



STARTING FY2019
2018 APPLICANT TRAINING



Universal Service
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STARTING FY2019

- Competitive Bidding
- FCC Form 470
- RFPs and RFP Documents
- 28-day Waiting Period
- Selecting Service Providers



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COMPETITIVE BIDDING OVERVIEW

COMPETITIVE BIDDING

WHAT IS COMPETITIVE BIDDING?

The competitive bidding process is a formal process to identify and request the products and services that an applicant needs so that potential service providers can review those requests and submit bids for them.



COMPETITIVE BIDDING

COMPETITIVE BIDDING PROCESS

1. Complete and post FCC Form 470 (and RFP).
2. Wait 28 days.
3. Review bids and conduct bid evaluations.
4. Select a service provider.
5. Determine products, services, quantities, etc.
6. File FCC Form 471.

REQUIREMENTS FOR COMPETITIVE BIDDING

- **The competitive bidding process must be open and fair:**
 - All bidders must be treated the same.
 - No bidder can have advance knowledge of the project information.
 - There are no secrets in the process.
 - All bidders know what is required of them.
 - With limited exceptions, potential service providers cannot give gifts to applicants.
 - Service providers must identify the value of free services (e.g., price reductions, promotional offers, free products).

COMPETITIVE BIDDING

SERVICE PROVIDER ROLE IN THE COMPETITIVE BIDDING PROCESS

- **Requests for information from service providers** should be *specific* and related to posted FCC Forms 470 and RFPs if the available information is not enough for the service provider to provide a responsive bid.
- Service providers cannot prepare, sign, post, or certify an FCC Form 470.
- Service providers cannot serve as a contact on the FCC Form 470, and their contact information cannot appear on the form.



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POSTING THE FCC FORM 470

COMPETITIVE BIDDING

WHAT IS COMPETITIVE BIDDING?

- The **FCC Form 470** is posted to the USAC website by:
 - The school, library, school district, or library system that will purchase the services.
 - A consortium – which must be authorized to represent the schools and/or libraries who will receive the services.
 - A state procurement agency or similar entity.
- The filer of the FCC Form 470 must be prepared to receive and evaluate bids and negotiate with service providers.

Filing an FCC Form 470

Request for Proposal (RFP)

- Large and/or complex procurements may require more information than can be added to the FCC Form 470.
- Applicants may issue additional documents to provide that information, or the documents may be required by state or local competitive bidding rules.
- An "RFP" (Request for Proposal) is an example of a formal bidding document. In some states, it is called a Request for Information, Request for Quotation, Statement of Work, etc.

Filing an FCC Form 470

Request for Proposal (RFP)

- We use “RFP” or “RFP document” generically to refer to any bidding document that describes the applicant’s project and requested services in more detail than that provided in the data entry fields on the FCC Form 470.
- RFPs are required for certain services – the online FCC Form 470 will inform you when an RFP is required.
- **RFP documents must be uploaded to the FCC Form 470, whether they are issued before or after the form is certified.**



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When to File the FCC Form 470

Filing an FCC Form 470

When to file the FCC Form 470

- The FCC Form 470 for the upcoming funding year is generally available in EPC one year before the start of the funding year.
- For example, the FY2019 FCC Form 470 was available in EPC on July 1, 2018.



Filing an FCC Form 470

When to file the FCC Form 470

- Services provided under tariff or on a month-to-month basis require an **FCC Form 470 to be posted each year.**
- Applicants may enter into multi-year contracts with service providers. In subsequent years, a new FCC Form 470 is not required. The applicant will be required to post a new FCC Form 470 and conduct a new competitive bidding process once the multi-year contract has ended.

Exemption from Filing the FCC Form 470

Commercially available business class internet access services are exempt from the FCC Form 470 posting requirement if they meet the following conditions:

- Must cost \$3,600 or less annually per entity (school or library), including any one-time costs such as installation;
- Must provide bandwidth speeds of at least 100 Mbps downstream and 10 Mbps upstream.
- Must provide basic conduit access to the internet at those required minimum speeds.



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28-Day Waiting Period

COMPETITIVE BIDDING

28-Day Waiting Period

Applicants MUST wait at least 28 days after the FCC Form 470 is certified before choosing a service provider, signing a contract, or certifying an FCC Form 471.

