

# E-rate Training for Beginners

## – Public Schools

### Funding Year 2022



Presented by Julie Tritt Schell  
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for the Pennsylvania Department of Education  
Fall 2021

# Agenda for Today

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- Overview
  - Eligible entities
  - One Portal/EPC (demo)
  - Eligible Services and Equipment
  - Discount Calculations
  - Category 2 Budget Calculations
  - Application Process, step-by-step
    - Form 470 demo
- 
- Questions taken at the end of each section. Please ask!!!
  - Copy of presentation available at: [http://e-ratepa.org/?page\\_id=745](http://e-ratepa.org/?page_id=745)

# What is E-rate?

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- Annual \$3.9 billion federal program
  - Funding does not come from federal budget
- Provides 20-90% discounts on eligible services and equipment
- Bedrock principles:
  - All equipment and services must be competitively bid on USAC website for at least 28 days
  - Applicants MUST pay their non-discounted share (cannot be waived)
    - For example, if your discount is 60%, you must pay 40%
- FCC sets all rules and policy
  - USAC (SLD) manages the program/application process
    - CSB = Client Service Bureau answers questions
      - **888-203-8100**
    - PIA = Program Integrity Assurance team reviews applications/invoices
- Program is highly deadline restrictive
- Application process begins 6-12 months before funding year begins

# How to Be E-rate Successful

- Read (and distribute) listserve messages
  - Are you on the PA E-rate listserve? (e-mail Julie, if not)
  - Are you subscribed to the USAC E-rate Newsbrief?  
<https://fe391570756406797d1477.pub.s10.sfmtc-content.com/3n2usens2cz>
- Document and retain everything
  - Stay organized!
- Use PA E-rate website: [www.e-ratepa.org](http://www.e-ratepa.org)
  - Helpful Documents
- Attend content-specific webinars
- Have patience



# What Entities are Eligible in PA?


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- Public libraries eligible for LSTA funding
  - Includes bookmobiles
- Public and non-public non-profit K-12 schools
  - Pre-k eligible (ages 3+)
  - Head Start (if operated by a public school entity)
- Consortia comprised of eligible entities
- Non-Instructional Facilities (NIFs)
  - Admin buildings, bus barns, data centers, etc.
  - Only eligible for broadband/internet services (not equipment)
- Every “organization” has an E-rate Billed Entity Number (BEN)
- Every “building” must have an Entity Number
  - Call USAC to obtain Entity Numbers for new buildings



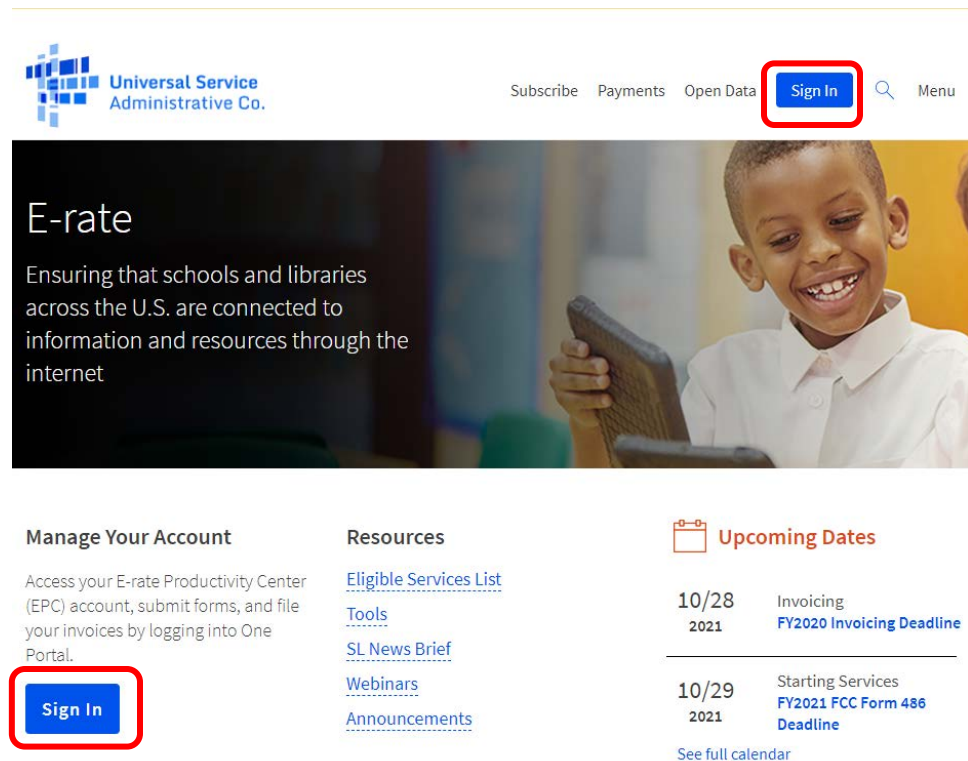
# One Portal

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- Account and application management portal
  - Launched in FY 2016
- Almost all E-rate forms, letters and interactions are based in One Portal
- Within One Portal is...
  - **EPC** = E-rate Productivity Center \*\*\*
  - **Form 472** BEAR Reimbursement System
  - **ECF** = Emergency Connectivity Fund (appropriated program)
- Every “Billed Entity” has a One Portal Account
- Every Portal Account has “Users”
  - Username is your e-mail address, all lower case
  - Passwords expire after 60 days
  - One of the Users is the Account Administrator (AA)
  - ‘Related Actions’ is where most account management tasks are found
- Multi-Factor Authentication (MFA) required to log-in
  - Will be required to set up text/e-mail validation code notification preferences first time logging in to EPC
-  **TIP!** Set up text validation!
- Call USAC at 888-203-8100 for Portal assistance

# Let's Peek at One Portal/EPC...

<https://www.usac.org/e-rate/>



The screenshot shows the homepage of the Universal Service Administrative Co. (USAC) E-rate portal. At the top, the USAC logo is on the left, and navigation links for 'Subscribe', 'Payments', 'Open Data', and a 'Sign In' button (highlighted with a red box) are on the right. Below the navigation bar is a large banner with the text 'E-rate' and a description: 'Ensuring that schools and libraries across the U.S. are connected to information and resources through the internet'. The banner features a background image of a smiling young boy holding a tablet. Below the banner, there are three main sections: 'Manage Your Account' with a 'Sign In' button (highlighted with a red box), 'Resources' with links to 'Eligible Services List', 'Tools', 'SL News Brief', 'Webinars', and 'Announcements', and 'Upcoming Dates' with a calendar icon and a table of deadlines.

**Universal Service Administrative Co.**

Subscribe Payments Open Data **Sign In** 🔍 Menu

## E-rate

Ensuring that schools and libraries across the U.S. are connected to information and resources through the internet

**Manage Your Account**

Access your E-rate Productivity Center (EPC) account, submit forms, and file your invoices by logging into One Portal.

