



Schools and Libraries Cybersecurity Pilot Program – Service Providers

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Schools & Libraries Cybersecurity Pilot Program Overview

Pilot Program Overview

- The FCC established the three-year **Schools and Libraries Cybersecurity Pilot Program** to provide up to \$200 million in Universal Service Fund (USF) support to participating eligible schools, libraries, and consortia of eligible schools and libraries to defray the costs of eligible cybersecurity services and equipment
- The Pilot Program will evaluate the effectiveness of using USF funding to support cybersecurity services and equipment to protect school and library broadband networks and data

Pilot Program Eligibility

- Schools, libraries, and consortia of schools and libraries that are eligible for support under the [E-Rate program](#) can participate in the Pilot Program
- Prior or current E-Rate participation is not a requirement to be eligible to apply for the Pilot Program
- Service providers cannot apply for the Pilot Program on behalf of a school or library

Pilot Program Eligibility (Continued)

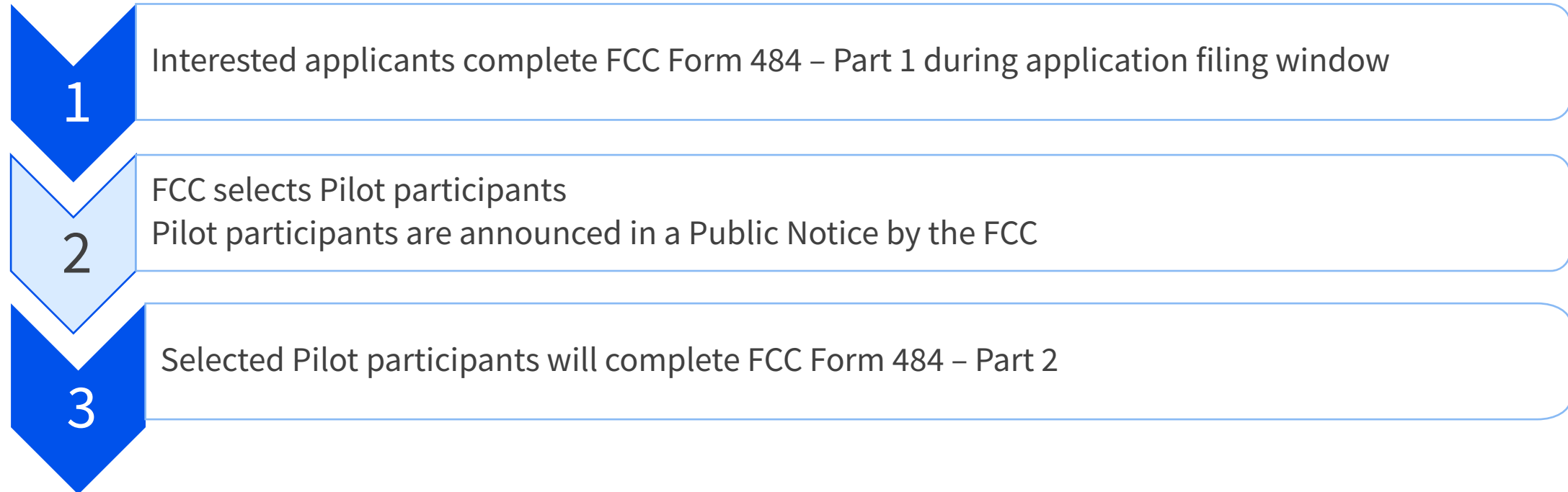
- Participants may seek reimbursement for a wide variety of cybersecurity services and equipment, subject to per-student/per-library budgets
- Four general categories of eligible services and equipment:
 - Advanced/next generation firewalls;
 - Endpoint protection;
 - Identity protection and authentication; and
 - Monitoring, detection and response
- The [Pilot Eligible Services List](#) (P-ESL) contains a non-exhaustive list of the types of services and equipment that are eligible for support

Pilot Program: Spending Rules

- Pilot Program expenses can be reimbursed as expenses are incurred, up to the overall funding commitment
- Invoices may not be submitted for reimbursement until after the receipt or delivery of Pilot-eligible services and equipment
- Pilot Program participants CANNOT be reimbursed for expenses incurred prior to the service start date of the Pilot Program

Pilot Program: Program Processes

Pilot Program Process



Pilot Program Process

1

Selected Pilot participants will conduct competitive bidding (Pilot FCC Form 470). Pilot FCC Form 470s will be posted on USAC's website.