*If an RFP is issued after the FCC Form 470 is posted, the applicant must count the 28 days from the RFP issue date. The RFP must also be uploaded to the certified FCC Form 470.





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BASIC COMPETITIVE BIDDING FOR HIGH-SPEED INTERNET ACCESS

FIBER SPECIFIC COMPETITIVE BIDDING RULES

Leased Lit Fiber

- For an applicant who is only interested in seeking bids for leased lit fiber, they can post an **FCC Form 470 in EPC that only specifies leased lit fiber as the requested service.**
- To do this, they choose the **Leased Lit Fiber (with or without internet access)** drop-down option when submitting the FCC Form 470 in EPC.

FIBER SPECIFIC COMPETITIVE BIDDING RULES

High-speed Internet Access over a Non-fiber Connection

- For an applicant in an area where fiber is not available, they can post an **FCC Form 470 in EPC that only specifies high-speed internet access on other transport options (e.g., copper, microwave, or coaxial cable) as the requested service.**
- To do this, they choose the **Internet Access and Transport Bundled (Non-Fiber)** drop-down option when submitting the FCC Form 470 in EPC.

FIBER SPECIFIC COMPETITIVE BIDDING RULES

High-Speed Internet (All Transport Options)

- If an applicant is interested in high-speed internet access and wants to consider all possible transport options to choose the most cost-effective solution, they can post an **FCC Form 470 in EPC that specifies all types of high-speed internet access as the requested services.**
- To do this, they choose both the **Leased Lit Fiber (with or without internet access)** and **Internet Access and Transport Bundled (Non-Fiber)** drop-down options in EPC when submitting the FCC Form 470.



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AFTER THE FCC FORM 470 IS CERTIFIED

After the FCC Form 470 is certified

- The form is posted in EPC and on the SLD website for service providers to review so that they can prepare and submit bids.
- The service provider does not submit bids to USAC, but follows the instructions on the FCC Form 470 or RFP. If there are no instructions, they submit their bids directly to the contact person or technical contact person listed on the FCC Form 470.
- If the applicant lists specific requirements for preparing and/or submitting bids in the RFP and/or narrative on the FCC Form 470, the service provider must follow those instructions.



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FCC Form 470 Receipt Notification Letter (RNL)

Receipt Notification Letter (RNL)

Overview

- After the FCC Form 470 is certified the applicant will receive an RNL in the **News** feed in EPC.
- The RNL notifies the applicant of the following:
 - The FCC Form 470 was successfully posted.
 - The date that the minimum 28-day bidding period is over – the allowable contract date (ACD).
 - The corrections and additions that can be made to the form after certification.



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SELECTING SERVICE PROVIDERS

COMPETITIVE BIDDING

HOW DO APPLICANTS SELECT SERVICE PROVIDERS?

- After the competitive bidding process has closed, the applicant must evaluate the bids received and choose the most cost-effective solution.
- The price of the E-rate eligible products and services must be weighted more heavily than any other single factor in the bid evaluation.
- The applicant can choose to consider one or many factors in its evaluation.



SELECTING SERVICE PROVIDERS

Sample evaluation matrix

Factor	Points Available	Vendor 1	Vendor 2	Vendor 3
Price of the ELIGIBLE products and services	50	15	50	35
Prior experience w/vendor	20	20	0	20
Service provider bonded	20	7	13	20
Local or in-state vendor	10	10	8	7
Total	100	52	71	82

COMPETITIVE BIDDING

WHAT IF THE APPLICANT RECEIVES ONE OR NO BIDS?

- No bids? The applicant can solicit bids.
 - The applicant can use a customer bill as a bid response if the applicant is currently getting service.
 - Ask the service provider to agree in writing that service could continue for the upcoming year and the cost of that service.
- One bid? The applicant can choose that bid if it is cost-effective.
- In either case, the applicant should write an email or memo to the file noting no bids (or one bid) received.

RECAP

- Open and fair competitive bidding process
- 28-day waiting period
- Posting the FCC Form 470
- RFPs and RFP documents
- Evaluating bids – price of the eligible services