**Sign In**

**Resources**

- [Eligible Services List](#)
- [Tools](#)
- [SL News Brief](#)
- [Webinars](#)
- [Announcements](#)

**Upcoming Dates**

10/28 2021	Invoicing <b>FY2020 Invoicing Deadline</b>
10/29 2021	Starting Services <b>FY2021 FCC Form 486 Deadline</b>

[See full calendar](#)

# E-rate Eligible Services and Equipment





# Categories of Service

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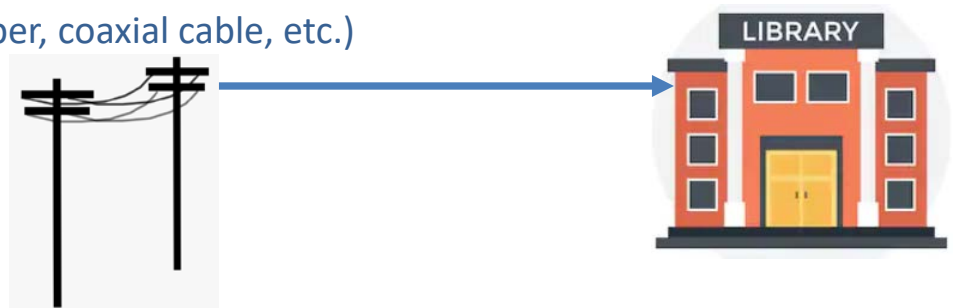
- **Category 1** – Services that go TO the school or library

- Subcategories:

- Data Transmission Services (fiber, coaxial cable, etc.)
    - Internet Access

- Maximum discount is 90%

- No E-rate funding caps



- **Category 2** – Services/equipment that go INSIDE the school or library

- Subcategories:

- Internal Connections
    - Basic Maintenance of Internal Connections
    - Managed Internal Broadband Services (MIBS)

- Maximum discount is 85%

- Subject to 5-year “C2 Budget” (funding cap)



# What's Eligible for Category 1 Funding?



## 2 Sub-Categories for C1

- Data Transmission Services
- Internet Access

# C1: Data Transmission Services

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## Most Common:

- Leased Lit Fiber
- Cable Modem/DSL/FIOS
- Microwave Service

## Also Used:

- Leased Dark Fiber \*
- Self-Provisioned Fiber (Build/Own Your Own Network) \*
- Special Construction Charges
  - Costs for vendor to build-out network
- Installation Charges
  - One-time charge to “turn on” service

## Also Eligible (less common):

- Broadband over Power Lines
- T-1, T-3, Fractional T-1
- DS-1, DS-2, DS-3
- OC-1, OC-3, OC-12, OC-n
- Frame Relay
- ISDN
- Satellite Services
- Wireless data plans \*
- If no Wi-Fi access, must prove that data plans are most cost effective option

\* Additional bidding requirements apply

## Not Eligible:

- Voice services
- Duplicative (redundant) services



# C1: Internet Access Services

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- Two main types:
  - **Bundled Internet** (most common)
    - Internet and transport are bundled together
    - May be eligible for **CABIO** bidding exemption option \*
  - **Stand-alone, commodity Internet** (rare)
    - No transport included
- Be careful which description to select during bidding process
- Filtering is not eligible

## \* **CABIO - Commercially Available Bundled Internet Option**

- Commercially available Internet packages that cost less than \$300 per month, per building (pre-discount) can be purchased without bidding (posting a Form 470)
- Minimum speed must be 100 mbps downstream and 10 mbps upstream
- Cost must be based per building and cannot be averaged across multiple buildings
- This is mostly geared toward small libraries and small non-public schools using cable modem services

# What is Special Construction?

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- “Build” Charges - One time charges incurred for physical installation of new fiber service
- Special PIA Review - Examples at: <http://e-ratepa.org/wp-content/uploads/2014/03/4-7-Fiber-Questions.pdf>
- Applicants can ask vendors for up to a 4-year payment plan for the non-discounted share of these costs
- E-rate will pay for entire discounted amount in 1<sup>st</sup> year
  - **For example:** If there is a \$100,000 special construction charge & applicant has 60% E-rate discount:
  - E-rate will pay discounted amount of \$60,000 in Year 1 of contract
  - Applicant may request to pay vendor the non-discount amount of \$40,000 over 4 years (\$10k/year)



# What's Eligible for Category 2 Funding?



## 3 Sub-Categories for C2

- Internal Connections (main)
- Basic Maintenance (BMIC)
- Managed Internal Broadband Services (MIBS)

# Internal Connections

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- Wireless Access Points/Controllers
- Network Routers & Switches
- In-Building Structured Cabling
- Caching Servers
  - Only eligible servers
- Firewalls
  - No advanced functions are eligible, like anti-spam, anti-virus, etc.
- Racks and UPSs
  - That support eligible equipment only
  - Network cards aren't eligible
- Equipment licenses
  - Multi-year licenses can be requested in first year
- Cloud-based functionality of this equipment
- Operating system software to support eligible equipment
- Installation and configuration
  - If wanted, be sure to specify this in your 470/RFP
- Taxes and fees
- Basic training on use of equipment
- Not eligible:
  - Storage Devices
  - Voice/Video Components
  - End User Devices

# Internal Connections Purchase Timeline

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- Applicants have full 18 months to purchase/install equipment
- Equipment can be purchased as early as April 1, prior to funding year start
  - For example, applicants can purchase equipment on April 1, 2022 for FY 2022, even though funding year doesn't begin until July 1, 2022
  - **However...** vendors/applicants cannot be reimbursed from USAC until July 1
  - Applicants that purchase equipment prior to receiving funding commitment letter are risking paying full price
- Equipment can be purchased as late as September 30, following the end of funding year
- Allows applicants two full summers to install equipment



# Basic Maintenance (BMIC)

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- Special eligibility conditions:
  - 100% eligible = basic tech support, configuration changes
    - Costs common when purchasing new equipment
  - Not eligible = Next Business Day equipment replacement
  - Conditionally eligible = repair of equipment, cable maintenance
    - E-rate will commit based on amount of contract
    - BUT.... Will only reimburse for time/parts used
    - C2 budget takes “hit” based on full commitment, not funds “used”
- Multi-year contracts must be amortized
  - Cannot apply for full cost of multi-year BMIC contract in Year 1
  - Must amortize and request discounts for that year, annually
- Can only be for services/work performed from during 12 month funding year (7/1/2022 – 6/30/2023)
  - Does not follow the 4/1/2022 – 9/30/2023 schedule
  - Does not follow the first 12 months of ownership schedule

**For these reasons, I do not recommend applicants use their C2 budgets for BMIC.  
Rather, use C2 budgets for eligible equipment/installation.**



# Managed Internal Broadband Svcs

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- Managed Internal Broadband Services (MIBS)
- Covers the operation, management, or monitoring of a LAN
- 2 Options:
  - Paying an outside vendor to own/maintain the equipment
  - Paying an outside vendor to maintain school-owned equipment
- Subject to the C2 budget caps
- Has traditionally not been popular among districts, just small schools and libraries that don't have their own IT staff



# Equipment Transfer/Disposal Rules

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- **Transfers:** Beginning July 1, 2021, E-rate funded equipment from any year may be transferred between eligible buildings
  - If equipment is transferred between buildings within 5 years from date of purchase, must record reason and date of transfer and update asset inventory
    - No notice to USAC is required
  - Asset inventory must be retained for 10 years from date of purchase
- **Disposal:** Equipment may be disposed of, sold, transferred, etc. from 5 years from the date of installation
  - No notice to USAC required but asset inventory must be updated