- Service providers should submit responsive bids directly to the Pilot participant
- Pilot participants must wait at least 28 days before selecting their service provider(s) using price of the eligible equipment and services as the primary bid evaluation factor

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Selected Pilot participants will complete FCC Form 484 – Part 2

Selected Pilot participants will request eligible equipment and services (Pilot FCC Form 471)

- Receive Funding Commitment Decision Letter (FCDL) approving or denying the request

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Start to receive services or the delivery of equipment. Pilot participants are required to pay their non-discounted share of costs to the service provider

Submit requests for reimbursement (SPI or BEAR method) after paying for and receiving the eligible services and/or equipment. Pilot participants can choose the invoicing method under the FCC rules

Get Started: Service Providers

Register Your Entity to Obtain a Service Provider Number (SPIN)

- Register on SAM.gov to [obtain a Unique Entity Identifier \(UEI\)](#)
- Register with USAC to provide services to participants by [completing an FCC Form 498](#)
 - FCC Form 498 results in the creation of your 498 ID/SPIN
 - USAC then sets your access to [the E-File System](#)
 - You receive an email inviting you to create a password in the E-Rate Productivity Center (EPC)
- Keep all registration information current
- View our [Service Provider Get Started Checklist](#) for further assistance
- Note: A service provider does not need a SPIN to submit a bid but will need to have a SPIN to provide services/equipment and receive reimbursement in the Pilot Program

Competitive Bidding

Pilot Program FCC Form 470

Competitive Bidding Overview

- The Pilot Program competitive bidding period will begin after participants are selected
- At this time there are no Pilot Program FCC Forms 470 or requests for proposal (RFPs) posted on USAC's website
- Service providers cannot submit bids to Pilot Program participants until the competitive bidding opens and Pilot FCC Forms 470 and/or RFPs have been posted on USAC's website
- FCC and USAC will make announcements when the Pilot FCC Form 470 is available and the competitive bidding period opens for the program

Bid on Equipment and Services

- Pilot participants will initiate the competitive bidding process by submitting a competitive bidding form (Pilot FCC Form 470) and an RFP document(s) (if applicable) to USAC's website
- More information on where and when service providers can find competitive bidding documents on USAC's website will be forthcoming
- Service providers review the information and bid on the requested equipment and services
- Submit bids, including all information requested by the participant using the method provided in the Pilot FCC Form 470 or RFP document(s)
 - Bids are typically submitted via an email or online form
- The bid should be responsive to the equipment and services being requested by the Pilot participant

Open and Fair Competitive Bidding Process

The competitive bidding process must be fair and open

- “Open” means there are no secrets in the process. Information shared with one bidder must be shared with all. All bidders know what is required of them
- “Fair” means that all bidders are treated the same and that no bidder has advance knowledge of project information

Pilot participants may NOT rely on existing contracts to satisfy competitive bidding requirements

- An existing contract cannot be converted to a qualifying contract if the Pilot participant initiates a new bidding process in which it treats the existing contract as a bid received
- A limited competitive bidding exemption exists for state master contracts and master services agreements that have been awarded through the E-Rate competitive bidding process and negotiated by a governmental entity on behalf of the Pilot participant

Open and Fair Competitive Bidding Process – Service Providers

To help ensure a fair and open competitive bidding process, service providers should:

- Review all competitive bidding requirements, including the Pilot FCC Forms 470 and any applicable RFPs
- Provide a bid that is responsive to what is requested by the Pilot participant
- Ask questions if the information provided by the Pilot participant is unclear
- Separate the [eligible](#) and ineligible equipment and services in the bid response
- [NOT offer gifts, free services, devices, or non-Pilot Program discounts](#) to make the bid more attractive
- NOT offer to help a Pilot participant if you are also planning to respond to the participant's bid request

Funding Requests

How Participants Select a Service Provider

- Pilot participants must wait at least 28 days after certifying and submitting their Pilot FCC Form 470, after which time they:
 - Carefully evaluate all received bids and select the most cost-effective service offering
 - The price of eligible equipment and services must be the primary bid evaluation factor (weighted more heavily than any other single factor)
 - May select service provider(s) on or after the 28th day
 - The day the Pilot participant certifies and submits the Pilot FCC Form 470 counts as Day 0

How Participants Select a Service Provider (Continued)

- After Pilot participants wait at least 28 days and carefully evaluate all bids, participants must sign a contract or agreement with the winning service provider
 - Note that some state and local procurement rules may require longer waiting periods
- Pilot Participants will submit a funding application (Pilot FCC Form 471) to USAC
- USAC will review the funding application and issue a Funding Commitment Decision Letter (FCDL) that identifies the services and equipment approved for Pilot Program funding
- Invoicing can start on or after a Pilot participant receives their FCDL and delivery of the equipment or of the services has started. Be sure that eligible equipment and services are delivered:
 - To the approved, eligible recipient(s) of service
 - In the approved quantities and at the right prices

