

FCC Form 470 and Competitive Bidding

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MEET THE TEAM



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Agenda

- Applicant Forms and Important FY2024 Dates
- Application Process
- Competitive Bidding (FCC Form 470)

Applicant Forms and Important FY2024 Dates

Competitive Bidding

July 1, 2023
to
February 2024*



Apply for Discounts

January 2024*
to
March 2024*



Start Services

July 1, 2024
to
June 30, 2025



Invoice USAC

Recurring Services
July 2024 – October 2025*

Non-recurring Services
July 2024 – January 2026*

470

471

486

472
(BEAR)

OR

474
(SPI)

* Date ranges reflect a typical timeline and are subject to change.

Applicants	Service Providers
<ul style="list-style-type: none">• Determine services needed, file FCC Form 470 and a Request For Proposal (RFP) if one is needed.• Run competitive bidding process.• Select winning bidder, with price of eligible products and services as primary factor.• File FCC Form 471 and Respond to Program Integrity Assurance (PIA).• File other applicant forms (FCC Forms 486, 472, 500, etc.).	<ul style="list-style-type: none">• Respond to FCC Form 470 and RFPs.• Know the E-Rate eligibility percentage of products and services• After selection, may assist with responding to PIA on technical services questions (but not competitive bidding).• File other service provider forms (FCC Form 473 (SPAC), 474 (SPI), etc.).

Both Applicants and Service Providers must document compliance with FCC rules on an ongoing basis and retain documentation for at least ten years from last date of service delivery.

Application Process

Application Process - Overview

Pre-Commitment Steps

Request services
(FCC Form 470),
run a competitive
bid process, and
select a vendor

Request funding
(FCC Form 471)
and undergo
application review

Post-Commitment Steps

Confirm the start
of services and
status of CIPA
compliance
(FCC Form 486)

Request
reimbursements
(FCC Form 472)
OR receive
discounts
(FCC Form 474)



Requesting Services is the first step in the E-Rate Application Process

Competitive Bidding – FCC Form 470

What Is Competitive Bidding?

- Competitive bidding is the formal process for **applicants** to choose the vendors/service providers who will provide the requested equipment and services.
- Service providers review applicant FCC Forms 470 for requested equipment and services, and any procurement requirements, then **submit bids**.
- If you are a first-time E-Rate applicant, you can receive services under an existing contract.
 - You can remain with an existing contract if it is still the most cost-effective solution after completing the competitive bidding process and evaluating the bids.

Pro-Tip - Calculate your FCC Form 470 deadline

- The FCC Form 470 generally becomes available one year in advance of the funding year. For services starting on July 1, 2024, the FCC Form 470 can be filed as early July 1, 2023.
- The FCC Form 470 requires a 28-day waiting period, with service provider selection occurring on or after the 29th day after filing.
- With an **FCC Form 471** Application Filing window from January to March, it is important to remember to file the **FCC Form 470** in time to be able to wait 28 days, select a service provider and file an FCC Form 471 before the close of the filing window.

Example: Last funding year, the [December 2022 Special Edition Newsbrief](#) announced an FCC Form 471 filing window from January 18, 2023 through March 28, 2023 for services starting on July 1, 2023 (Funding Year 2023). Filing an FCC Form 470 on February 1st would allow you to wait **at least** 28 days, select a service provider **on or after the 29th day** and file an FCC Form 471 to request USAC funding in window.

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 recompetete the contract.
 - **Low-cost, high-speed, commercially available, business-class internet services** (CABIO) (with specific requirements).
 - Beginning with FY2024, all libraries are exempt from Competitive Bidding if purchasing C2 equipment and services totaling \$3,600 or less in a funding year.

Competitive Bidding Requirements

- Applicants must seek competitive bids for eligible equipment and services by submitting FCC Form 470 to USAC. USAC will post the FCC Forms 470 on its public website that service providers will use to view the requests and submit responsive bids to the applicants.
- Request for bids must be posted for at least 28 days on USAC's website before an applicant can select and enter an agreement with a service provider.
- Applicants must carefully consider all bids received and then select the most cost-effective service offering, using price as the primary factor in the bid selection. Other factors may be used in the bid evaluation process, but price of the eligible equipment and services must be weighted most heavily.

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.

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 **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.

Disqualification Factors

- You can disqualify bids if they don't meet applicant requirements. Bidder disqualification criteria must:
 - Be spelled out in FCC Form 470 and/or RFP.
 - Be available to all potential bidders.
- The following items are examples of bid disqualification reasons:
 - Service provider not registered 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 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
TOTAL	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

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 29th day
- Sign and date 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 and date something (a contract, purchase order, etc.) requesting the services from the provider(s).
 - Upload the evidence to your Contract Profile in EPC.

Questions?



**Universal Service
Administrative Co.**

Thank You!

