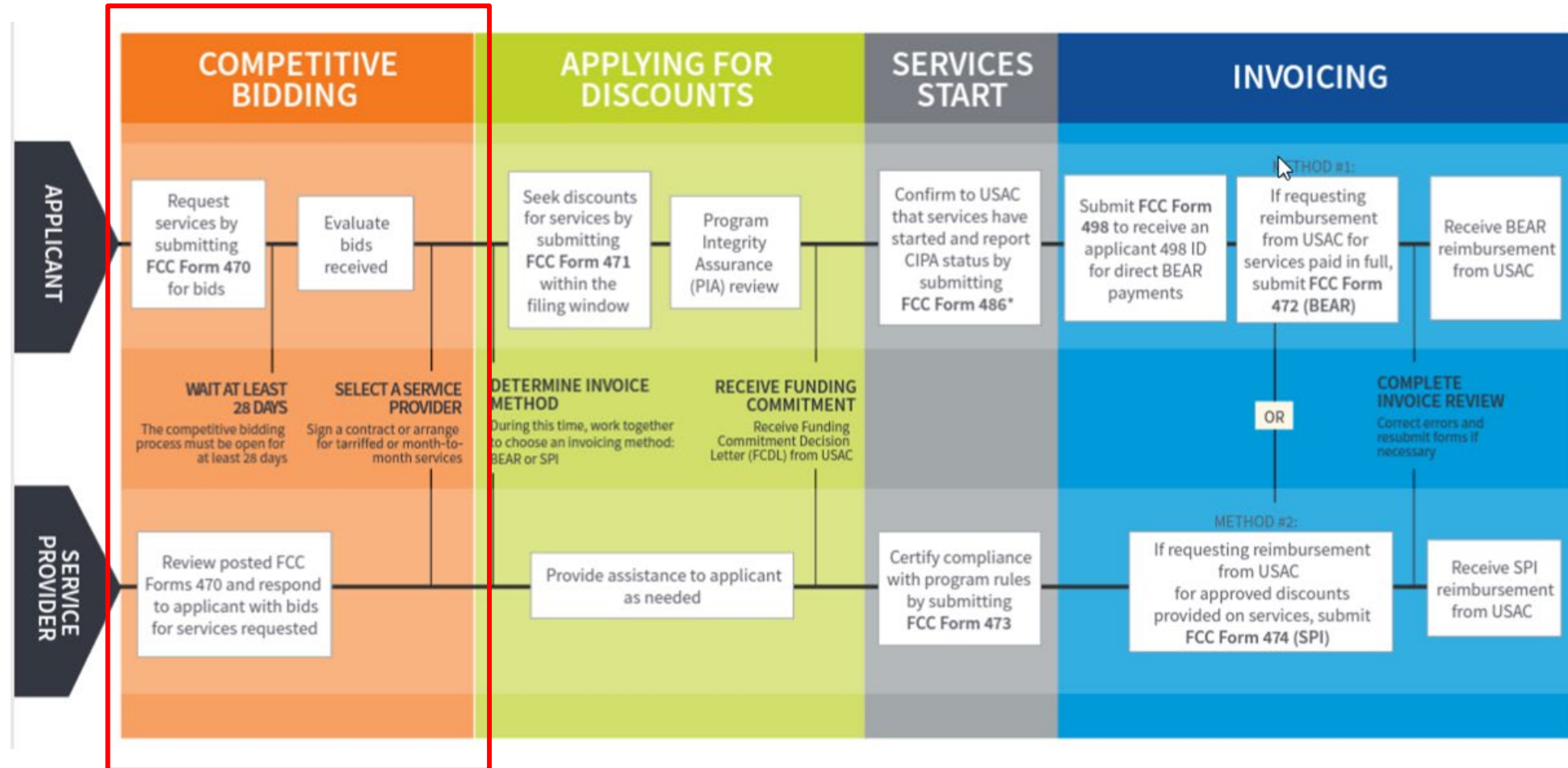
# Competitive Bidding Overview

# What Is Competitive Bidding?

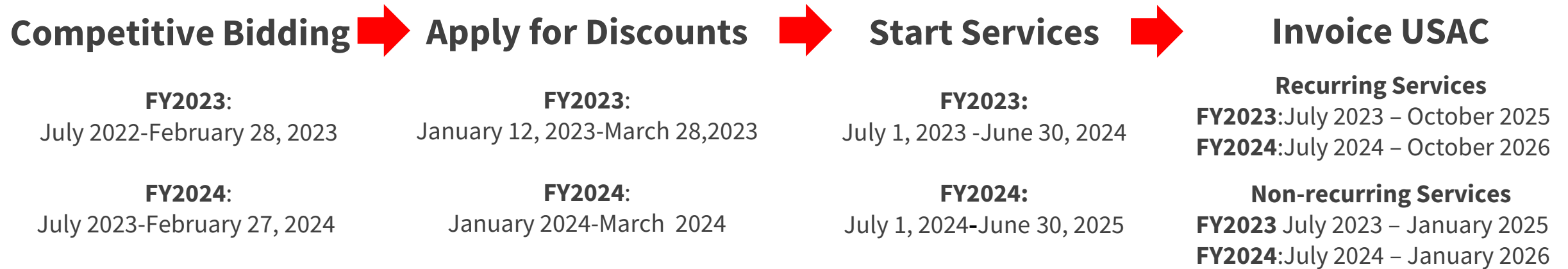
- Competitive bidding is the formal process for applicants to choose the vendors/service providers who will provide the requested products and services.
- Service providers review an applicant's FCC Form 470 for requested products and services, any procurement requirements and then submit bids.



# Competitive Bidding Is The First Step In The E-Rate Application Process



# Applicant Forms and Important Dates Reminder



**470**

**471**

**486**

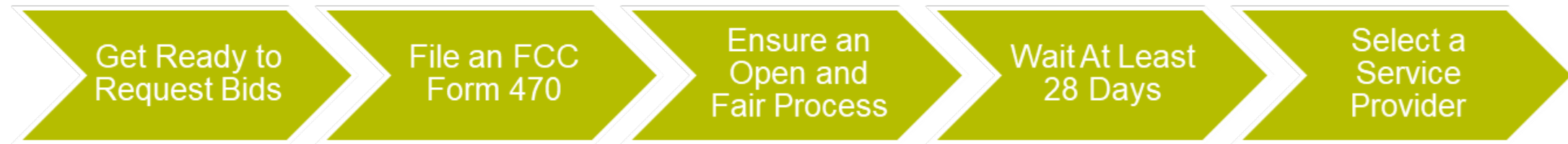
**472**  
(BEAR)

OR

**474**  
(SPI)

\* Date ranges shown reflect a typical timeline but are subject to change.\*

# Competitive Bidding Steps



# **Get Ready to Request Bids**

# Plan Your Project

Plan the scope of your project and the products and services needed.

- Review any state or local competitive bidding and procurement (purchasing) requirements that apply to you.
- Review the [FCC Form 470 Guiding Statements Table](#) to assist with determining the services needed and being requested.
- Review the [Eligible Services List \(ESL\)](#) for the current funding year, to see what products and services are eligible for E-Rate Program funding.



# Be Aware Of “Mixed Eligibility” Products/Services

- **Mixed eligibility** refers to products and services for which only a portion is eligible for discounts under the E-Rate program.
- In general, a [cost allocation](#), separating the eligible and ineligible costs, is required if a product or service:
  - Contains both eligible and ineligible components — for example, a data T1 circuit (eligible) that also has channels on the circuit dedicated to voice services (ineligible);
  - Is utilized for eligible and ineligible uses — for example, a server that is used for both caching (eligible) and video distribution (ineligible); or
  - Is delivered to both [eligible and ineligible locations](#) — for example, broadband service delivered to a school run by a church (eligible) and to the church office (ineligible).
- There is no single approved method to allocate eligible and ineligible costs. Your method must use tangible criteria that result in a reasonable allocation.

# **File and Certify an FCC Form 470**

# File an FCC Form 470

- The applicant must file and certify an **FCC Form 470** to initiate the competitive bidding process.
  - Describe your desired services and requirements with sufficient specificity for service providers to be able to submit responsive bids.
  - No generic descriptions (e.g., all Digital Transmission Services).
  - You may also include additional bidding documentation, such as a [Request for Proposal](#) (RFP) with your FCC Form 470.
    - We use “RFP” generically to refer to any bidding document that describes the applicant’s project and requested services or products in more detail.
  - Services requested on the FCC Form 470 and RFP MUST match.