Document Retention and Production

Document Retention and Production

- Pilot participants and service providers must retain all documentation for at least 10 years from the last date of service or delivery of equipment
- Winning service providers must retain records related to the purchase and delivery of Pilot Program eligible equipment, signed and executed contracts, bidding information, invoices, provision of services, and all other documentation relating to the provision of Pilot-eligible equipment and services
- Records can be kept electronically
- Documentation must be provided upon request. Pilot participants and service providers may be subject to audits and other reviews under the FCC rules



Invoicing

Invoicing Overview

- The Pilot Program allows participants to choose between two invoicing methods:
 - Billed Entity Applicant Reimbursement (BEAR) invoicing: Pilot participant pays the service provider in full and invoices USAC for the discounted share of costs
 - Service Provider (SPI) invoicing: Pilot participant pays the service provider its non-discounted share of costs and the service provider invoices USAC for the discounted share of costs

Invoicing Prerequisites

- The Pilot participant and service provider must have received an FCDL with a positive funding commitment
- The service provider must have started the installation/delivery of Pilot-funded equipment and/or services
- The invoice must be filed before the Invoice Filing Deadline
- USAC should only be invoiced for approved Pilot-eligible equipment and services, in the correct quantity at the correct prices, and that were delivered only to the approved, eligible recipients of service (ROS)
- Invoiced amounts must be for actual charges, up to the amount committed through the Pilot Program. Invoiced rates to USAC must not exceed the contracted rates/actual prices
 - USAC will only pay the contracted rate/actual prices

Service Provider Invoicing (SPI)

- Service provider bills the Pilot participant for any ineligible costs and the participant's non-discounted share before submitting an invoice to USAC
- Pilot participant pays the service provider for ineligible costs and its non-discounted share of costs
- Service provider invoices USAC for the discounted share of costs using the Pilot FCC Form 474
- Invoiced amount must be for actual charges/prices – not the amount committed on the FCDL
- Only include [eligible equipment and services](#) on service provider invoices
- Only invoice USAC for the approved equipment and services delivered to the approved, eligible ROS at quantities and actual rates for what was approved on the Pilot FCC Form 471

Billed Entity Applicant Reimbursement Invoicing

- Determine the invoicing frequency (monthly, bimonthly, quarterly, one-time)
- Applicant [pays the service provider in full](#)
- Applicant bills USAC for the approved equipment and services delivered to the approved Recipient(s) of Service at the quantities and rates not to exceed what was listed on the FCC Form 471

Pilot Participants Must Pay Their Non-Discounted Share

Regardless of which invoicing method has been selected, all Pilot Program participants must pay their non-discounted share of costs

- Service providers cannot pay (directly or indirectly) for the Pilot participant's non-discounted share of costs
 - The funds cannot come from the service provider or an entity controlled by the service provider
- Service providers may not waive or permit a Pilot participant to ignore or otherwise not pay their non-discounted share of costs
- If the Pilot participant cannot show proof of payment during invoice review, the request for reimbursement (whether submitted by the Pilot participant or the service provider) may be denied

Protecting Against National Security Threats

Protecting Against National Security Threats

- In recent years, the FCC issued two supply chain orders ([FCC 19-121](#), [FCC 20-176](#)) prohibiting the use of USF support to purchase, obtain, rent, lease, operate, manage, or otherwise support equipment or services produced or provided by companies found to pose a national security threat to the integrity of U.S. communications networks or the communications supply chain
- Pilot participants are prohibited from using Pilot Program funds for equipment and services from any company on the [FCC's Covered List](#)
 - For example, the list prohibits using USF funds for equipment and services from Huawei, ZTE, Hytera, Hangzhou Hikvision, and Dahua
 - In June of 2024, the Commerce Department added [Kaspersky Lab](#) to the list of prohibited companies on the Covered List

Questions?

Pilot Program: Stay Informed

Service Providers: Future Trainings

- Competitive Bidding – Finding and Responding to Bids
- Invoicing

Pilot Program: Stay Informed

- Sign up for USAC's additional [Pilot Program trainings](#).
- Sign up for [Pilot Program emails](#)
- Visit the FCC's Schools and Libraries [Cybersecurity Pilot Program Website](#)
- Visit USAC's [Cybersecurity Pilot Program Website](#)
- Browse FAQs available on the [FCC](#) and [USAC](#) websites
 - FAQs will be expanded throughout the program

Thank You!





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