# NIFs Not Eligible for C2 Funding

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- Non-instructional facilities (NIFs) continue to be ineligible for C2 funding
  - Must deduct proportional share of NIFs use of any shared equipment
- Equipment may be housed at a NIF, however
  - For example, a Wireless Controller may be housed at data center
  - Wireless Access Points in NIFs may not be purchased with E-rate funds



After 5 years, transfer equipment to NIF

# Discount Calculations



# Calculating School Discounts

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- **Discount level for schools based on 2 factors:**
  - % of students – district wide - who are eligible for National School Lunch Program (**NSLP**)
    - Doesn't matter if school serves lunch or participates in NSLP
    - CTCs use their own students' data, not sending schools' data
    - CEP schools' 1.6 multiplier calculated automatically
      - PDE data will contain raw CEP data to use
    - Alternatives to using NSLP data available
  - Whether a majority of schools buildings are considered **rural**
    - Designations already in EPC
- Using this data, 'Discount Matrix' is then used to determine discounts

# School District Example

School	Urban/Rural	Enrollment	NSLP	
DALLASTOWN EL SCH	R	185	83	
LOGANVILLE-SPRINGFIELD EL SCH	R	434	77	
YORK TWP EL SCH	R	463	176	
ORE VALLEY EL SCH	U	554	191	
DALLASTOWN AREA SHS	U	1715	366	
LEADERS HEIGHTS EL SCH	U	164	33	
DALLASTOWN AREA MS	U	1003	282	
Administration Office	n/a	1380	408	
<b>DALLASTOWN AREA SCHOOL DISTRICT</b>	<b>U</b>	<b>4518</b>	<b>1208</b>	<b>26.7%</b>

**% NSLP = 27%**

**Not a majority of schools are Rural**

# Discount Matrix

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## Category 1

## Category 2

Income % of students in the school that qualify for the NSLP...	Category 1 Urban Discount	Category 1 Rural Discount
Less than 1%	20%	25%
1% to 19%	40%	50%
20% to 34%	50%	60%
35% to 49%	60%	70%
50% to 74%	80%	80%
75% to 100%	90%	90%

Category 2 Urban Discount	Category 2 Rural Discount
20%	25%
40%	50%
50%	60%
60%	70%
80%	80%
85%	85%



# Calculating Consortia Discounts

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- Based on the **simple average** of all consortia members' discounts

Consortia Members	Member Calculated Discount
District A	50%
District B	60%
District C	80%
<b>Consortia Discount</b>	<b>63%</b>
	$(50+60+80)/3$

- Consortia are only entities that will have non-matrix discount
- Most common consortia are IU RWANs

# Category 2 Budget Calculations



# Category 2, 5-Year Funding Caps

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- Current C2 budget cycle – Funding Years 2021 – 2025
  - All C2 budgets will reset in FY 2026 and no funding will be carried over
  - Budget multipliers will not increase with inflation during 5-year cycle
  - C2 budgets are *pre-discount*
    - Applicants' E-rate discounts then apply

## C2 budget multipliers:

### Single Schools:

\$167 x total enrollment OR \$25,000, whichever total budget is greater

### School Districts:

\$167 x total district enrollment, OR

\$25,000 x total number of schools in the district

– Whichever total budget is greater

### Independent Libraries:

\$4.50 x total square footage OR \$25,000, whichever total budget is greater

### Library Systems:

\$4.50 x total square feet of all library branches OR \$25,000, whichever total budget is greater

- Enrollment for C2 budget can be used for entire budget cycle and doesn't have to be updated annually
  - But can update if enrollment has increased to take advantage of higher C2 budget

# Special C2 Budget Calculation Option for Smaller School Districts

School Districts with **10 or fewer** schools – 3 options:

a) Calculate by total enrollment x \$167

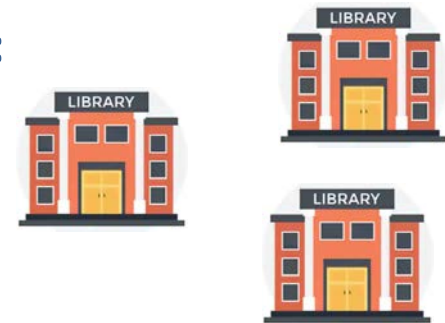
or

b) Calculate by total number of schools x \$25,000

or

c) Calculate by school and take the higher amount (\$25,000, or enrollment \* \$167) from each school and add together

➤ System will use whichever budget option is higher, a, b, or c



School	Enrollment	FY 2021 - 2025 Budget (hybrid)
Red School	625	x \$167 = \$104,375
Green School	300	x \$167 = \$50,100
Yellow School	50	Minimum = \$25,000
Blue School	120	Minimum = \$25,000
Total of all buildings' max. budgets:		\$204,475

# Category 2 Pre-Discount Budget

5-Year C2 Budget Cap*	E-rate Discount	E-rate Will Pay:	District's Share %	District Must Pay:
\$204,475	60%	\$122,685	40%	\$81,790

\* The C2 Budget Cap is the **pre-discount price**. E-rate discounts will then apply **on top of** the budget cap. In this example, district would still owe their 40% non-discounted share

- Future funding years: To determine what “**remains**” in a C2 budget for future years in the C2 “cycle”, take the 5-Year Budget Cap and subtract the pre-discount amounts of what has been “committed” in the previous year(s) of the C2 cycle

## What is YOUR Remaining Category 2 Pre-Discount Budget?

- List available at: <http://e-ratepa.org/wp-content/uploads/2014/03/C2-Budgets-Remaining-as-of-10-20-2021.xlsx>
  - Will change if C2 enrollment is updated in EPC
- Can download real-time data at: <https://opendata.usac.org/E-rate/E-rate-C2-Budget-Tool-FY2021-/8z69-hkn7>
  - Enter BEN to filter just your entity’s data

Filters (1)
Clear All

State
Select...

Applicant type
Select...

City
Select...

Billed Entity Name
Select...

BEN
125246

Consulting Firm Name (CRN) 29
Select...

# How Does USAC Obtain Enrollment & NSLP Data?

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- Short answer: Each Billed Entity updates their schools' EPC profiles annually during an "Admin Window"
  - System automatically calculates discounts
  - Discount Data is then be ported into E-rate application from EPC
- Julie sends out PDE *draft* enrollment/NSLP to listserve by mid December for schools to use
- Admin Windows are typically open from early October – 1<sup>st</sup> week in January
  - For Funding Year 2022, Admin Window opened October 26
  - Libraries do not enter this data
    - EPC linked to school district in which the library (or main library in a system) is located
- Due to COVID, schools can use enrollment/NSLP data from FY 2020 or FY 2021 for discount calculations
- C2 enrollment and Discount enrollment /NSLP data entered in different fields



# Requesting More Funding Than Remains in C2 Budget

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**Don't Do It.  
Ever.  
Ever.**

- What happens if you do?
  - Your E-rate application will go into manual processing
  - Will be required to identify exactly what FRN line items should be reduced or eliminated to come into budget