# When to File the FCC Form 470

- The FCC Form 470 must be filed every year for services provided under **tariff** or on a **month-to-month** basis and those seeking new services under contract.
- It must be filed **at least** 28 days before filing FCC Form 471.
- Exemptions:
  - **Multi-year contracts:** You **do not** need to file a new FCC Form 470 if the contract is still in effect and the costs/services are still within the terms of the establishing FCC Form 470 (but you do still need to file a new FCC Form 471 requesting E-Rate support each funding year).
    - After the contract's initial term is over, you would need to recompet the contract.
  - **Low-cost, high-speed, commercially available, business-class internet services** (CABIO) (with specific requirements).

# Receipt Notification Letter (RNL)

- After posting FCC Form 470, USAC issues a Receipt Notification Letter (RNL) in your EPC News feed.
- **Review your submitted FCC Form 470 carefully.** If you need to make corrections do the following:
  - For minor changes, (see the [Ministerial and Clerical Errors](#) page on the E-Rate website) locate the form in EPC and choose “Related Actions” to submit [allowable corrections](#).
  - For **certain significant changes** to your form, you must **file a new FCC Form 470 or restart your 28-day waiting period**.
- The Receipt Notification Letter contains your Allowable Contract Date, which is 28 days after the certification date of your FCC Form 470.

# Keep Product/Service Requests General

- Do not list specific make and model of products or services sought without also allowing equivalent products and/or services to be bid.
  - “XYZ manufacturer's router model 345J **or equivalent**”
  - EPC will automatically add the “**or equivalent**” language in the FCC Form 470, but remember to double check your RFP, if using one.

# Disqualification Factors

- You can disqualify bids if they don't meet the requirements. Bidder disqualification criteria must:
  - Be spelled out in FCC Form 470 and/or RFP and
  - Be available to all potential bidders. IS
- The following items are examples of bid disqualification reasons:
  - Service provider not register with the state procurement office.
  - Service provider does not have a Service Provider Identification Number (SPIN), also known as the [service provider's 498 ID](#).
  - Service provider does not must have a CORES ID.
  - Service provider is not bonded.



## Competitive Bidding Tip

When unsure whether a service falls under one of two service types, it's better to request bids for **both** service types.

- For example, if you are unsure whether a service or product falls under Internal Connections or BMIC, seek bids for both.



# **Ensure an Open and Fair Process**

# Open and Fair

- **Open** = there are no secrets in the process; information shared with one bidder must be shared with all.
- **Fair** = all bidders are treated the same, fairly, and equally.



# Open and Fair Guidelines

- All applicants must comply with all E-Rate, state, and local procurement requirements.
- Applicants cannot have a relationship with service providers that would unfairly influence the outcome of the competitive bidding process.
- Applicants cannot give anyone inside competitive information.
- Applicants cannot have ownership interest in the company of a service provider's which is competing for services.
- Applicants **must** describe the desired products and services with sufficient specificity to enable interested parties to bid.
- Applicants cannot receive gifts or donations from service providers that violate or seek to circumvent FCC rules.
- Applicants **are not** required to show “proof” of E-Rate participation or share their bid evaluation information with any service provider.

# Create A Bid Evaluation Matrix

- To evaluate incoming bids, create a [bid evaluation matrix](#) or similar document.
- Develop evaluation criteria or factors to assess the bids.
  - You can have one or multiple factors.
  - You may also have disqualifying factors.
- Assign each evaluation factor a point value or percentage.
  - The price of the **eligible products and services** must be the most heavily weighted factor.
  - Other factors can be considered but they must be weighted less than price of eligible products and services.

# Sample Bid Evaluation Matrix

FACTOR	POINTS AVAILABLE	VENDOR 1	VENDOR 2	VENDOR 3
Price of the eligible products and services	50*	20	50	40
Prior experience with the vendor	25	25	0	25
Prices for ineligible services, products, and fees	15	10	5	15
Local or in-state vendor	10	10	0	0
<b>TOTAL</b>	100	65	55	80

\*This number must be higher than all other numbers in the same column.

