

E-RATE PROGRAM APPLICATION PROCESS, PART 1

E-RATE PROGRAM TRIBAL APPLICANT TRAINING

2016



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WELCOME

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**

WELCOME

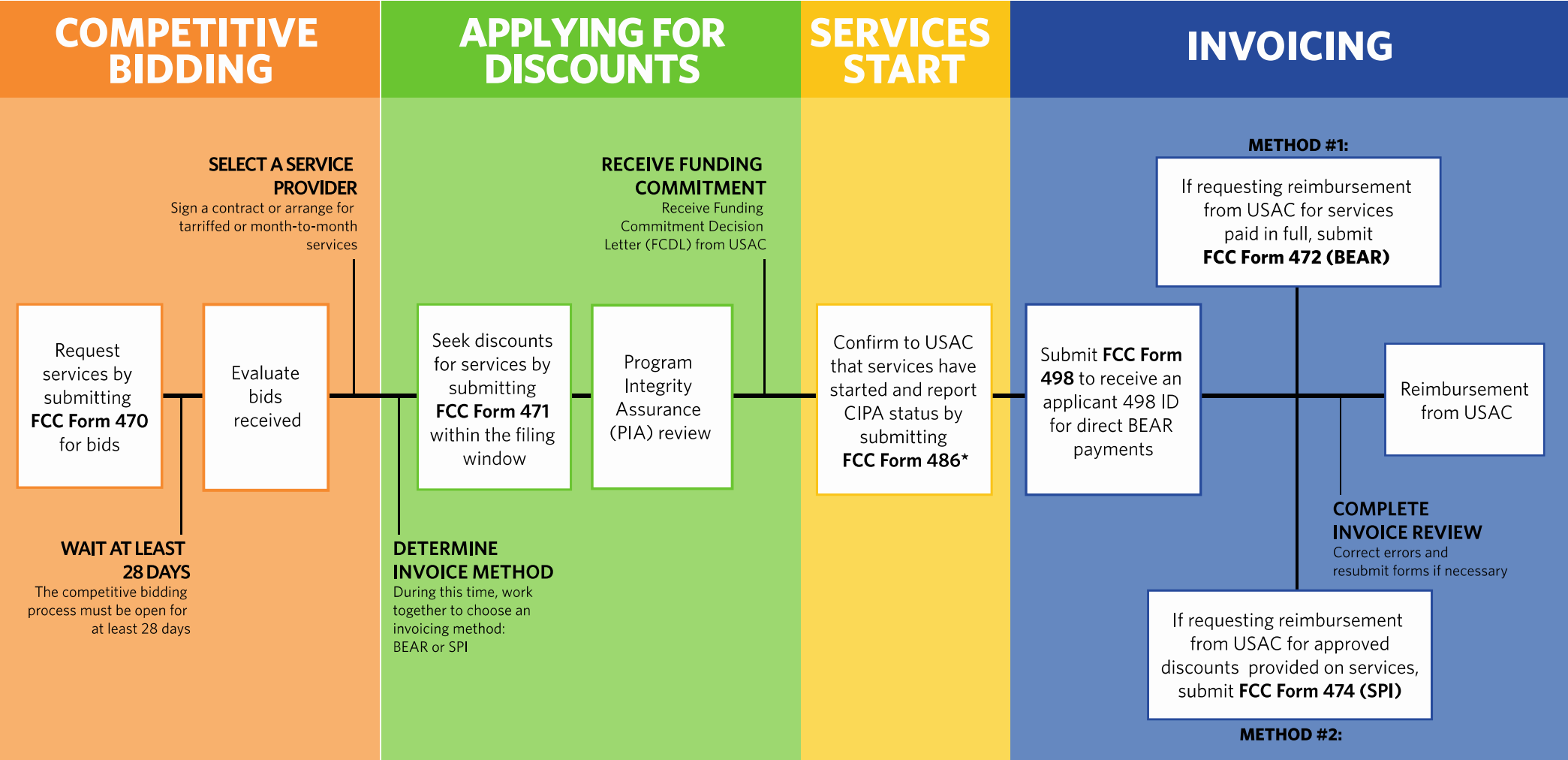
**COMPETITIVE
BIDDING**

**APPLYING FOR
DISCOUNTS**

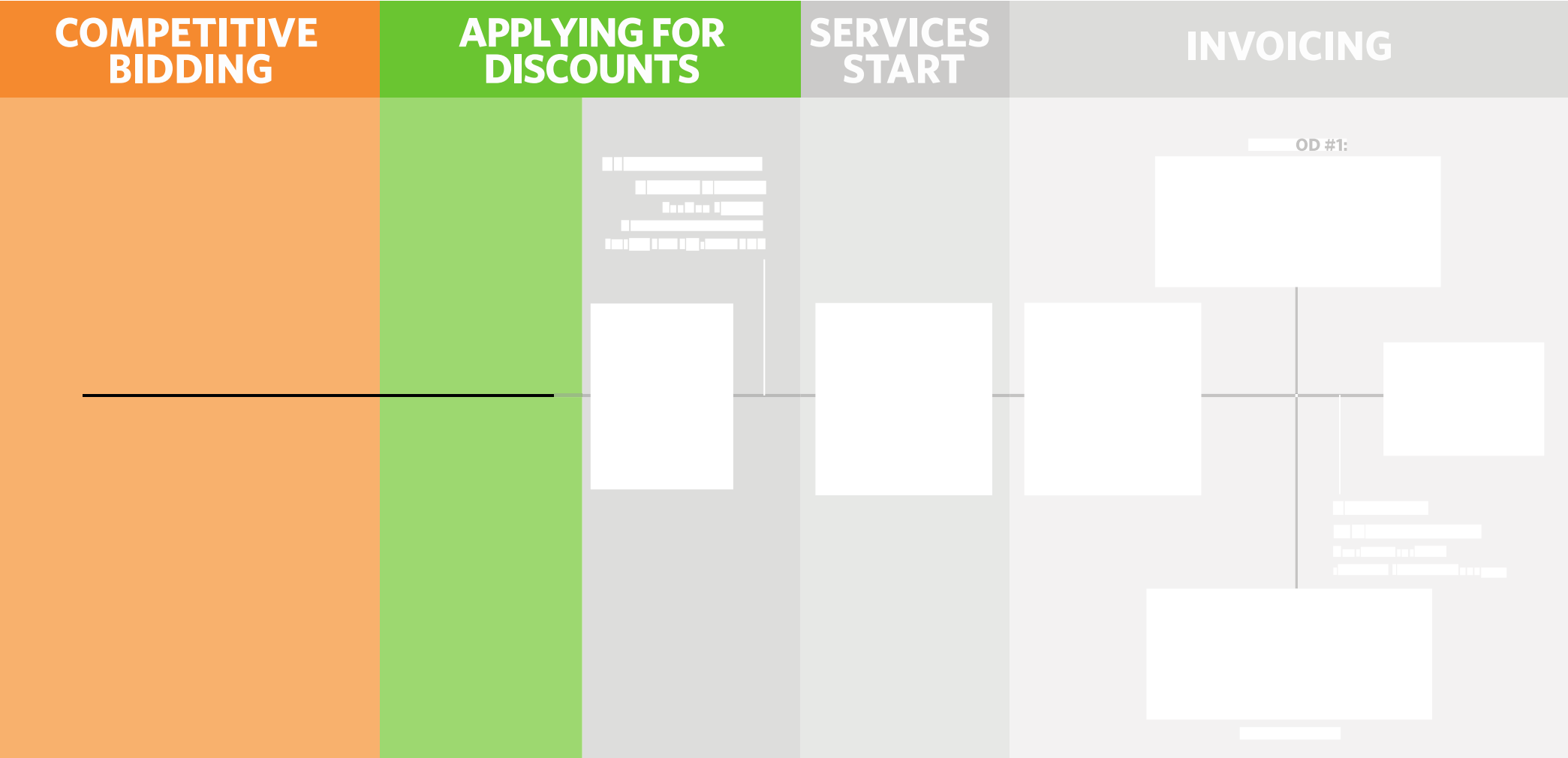
**SERVICES
START**

INVOICING

WELCOME



WELCOME





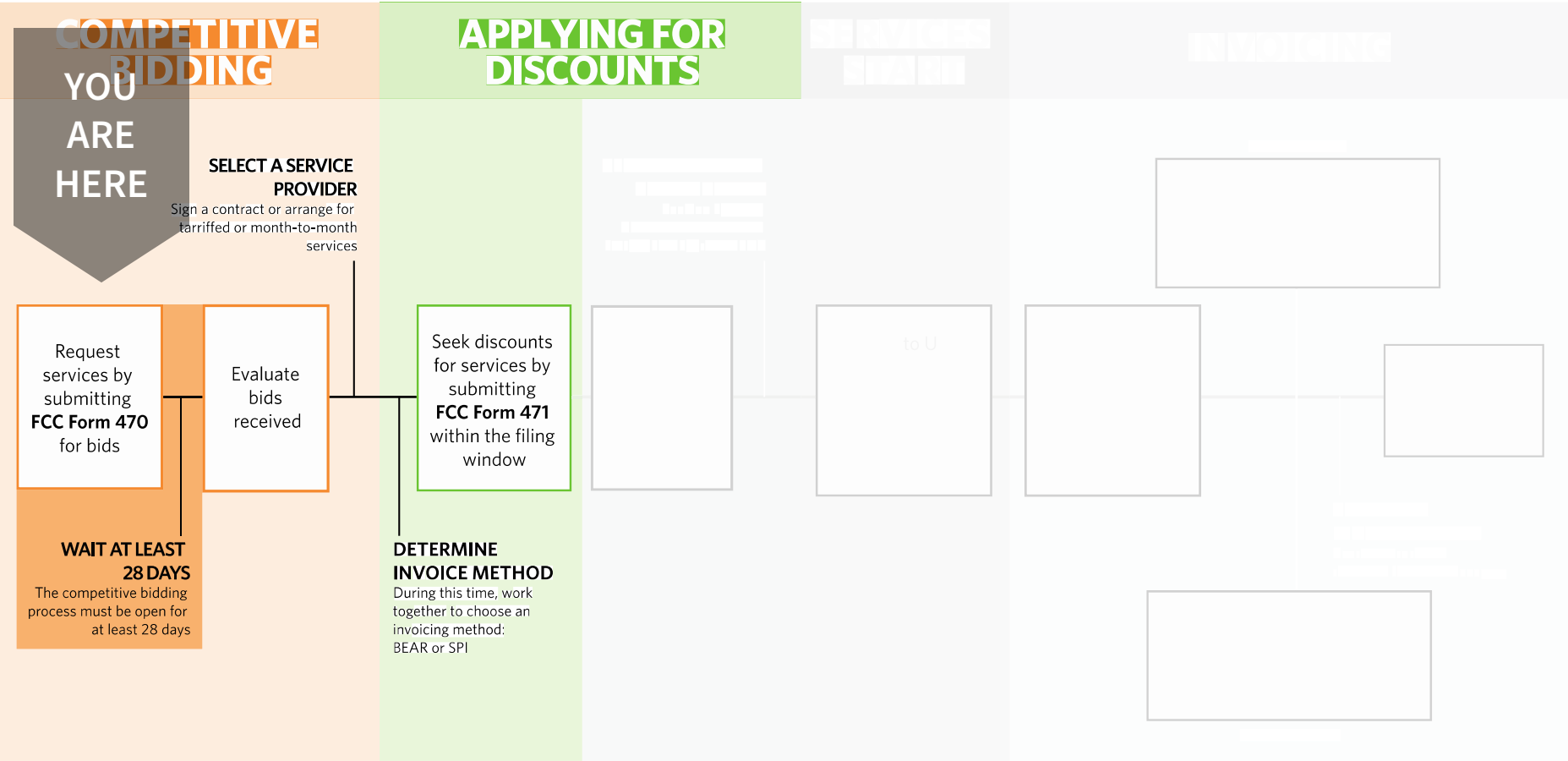
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COMPETITIVE BIDDING

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COMPETITIVE BIDDING

START BY OPENING COMPETITIVE BIDDING



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.**

Factor	Points Available	Vendor 1	Vendor 2	Vendor 3
Price of the ELIGIBLE products and services	30			
Prior experience w/vendor	20			
Prices for ineligible services, products and fees	25			
Flexible Invoicing: FCC Forms 472 or 474	15			
Local or in-state vendor	10			
TOTAL	100			



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QUICK QUIZ!

COMPETITIVE BIDDING



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QUESTIONS?

COMPETITIVE BIDDING



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OPEN COMPETITIVE BIDDING (FCC FORM 470)

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OPEN COMPETITIVE BIDDING (FCC FORM 470)

- 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



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QUICK QUIZ!

OPEN COMPETITIVE BIDDING (FCC FORM 470)



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QUESTIONS?

OPEN COMPETITIVE BIDDING (FCC FORM 470)



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SELECT A VENDOR

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SELECT A VENDOR

NEXT, EVALUATE THE BIDS YOU RECEIVED



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

SELECT A VENDOR

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.