# The Application Process





# Application Process Overview

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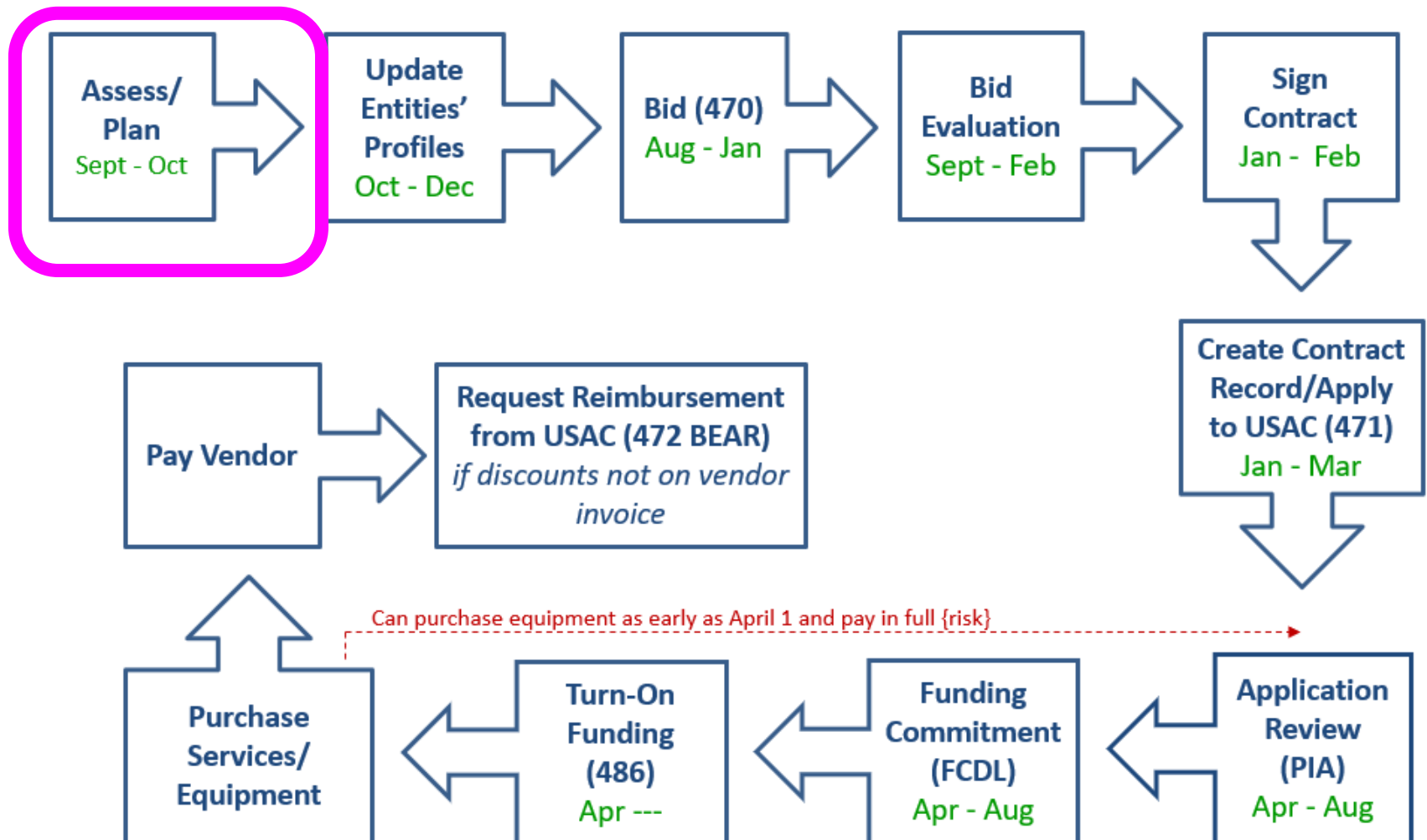
E-rate Step	Suggested Timeline
1) Assess Needs/Create Your Plan	August - November
2) Update EPC Profiles - Admin Window	Oct - early January
3) Bid All New Services/Equipment – Form 470	Now – early December
4) Bid Evaluation	January/February
5) Board Approval/Sign Contracts	January/February
6) Request E-rate Funding – Form 471	February – March 25? (deadline TBA)
7) Application Review – PIA	April - August
8) Funding Commitment – FCDL	April - August
9) Turn-On Funding/CIPA Compliance – Form 486	FCDL receipt – October 28
10) Receive Services	July 1, 2022 – June 30, 2023
11) Pay Vendor	July 1, 2022 – June 30, 2023
12) Submit Invoice to USAC – Form 472 BEAR if paid vendor bill in full (vendor submits Form 474 SPI to USAC if you received discounted bills)	October 28, 2023 (deadline)

# FY 2022 Application Cycle

- Funding years named for the year in which they begin
  - FY 2022 = July 1, 2022 – June 30, 2023
  - Application process begins 6-10 months ahead of start of next funding year

FUNDING YEAR 2022 APPLICATION CYCLE																																					
									FY 2022 - Non-Recurring Services/Equipment Purchases - April 1, 2022 - Sept 30, 2023																												
									FY 2022 - Recurring Services - July 1, 2022 - June 30, 2023																												
		Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan							
Form	Description	2021	2021	2021	2021	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023								
470	Competitive Bidding Window (min. 29 days)	July 1, 2021 - Mid February 2022																																			
AW	Administrative Window (EPC Profile Updates)	Oct - Mid Jan. 2022																																			
	Newly Signed Vendor Contracts Uploaded to EPC																																				
471	Funding Request Application Window					Mid Jan - Late Mar. 2022																															
PIA/ FCDL	PIA Review/Funding Decision Letters (FCDL) Issued								April 2022 - Sept 1, 2023																												
486	CIPA Certification/Turn on Funding																																				
472	BEAR Deadline - Recurring Services																								Oct 28												
	BEAR Deadline - Non-Recurring Services																											Jan 28									