# Abide by the Gift Rules

- [Receipt or solicitation of gifts](#) by applicants from service providers (and vice versa) is a competitive bidding violation.
- Service providers may not offer or provide any gifts or thing of value to applicant personnel involved in E-rate.
- Gift prohibitions are always applicable, not just during the competitive bidding process.
- Exceptions for gifts - limited to items worth \$20 or less, including meals or prizes, and cannot exceed \$50 from one service provider to each individual per funding year.
- Watch our [Gift Rules video](#) for more details on the gift rules.



**Wait At Least 28 Days**

# Wait At Least 28 Days

- An FCC Form 470 must have been **certified** for at least 28 days prior to the applicant selecting a service provider, **on or after the 29<sup>th</sup> day**.
  - Any RFP or other documentation must be submitted with the FCC Form 470.
- The day you certify counts as Day 1. For example, if you file an FCC Form 470 and certify it on September 1, you may not select a service provider until **on or after** September 29.
  - In this case, September 29th is known as the **allowable contract date** (ACD).
  - The ACD is contained within your Receipt Notification Letter.

# While You Wait

- After applicants file and certify their FCC Form 470, they must wait a minimum of 28 days before selecting a service provider.
- Use the 28-day waiting period to:
  - Receive bids.
  - Respond to service provider inquiries regarding your project.
    - Be sure that any information provided to one service provider is provided to all bidders.
  - Evaluate the bids using your factors and bid evaluation matrix.

# Next Steps After The 28-Day Waiting Period



- The **Allowable Contract Date** occurs at the end of the 28-day waiting period. This is the earliest date on which an applicant can select a service provider and sign a contract for services or enter into an arrangement for tariffed or month-to-month services with a service provider.

# What If You Receive No Bids?

- If applicants receive no bids or only one bid, they can:
  - Proactively solicit bids after waiting the 28 days.
  - Ask their current provider to submit a bid.
  - Accept the one bid, if it is cost effective.
- Be sure to create a memo for your E-Rate files to document the situation.



# Select A Service Provider

# Allowable Contract Date

- Wait 28 days
- Evaluate all bids
- Make your selection on or after the 29<sup>th</sup> day
- Sign your contract

Note – Your Allowable Contract Date is printed on your Receipt Notification Letter



# Enter into a legally binding agreement

- After selecting a service provider, legally enter into a binding agreement with them.
  - Sign something (a contract, purchase order, etc.) requesting the services from the provider(s).
  - Upload the evidence to your Contract Profile in EPC.

# Document Retention

- Applicants and service providers are required to maintain documentation that demonstrates compliance with the statutory or regulatory requirements for all E-Rate program purchases of service and equipment for a period of 10 years after the latter of the last day of the applicable funding year or the service delivery deadline for the funding request.
- Keep all records such as:
  - Copies of RFP and/or RFP documents
  - Winning and losing bids
  - Vendor correspondence
  - Evaluation matrices
  - Documentation/memos of zero or one bid received (if applicable)
  - Other competitive bidding documentation
- The [Document Retention List](#) is available in the Resources section of the USAC website.

# **Additional Information**

# Exemptions from Competitive Bidding

- **Commercially Available Business class Internet (CABIO)**
  - Costs \$3,600 or less annually.
  - Bandwidth at least 100 down and 10 up (Mbps).
- **Multi-Year contract** – if you conduct a competitive bidding process and enter into a multi-year contract, you do not have to bid again for the life of the contract.

# USAC Does Not Pay For Duplicative Services

- **Duplicative services** are services that provide the same functionality for the same population in the same location during the same period of time. *USAC cannot fund duplicative services.*
- **Backup services** are services sought to reduce reliance on any single service provider's network during an outage and are considered duplicative.
- Services that provide necessary bandwidth requirements, such as multiple T-1 lines when appropriate for the population served and the services to be received, may not be considered duplicative. However, the applicant must still evaluate and choose the most cost-effective option from the bids received.