Factor	Points Available	Vendor 1	Vendor 2	Vendor 3
Price of the ELIGIBLE products and services	30	15	30	25
Prior experience w/vendor	20	20	0	20
Prices for ineligible services, products and fees	25	20	15	25
Flexible Invoicing: FCC Forms 472 or 474	15	0	15	15
Local or in-state vendor	10	10	8	7
TOTAL	100	65	68	92

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!



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QUICK QUIZ!
SELECT A VENDOR



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QUESTIONS?
SELECT A VENDOR



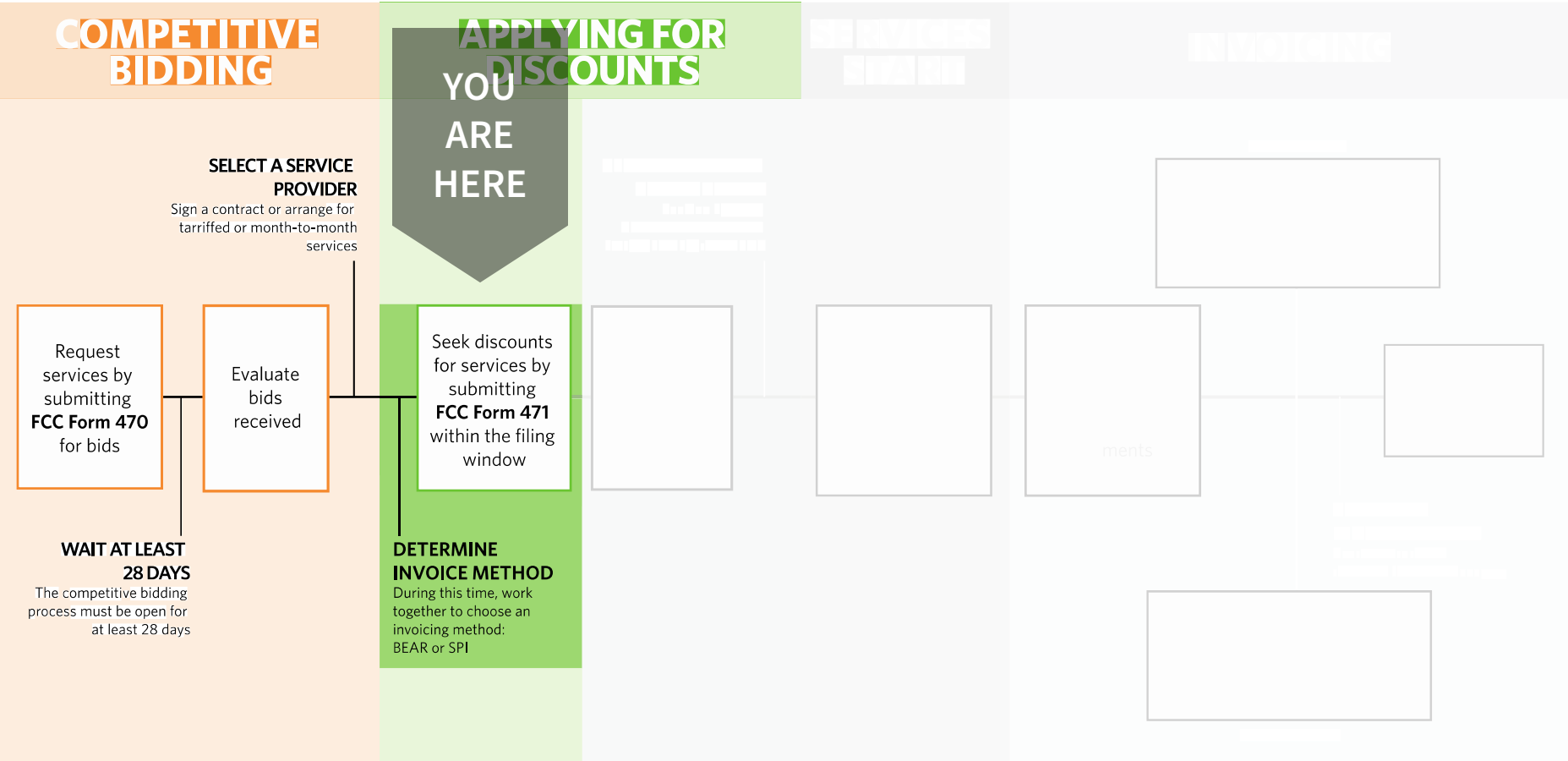
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REQUEST DISCOUNTS (FCC FORM 471)

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REQUEST DISCOUNTS (FCC FORM 471)

NEXT, APPLY FOR DISCOUNTS



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



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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!