# Step 1... Assess Needs and Plan



# Step 1: Assess Need & Plan

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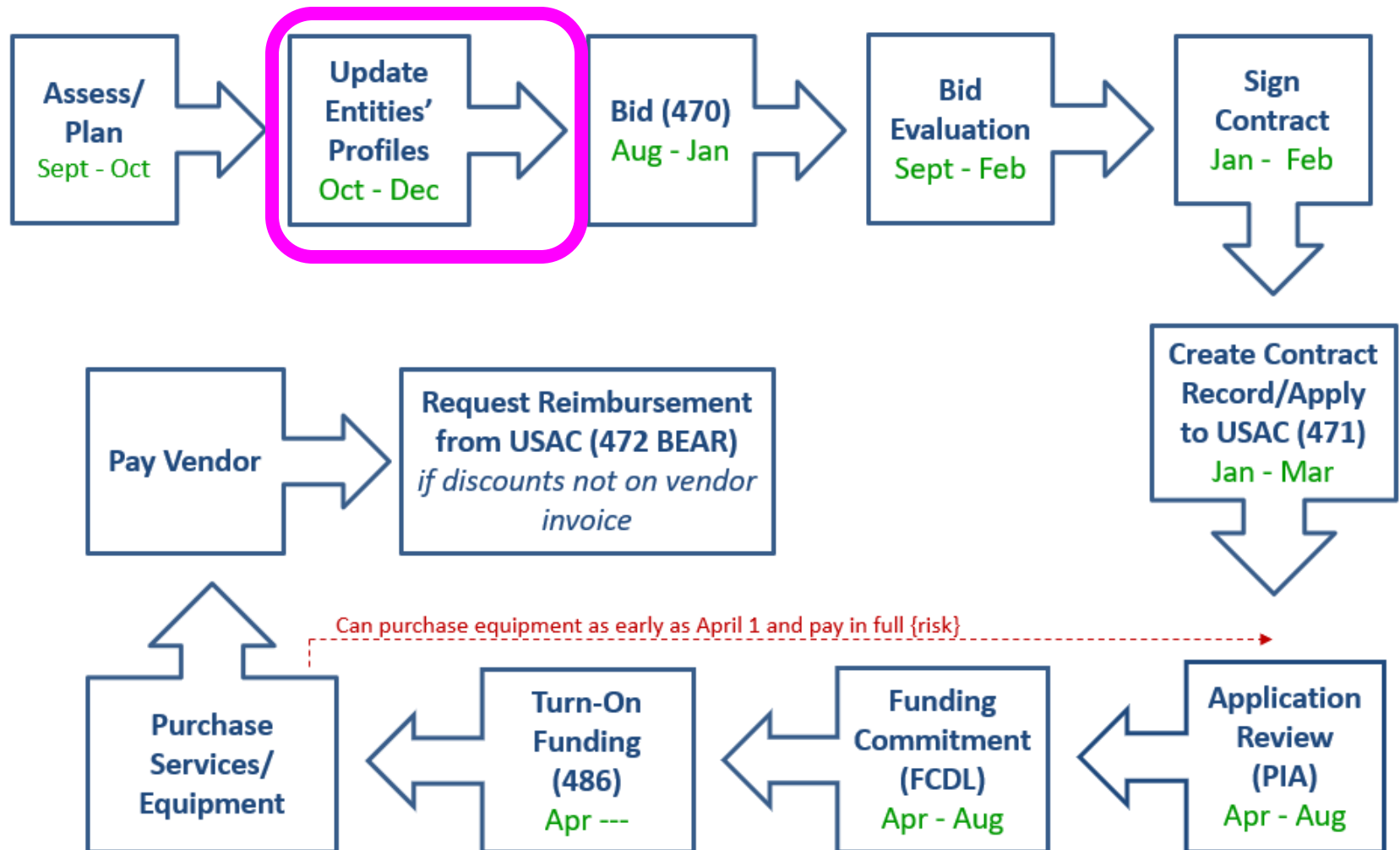
- **When?** September/October
- **Category 1:** Review existing contracts to determine when they expire
  - Extend, if options available
    - Must have documentation to vendor of request to extend
  - If contract expiring, decide if upgraded services are needed
- **Category 2:** Determine what equipment/wiring is needed for each school over next 12 months
  - Research options, prepare bid-list



**Review Julie's List of C1 Contract Expiration Dates**

**<http://e-ratepa.org/?p=33717>**

# Step 2... Update Entities' Profiles

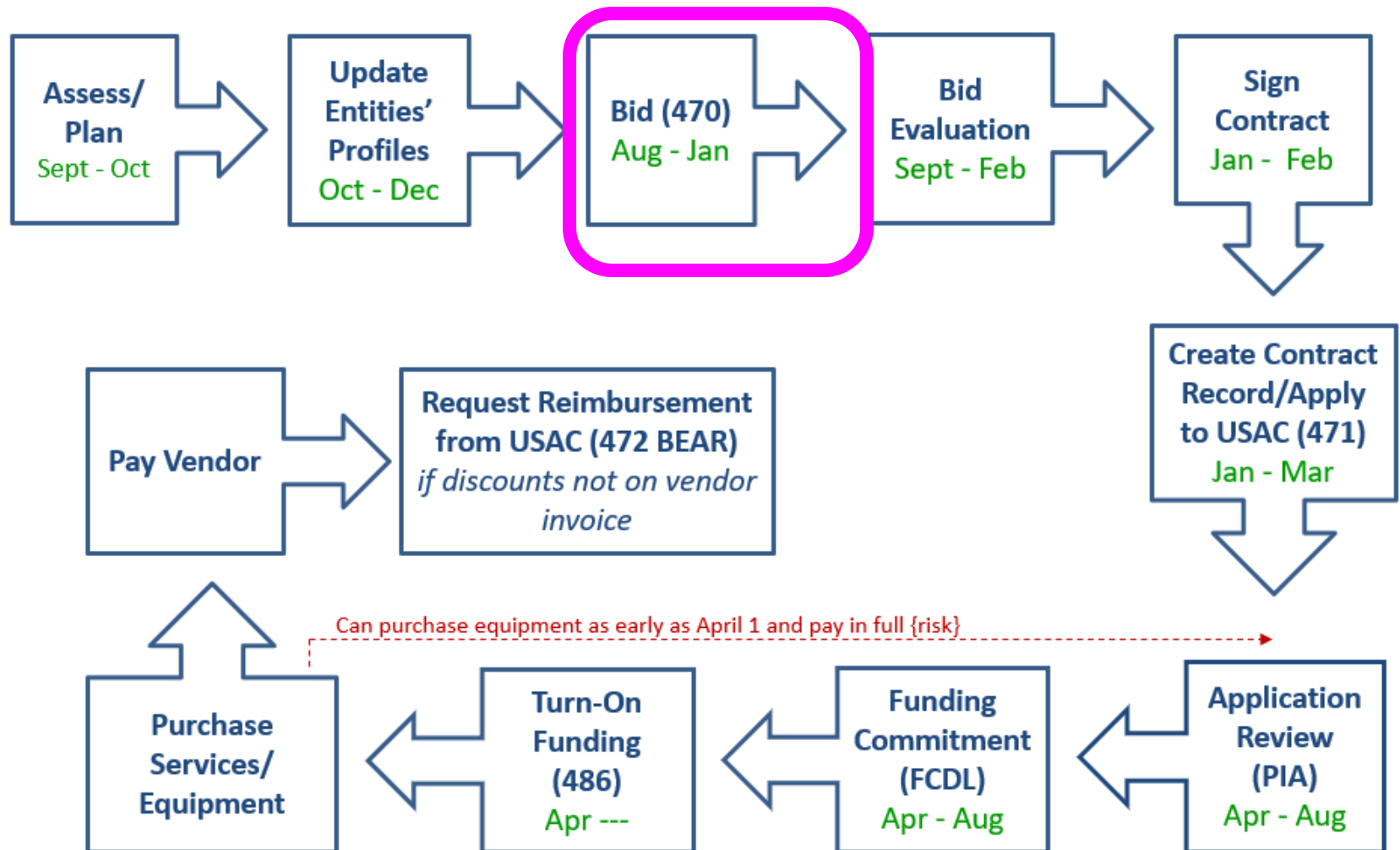


# Step 2... Update Entities' Profiles

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- **Update Entities' Profiles during Administrative Window each fall**
  - 3-months when schools must update enrollment/NSLP data for each school
  - Data cannot be changed when Admin Window closes
  - Why? Libraries and consortia rely on schools' discount data to calculate their discounts
    - Their forms don't work unless data is "locked down"
  - PDE NSLP *draft* data should be available mid-December
- Confirm all entities, including NIFs, are in EPC portal
  - Contact CSB at 888-203-8100 to make entity adjustments
- Libraries do not enter this data
  - EPC linked to school district in which the library (or main library in a system) is located
  - Libraries just update square footage/address changes, if any