# State Master Contracts

- A [state master contract](#) (SMC) is competitively bid and put in place by a state government for use by entities in that state.
  - **Single winner:** Single vendor wins the bid.
  - **Multiple Award Schedule (MAS):** State awards contract for same goods and services to multiple vendors that can serve the same population.
    - **MAS** always requires vendor selection justification and applicants must conduct a **mini-bid** to award contract.
    - Remember to include in your mini-bid all contracts on the MAS that provide the services sought.

# Common Missteps and Bidding Errors

- Failure to provide **complete and accurate** information on the FCC Form 470 and RFP, such as:
  - Correct category and service type.
  - Appropriate details on the project, deadlines, and other necessary requirements.



# Common Missteps and Bidding Errors - Continued

- Failure to retain all competitive bidding documents.
  - Retain Bidding Matrix showing that:
    - Price was the most highly-weighted factor.
    - You carefully considered **all bids received**.
  - Retain winning and losing bids.
  - If you only received one bid, create a memo to document that fact for your files.





# Common Missteps and Bidding Errors - Continued

- Failure to wait the **full 28 days waiting period**.
  - Count from the date of certification on the FCC Form 470.
  - Select a service provider on or after **the 29th day** (Allowable Contract Date).



## Sample FCC Forms 470 & 471




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# Form Samples Overview and Discussion

- Sample Basic FCC Form 470 & 471 (Developed for Discussion Only)
- Shows what a completed form could look like utilizing common examples:
  - Internet access services
  - Internal connections like routers, wireless access points, and equipment needs within the library for wireless internet access
  - Basic maintenance of the new internal connections equipment that they may be requesting (routers, WAPs, etc.); and
  - Managed internet broadband service (MIBS).

# Sample 1: FCC Form 470

- Download [Sample 1](#) (PDF; 4 pages)
- For Identification Purposes
  - Header:
    - FCC Form 470 – Funding Year 2022
  - Sub-header:
    - Form 470 Application Number: 220000309
    - ex: internet access and access points
- Developed for Training Purposes Only

 <b>Universal Service Administrative Co.</b>			
<b>FCC Form 470 – Funding Year 2022</b>			
Form 470 Application Number: 220000309 ex: internet access and access points			
<b><u>Billed Entity</u></b> Independent Library 18 1112 East Ave Queens, VA 64183 Bedford 111-111-1112		<b><u>Contact Information</u></b> Independent Library Admin 18 ind_lib_18_aa@testmail.usac.org 111-111-1111 ext.14	
<b>Billed Entity Number:</b> 20327 <b>FCC Registration Number:</b> 2234567890		<b>Number of Eligible Entities:</b> 1	
<b><u>Application Type</u></b> Applicant Type: Library Recipients of Services: Main Branch; Public Library; Tribal Library			
<b><u>Consulting Firms</u></b>			
<b>Name</b>	<b>Consultant Registration Number</b>	<b>Phone Number</b>	<b>Email</b>
<b><u>Consultants</u></b>			
<b>Name</b>	<b>Phone Number</b>	<b>Email</b>	
<b><u>RFPs</u></b>			

# Sample 2: FCC Form 471 (Category 1)

- Download [Sample 2](#) (PDF; 7 pages)
- For Identification Purposes
  - Header: Description of Services Ordered and Certification Form 471
  - Application Number: 221000083
  - Category of Service: Category 1
- Developed for Training Purposes Only

OMB 3060-0806  
FCC Form 471

Approval by OMB  
December 2018



**Description of Services Ordered and Certification Form 471**

Universal Service  
Administrative Co.

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**FCC Form 471**

Application Information

**Nickname**      ex: internet access

**Funding Year**      2022

**Application Number**      221000083

**Category of Service**      Category 1

Billed Entity

Independent Library 18  
1112 East Ave Queens VA 64183  
111-111-1112

Contact Information

Independent Library Admin 18  
111-111-1111  
ind\_lib\_18\_aa@testmail.usac.org

**Billed Entity Number**      20327

**FCC Registration Number**      2234567890

**Applicant Type**      Library

Entity Information

Library Entity - Details

BEN	Name	FSCS Code	Urban/ Rural	Total Square Feet	School District Name	School District BEN	Library Attributes