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QUICK QUIZ!

DEADLINES



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QUESTIONS?
DEADLINES



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DOCUMENT RETENTION

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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



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QUESTIONS?

DOCUMENT RETENTION



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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



WHAT'S NEXT

AFTER FILING FCC FORM 471...

Some applicants mistakenly think that the application process is over when they get a funding commitment.

IT'S NOT!

You still need to:

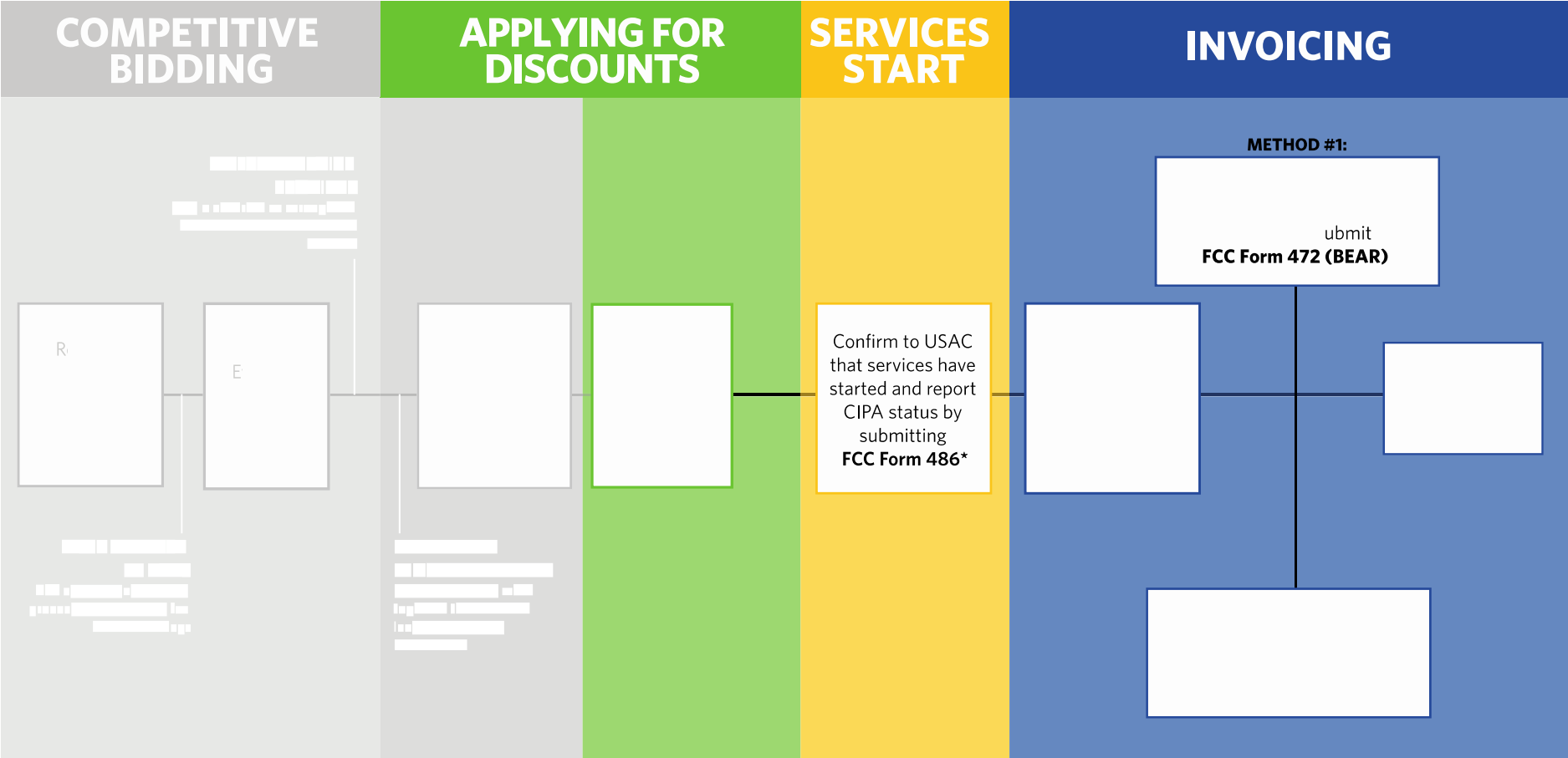
Notify USAC
when your services start
(USE FCC FORM 486)

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.





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THANK YOU!

E-RATE PROGRAM APPLICATION PROCESS, PART 1



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LUNCH

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

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