# Step 3... Post Form 470s



# Step 3: Posting the Form 470

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## Purpose of the Form 470

- Online form to notify vendors of services and equipment for which you are seeking proposals
  - All equipment/services for which you will seek funding on the Form 471 must have been posted on a Form 470
- Vendors are invited to submit bids/price quotes for 28 days from the date of certifying your Form 470
  - List bid due date in text box 
  - Build in an extra 2 weeks for vendor question deadline 
- You are NOT obligated to purchase any service/equipment listed on Form 470
- Category 1 and Category 2 can be filed on the same 470



# When Must a Form 470 be Posted?

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## A Form 470 must be filed:

- 1) If a service is covered on a Month-to-Month basis (meaning no contract exists – these are mostly cable modem-type services);
- 2) At the beginning of any new contract
  - If you posted a Form 470 in a previous year, and then signed a multi-year contract that expires on or after June 30, 2023, you are not required to file a Form 470 for FY 2022
- 3) If you're upgrading service mid-contract and the upgrades and associated prices are not included in the original contract

List of FRN Rebidding Status available at: <http://e-ratepa.org/?p=33717>

## Contract extensions:

- Contract extensions are permitted to be included in the original contract
- Must have a definite end
  - **OK:** For example, a 3-year contract, with two 1-year renewals. Will not require new 470 until the end of 5 years
  - **NOT OK:** 3-year contract that automatically renews. Will require new 470 at the end of 3 years
- Must notify vendor if you want to exercise one of your contract extensions
  - Can be as simple as an e-mail; some vendors want contract amendment
  - USAC will ask for this during your application review

# Requests for Proposals (RFPs)

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- RFPs not required, except for:
  - Minimum state bidding threshold requirements for equipment (public schools)
  - All applicants seeking dark fiber or self-provisioned fiber projects
- USAC considers any bidding document provided to vendors an RFP
- If issuing an RFP, all documents that constitute that RFP must be uploaded with Form 470 at time of filing
  - Cannot cite to a website bidding advertisement
  - **Important:** Any addenda or other documents given to vendors after the Form 470 is filed must be uploaded to existing 470
    - Must restart 28-day clock if any changes are made to the original RFP
- Vendors cannot provide RFP language or bid lists

# When to File the Form 470

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**Deadline:** Form 470 must be posted online at least 29 days before the Form 471 window close

For example:

- If Form 471 deadline is March 25; therefore...
- February 25, 2022 = 470 Deadline
  - DO NOT wait this long! Gives you 1 day to evaluate bids, negotiate contracts, seek board approval, sign contracts, and then file the Form 471 by the 471 deadline
  - File 470 before December 1, if possible

# Category 1 Form 470 for FY 2022

- FCC revamped the Form 470 to be description-based

**Add New Service Request** **Level A**

☒ I seek bids for internet access and/or data transmission service. ★

☐ I seek bids for Category One network equipment or maintenance and operations.

Most common

Both Internet AND data circuit  
(use this especially for Internet and cable modem, DSL requests) ★

Commodity Internet only (no circuit - rare)

Data circuits only (WANs) or dark/lit fiber requests – No Internet ★  
(common for districts and multi-site networks)

Self-provisioned network (build/own your own network - rare)

**Level B**

☐ I seek bids for Internet access and data transmission service (provided over any combination of transmission medium, e.g., fiber-only networks, fiber/non-fiber hybrid networks, or non-fiber networks such as cable, DSL, copper, satellite, or microwave).

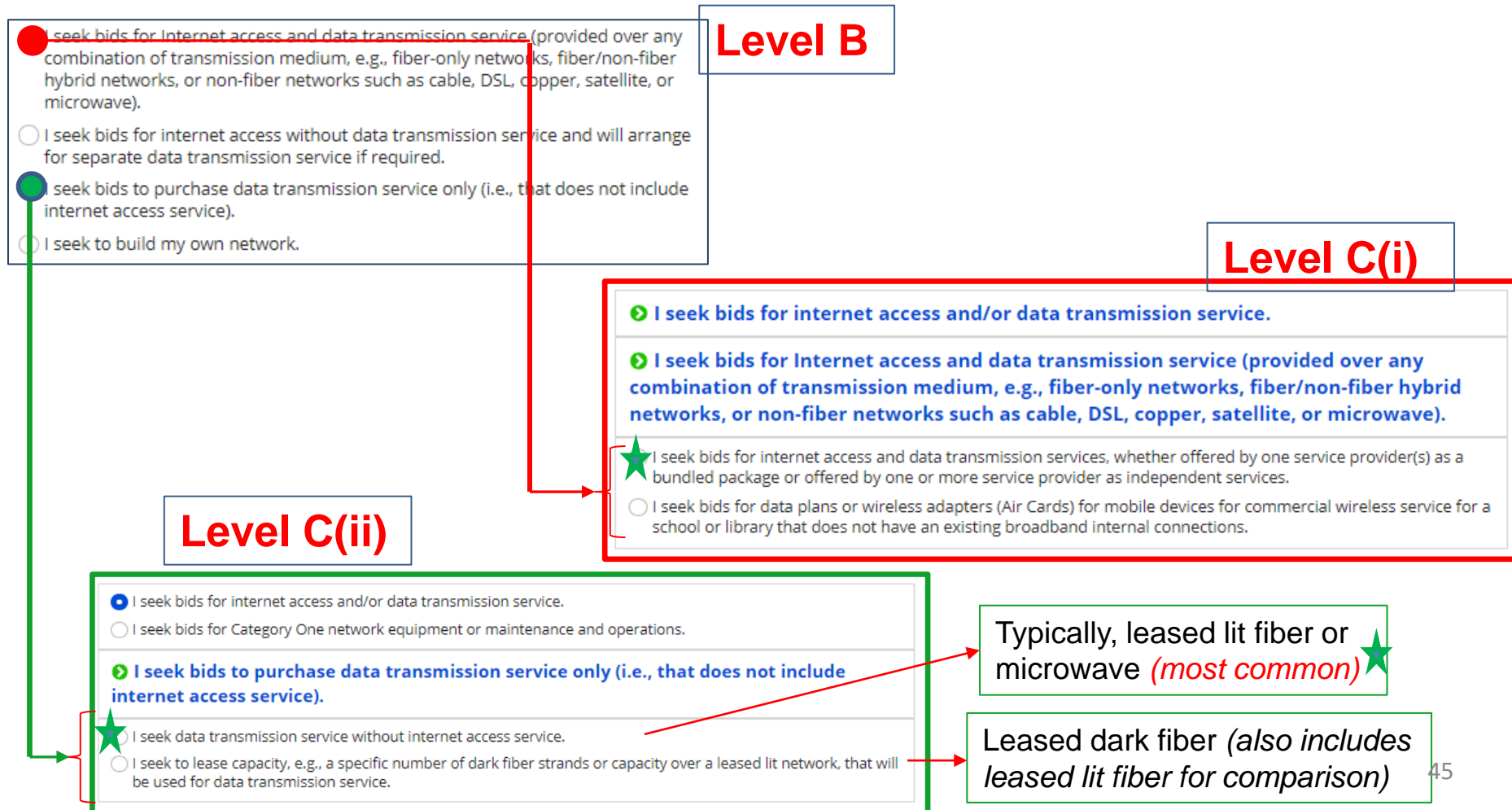
☐ I seek bids for internet access without data transmission service and will arrange for separate data transmission service if required.