# Sample 3: FCC Form 471 (Category 2)

- Download [Sample 3](#) (PDF; 7 pages)
- For Identification Purposes
  - Header: Description of Services Ordered and Certification Form 471
  - Application Number: 221000084
  - **Category of Service:** Category 2
- Developed for Training Purposes Only

OMB 3060-0806 FCC Form 471		Approval by OMB December 2018	
 <b>Description of Services Ordered and Certification Form 471</b> Universal Service Administrative Co.			
<b>FCC Form 471</b>			
<u>Application Information</u>			
Nickname	ex: access points	Application Number	221000084
Funding Year	2022	Category of Service	Category 2
<u>Billed Entity</u>		<u>Contact Information</u>	
Independent Library 18 1112 East Ave Queens VA 64183 111-111-1112		Independent Library Admin 18 111-111-1111 ind_lib_18_aa@testmail.usac.org	
Billed Entity Number	20327		
FCC Registration Number	2234567890		
Applicant Type	Library		
<u>Entity Information</u>			
<u>Library Entity - Details</u>			

# **The Service Provider's Role**

# Know Your Role in the E-Rate Process

Applicants	Service Providers
<ul style="list-style-type: none"><li>• Determine services needed, file FCC Form 470.</li><li>• Conduct the competitive bidding process.</li><li>• Select winning bidder, with price of eligible products and services as primary factor.</li><li>• Respond to PIA questions.</li><li>• File other applicant forms (FCC Forms 471, 486, 472, 500, etc.).</li><li>• Document compliance with FCC rules (ongoing).</li><li>• Retain documentation for at least ten years from last date of service delivery.</li></ul>	<ul style="list-style-type: none"><li>• Respond to FCC Form 470 and any RFP.</li><li>• May assist with responding to PIA questions on technical services questions (but <b>not competitive bidding</b>).</li><li>• File service provider forms (FCC Forms 473, 474, etc.).</li><li>• Document your compliance with FCC rules (ongoing).</li><li>• Retain documentation for at least ten years from last date of service delivery.</li></ul>



# Open and Fair Guidelines: Service Providers

- **Review all of the requirements** included in the FCC Form 470 and any Request For Proposal (RFP) documents to ensure that your bid is responsive.
- Ask questions if the information provided by the applicant is unclear.
- Separate the **eligible, mixed bucket,** and **ineligible** services in your bid response.
- **Do not offer to help** an applicant if you are also planning to submit a bid.

# Service Provider Response

- Use [FCC Form 470 tools within Open Data](#) to search and view FCC Form 470 service requests and RFPs.
- RFP requests can include specific requirements for service providers to follow during the competitive bidding process.
- Provide a responsive bid.



# Lowest Corresponding Price (LCP)

- Service providers are required to offer applicants their services at the **lowest corresponding prices** charged to other similarly situated customers throughout their geographic service area.
- This rule ensures that applicants are not charged more than similarly situated non-residential customers for the same services because of E-rate participation.
- Exceptions can be made if the provider can show that they face significantly higher costs to serve this customer due to volume, mileage from facility, and/or length of contract.
- Applies to all service providers and for all service arrangements (tariff, month-to-month and contracted services).

# Resources

# THE COMPETITIVE BIDDING PROCESS

allows applicants to identify and request products and/or services so that potential service providers can review those requests and submit bids for them.



## The process consists of five steps:

- 1** Get Ready to File
  - Perform a needs assessment
  - Review your state and local procurement rules
  - Review the [Eligible Services List](#)
- 2** [File and certify an FCC Form 470](#)
  - No service provider who will bid on your 470 can help you file
  - You may or may not wish to file a Request for Proposal (RFP)
  - Note: Special rules apply for [Low Cost, High Speed Access](#) and [Fiber/Self-Provisioned Networks](#)
  - After you certify your FCC Form 470, USAC issues a Receipt Notification Letter (RNL)
- 3** Ensure an [open and fair process](#)
  - Provide any FCC Form 470, RFP and other information/updates in EPC for all potential bidders for at least 28 days
  - Utilize a [Bid Evaluation Matrix](#) with price of eligible services/equipment as the primary factor.
    - Consider all responsive bids
    - The Bid Evaluation Matrix is subject to [document retention](#) rules
  - Abide by the [Gift Rules](#)

