

Rural Health Care (RHC) Program

Consortia: Submitting the FCC Form 461 and 462

This guide contains general information for applicants who are ready to apply for funding. It is the responsibility of the a consortium leader seeking support for broadband service from the Healthcare Connect Fund (HCF) Program to make sure they are familiar with program and [eligibility](#) requirements before beginning the application process. All [authorizations](#) including Letter of Agency (LOA), Letter of Exemption (LOE), and Third Party Authorizations (TPA) must be valid and up to date before filing any forms in the HCF Program.

Requesting for Services & Competitive Bidding

Once you have completed all FCC Forms 460 and LOAs/LOEs, you then competitively bid and submit a request for services form (FCC Form 461) by taking the following steps:

- Prepare a [Request for Proposal \(RFP\)](#), if applicable, and develop criteria to evaluate submitted bids
- Develop a [network plan](#) and required documents describing your service needs.
- Submit the FCC Form 461, network plan, and, if desired or applicable, an RFP.
- Once approved, USAC posts the approved FCC Form 461 and supporting documents on the USAC website for a minimum of 28 days. This is known as competitive bidding.
- Some applicants [may be exempt](#) from the competitive bidding if they meet certain requirements.

The FCC Form 461

The FCC Form 461 allows the applicant to describe its service needs and request bids for services from service providers.

- The FCC Form 461 can be submitted as early as one year before the beginning of the funding year, and must be posted on USAC's website for at least 28 days.
- You may sign a contract with a service provider on the 29th day if your posting is for 28 days or the day after your posting time period if you choose a longer posting period.
- If you decide to extend the bidding period after USAC posts the FCC Form 461, notify USAC via rhc-assist@usac.org as soon as possible, so that USAC can update the website posting with notice of the extension.

NOTE: Be sure to include all HCP member sites on the Form 461 and RFP. If they are not included on the Form 461, you won't be able to select them when submitting the Form 462 as they will not have gone through the competitive bidding process.

After the FCC Form 461 is Posted

- After the 28-day (minimum) competitive bidding period ends (which begins once the FCC Form 461 is posted on the [RHC website](#)), you will need to evaluate all bids received to determine which service provider can provide the most cost-effective services that meets your requirements.
- You must choose the most cost-effective option, which is defined by the FCC as, "the method that costs the least after consideration of the features, quality of transmission, reliability, and other factors relevant to choosing a method of providing the required services."
- You must consider all bids received during the competitive bidding period and document how you evaluated each bid.

Submitting the FCC Form 462 (Funding Request Form)

Once the service provider(s) is selected, you will submit a funding request to provide information about the services selected and certify that those services are the most cost-effective option of the offers received. Funding requests must be submitted during a [filing window](#).

Submitting the FCC Form 462 WITH a Contract

- You may request up to 3 years (36 months of funding) in a given funding year.

- If the contract term is longer than three years, you would request that the contract submitted be endorsed as evergreen and use it for any subsequent requests beyond three years until the contract term ends.
- You can also submit separate service orders or separate contracts for each HCP listed in the FCC Form 462 if necessary, as long as the contract(s) or other documentation is from the same service provider.
- The FCC Form 462 must be submitted with all supporting documentation including required competitive bidding documentation, contracts and service orders.

Submitting the FCC Form 462 WITHOUT a Contract

For HCPs requesting funding without a contract using an invoice as supporting documentation, the following applies:

- The requested services must have been obtained after completing the required competitive bidding process and choosing the most cost-effective option.
- This type of application can only receive a maximum of 12 months of funding.
- The HCP or consortium must go out to bid for these services each funding year and demonstrate that the chosen service is the most cost-effective per HCF Program rules.

Evergreen Contracts

A contract is considered [evergreen](#) when it includes more than one funding year and is endorsed as [evergreen](#) by USAC at the time of an official FCC Form 462 review. If USAC endorses a contract as [evergreen](#):

- You do not have to go through the competitive bidding process for the life of the contract.
- You may receive lower prices due to longer contract terms and reduced administrative burdens due to fewer required FCC Forms 461.

Evergreen Contract Requirements

- Evergreen contracts are required to be multi-year contracts
- Must be signed by the applicant
- Must specify the service type, bandwidth, and quantity
- Must specify the term of the contract
- Must specify the cost of services to be provided
- Includes the physical addresses or other identifying information of the applicant purchasing from the contract

Voluntary Extensions

You may exercise voluntary options to extend an evergreen contract without undergoing additional competitive bidding if the:

- Voluntary extension(s) is memorialized in the evergreen contract;
- Decision to extend the contract occurs before the applicant files the funding request form (FCC Form 462) for the funding year when the contract would otherwise expire; and
- Extension(s) do not exceed five years in the aggregate.

Cost Allocations

HCPs may share expenses with ineligible sites as long as the ineligible site pays their fair share of the expense.

- If the vendor charges a separate price for each of the sites, ineligible sites must pay the full undiscounted price.
- If there is no separate price for the “shared” expense, the applicant must pro-rate the expense to reflect the participation of the ineligible site in the cost of the expense. Per the [HCF Order](#), “Applicants must make this cost allocation using a method that is based on objective criteria and reasonably reflects the eligible usage of the shared service, equipment or facility.”
- You are responsible for demonstrating “reasonableness” of the methodology used.
- You must submit a written description of the allocation method(s) to USAC with their funding requests.