☐ I seek bids to purchase data transmission service only (i.e., that does not include internet access service).

☐ I seek to build my own network.

# Category 1 Form 470 for FY 2022

- 1<sup>st</sup> or 3<sup>rd</sup> Options have additional level:



# Category 2 Form 470 for FY 2022

## Level A

Use for equipment requests (*most common*)★

Use if bidding maintenance ONLY (*uncommon*)

Use if bidding managed internal broadband services (MIBS) (*uncommon*)

### Add New Service Request

- ☐ I seek bids for the equipment needed for broadband connectivity within schools and libraries and/or the related software and right-to-use licenses necessary for the equipment to function.★
- ☐ I seek bids for basic maintenance service on eligible equipment and/or support services (e.g., bug fixes, software upgrades, and security patches) appropriate to maintain reliable operation.
- ☐ I seek bids for the operation, management, and monitoring of eligible broadband internal connections.

#### Service Type

Internal Connections

#### Function \*

Routers and Necessary Software and Licenses

#### Quantity \*

#### Unit

Each

☐ Please select this option if you would like to create an accompanying Category Two BMIC request for this IC request.

#### Manufacturer

No Preference

#### Are you also seeking Installation, Activation and Initial Configuration for this service? \*

☐ Yes

☐ No

# Public Schools Only: PEPPM for C2

- In PA, public schools may use the state PEPPM contract for Category 2 purchases
- No Form 470 is required, but PEPPM mini-bid process is required
  - All vendors in a certain ‘category’ must receive mini-bid equipment list
  - Proposals must be accepted for 14 days
  - Factors besides price may be considered
- PEPPM bidding guide coming soon: [http://e-ratepa.org/?page\\_id=6121](http://e-ratepa.org/?page_id=6121)



The screenshot shows the 'E-rate in Pennsylvania' website. The header includes a logo and navigation links: Home, Where To Start, and Listserve Archive. A dark blue navigation bar contains links for DISCOUNT CALCULATIONS, TRAINING & OUTREACH, COVID-19, PA FUNDING, HELPFUL DOCUMENTS, PEPPM CONTRACT, and E-RATE FILINGS. Below this, a breadcrumb trail reads 'Home » PA PEPPM Contract E-rate Information'. A red rectangular box highlights a small, empty white box on the right side of the page. The main content area has a grey header with the title 'PA PEPPM Contract E-rate Information'. The text below explains the mini-bid process for Category 2 applications, stating that a mini-bid process must be conducted among all manufacturers that can provide the required equipment. It mentions that the page provides a comprehensive, yet simple, step-by-step guide to conducting a PEPPM Mini-Bid and encourages everyone to review the guide before beginning. On the right side of the text, there is a small image showing hands writing on a document.

**E-rate in Pennsylvania**

Home Where To Start Listserve Archive

DISCOUNT CALCULATIONS TRAINING & OUTREACH COVID-19 PA FUNDING HELPFUL DOCUMENTS PEPPM CONTRACT E-RATE FILINGS

Home » PA PEPPM Contract E-rate Information

**PA PEPPM Contract E-rate Information**

For schools that choose to use the PEPPM Contract as the procurement option for their E-rate Category 2 applications, a mini-bid process must be conducted among all manufacturers that can provide that “category” of equipment in order to meet the E-rate requirement that all equivalent product lines must be provided the opportunity to submit proposals. This page provides a comprehensive, yet simple, step-by-step guide to conducting your PEPPM Mini-Bid and I encourage everyone to review the guide before you begin.



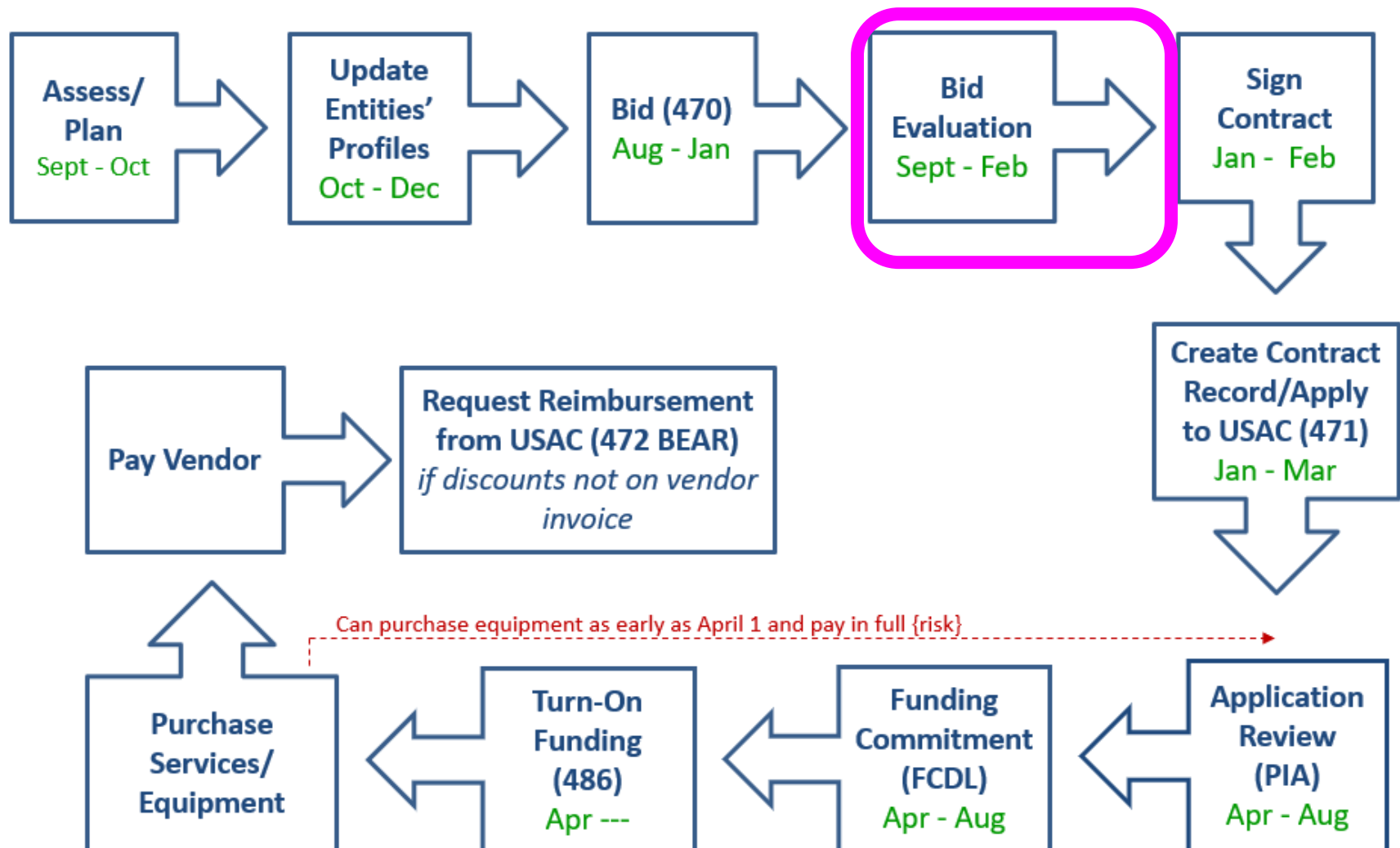
# During the Bidding Period...