- 4** Wait **at least 28 days** before selecting a service provider
  - The Allowable Contract Date (included in your RNL) is 28 days after the FCC Form 470 is **certified**
  - The day you **certify** the FCC Form 470 is day 1. If the FCC Form 470 is certified on the 1st of the month, you may select a service provider **on or after** the 29th of the month
    - If you later **change the information** needed to respond to the bid, you must restart the 28 days
    - If you issue an RFP on a later date, you must restart the 28 days
  - \* State or Local procurement rules may require a longer waiting period

- 5** [Select a service provider](#)
  - Prior to certifying the FCC Form 471 and after your allowable contract date
  - Ensure that price is the primary factor in your selection
  - Enter into a legally binding agreement
  - If there is a signed contract, upload it to EPC



Be sure to [retain all necessary documentation](#) related to your competitive bidding process for **ten years after the last day you receive services.**

For more information, visit us at the [Competitive Bidding webpage](#). If you have any questions, [contact us](#).

# Resources

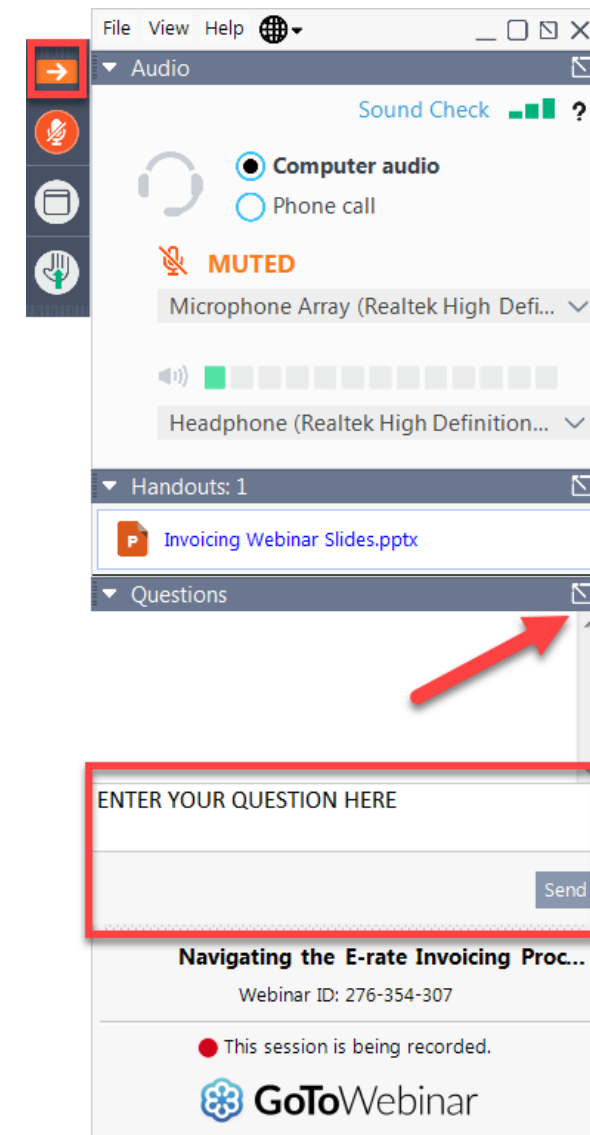
- [Get Started Page](#)
- [Applicant Process Page](#)
- [Service Provider Process Page](#)
- [Document Retention](#)
- [Learn Page](#)
- [Guiding Statements Video](#)

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  - Ask questions related to webinar content.





# Questions?

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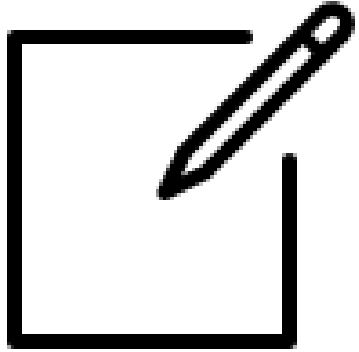
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- We want to hear about your webinar experience.
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- If you are not able to complete the survey today, one will be emailed to you within one to two business days.
- We appreciate your feedback!

**Thank You!**





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