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- After the Form 470 has been posted online, vendors submit proposals directly to the school or library
- Proposals must be accepted for a minimum of 28 calendar days
  - Applicants should specify a bid deadline in the Form 470/RFP
  - Can be longer than 28 days
- Vendors will contact you if they need additional information
- When contacted by a vendor, you must indicate your willingness to receive a proposal for services listed on Form 470
  - Do NOT say you are just going to stay with your current vendor
- May conduct pre-bid meeting with vendors



# Step 4... Evaluating Bids



# Step 4: Evaluating Bids

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- After the bid due date (which must be at least 29 days after 470 is posted), applicant must review all qualified bids received for all services or equipment
- Must create and retain bid evaluation matrix

**Services: Price of eligible services/equipment MUST be the most heavily weighted factor during bid evaluation**

— Examples of other evaluation criteria:

- Quality of proposed solution
- Cost of ineligible items
- References
- Experience with the vendor
- Ability to meet installation deadline

**Equipment: In PA, public schools must select low-bid among all qualified proposals unless using PEPPM contract (then can include bid evaluation factors)**

- Retain all winning and losing bids and all correspondence between applicant and all vendors (winning and losing)

# Disqualifying a Bid


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- In order to DQ a bid, the bid disqualification reason must have been stated in the Form 470 or in the RFP
- **DQ reasons must be yes/no** (either they complied or they did not)
- *Examples:*
  - Vendor must submit a proposal by the deadline stated in the 470/RFP
  - Vendor must bid on all services requested in the 470/RFP
  - Vendor must be authorized to do business in PA
  - Equipment must be compatible with District's existing XXX equipment
    - Be sure to then list the existing equipment in the district
  - Equipment cannot be refurbished or "gray market"
  - Vendor must be willing to provide discounted bills
  - Vendor must attend pre-bid walk-through
  - Vendor must submit bid bond
- When disqualifying a bid, make a note of the exact reason for DQ reason and show where it was stated in the 470 or RFP



# Received No Bids?

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- Document via an email or file memo that no bids were received
- Existing Services: can continue to receive services from existing service provider
- New Services/Procurement: Solicit bid from willing vendor (who is not your brother-in-law) 
  - Make sure price is cost-effective
  - Check marketplace options from other vendors in your area or nearby areas
  - Save research and information to justify buying service from this vendor

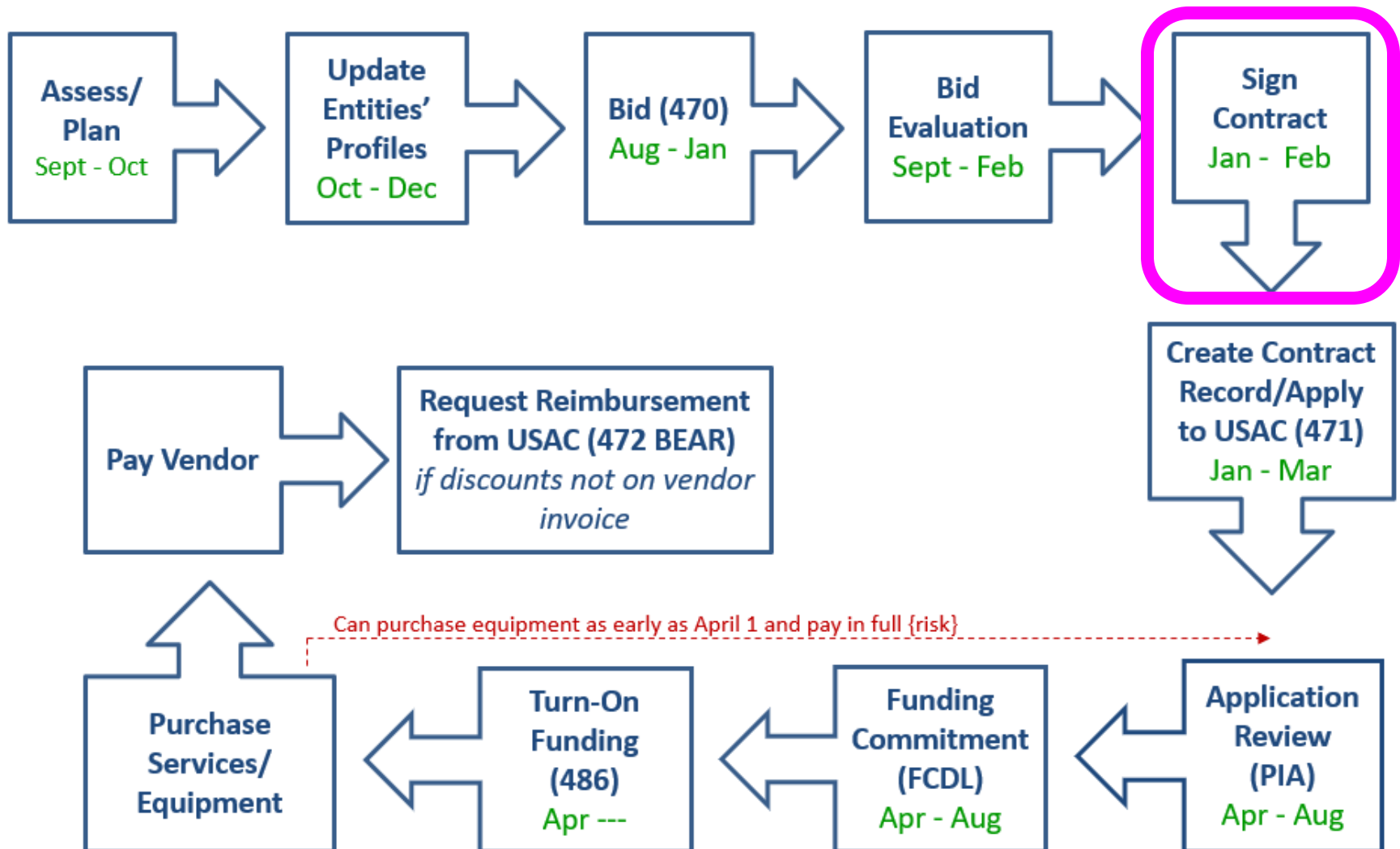
# Bid Evaluation Matrix Example

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Factor	Points Available	Vendor A	Vendor B	Vendor C
Proposal Cost		\$750	\$800	\$1000
-- Weighted Points (% to lowest bid)		100%	80%	75%
Price of Eligible Services/Equipment (weighted)	60	60	48	45
Ability to Meet Installation Timeline	20	10	10	20
Quality of Proposed Solution	10	10	10	10
References	10	8	8	5
<b>TOTAL POINTS</b>		<b>88</b>	76	80



# Step 5... Signing Contracts



# Vendor Contracts

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- Contracts must be signed/dated by the applicant before you submit Form 471
  - Unless receiving services on month-to-month basis
  - Vendor can sign after the Form 471 deadline
  - Obtain board approval, if required, prior to signing vendor contract
- Cannot select 2 vendors to provide the same service
  - FCC believes there should always be one bidder that is more 'cost effective' than any other

TIP!

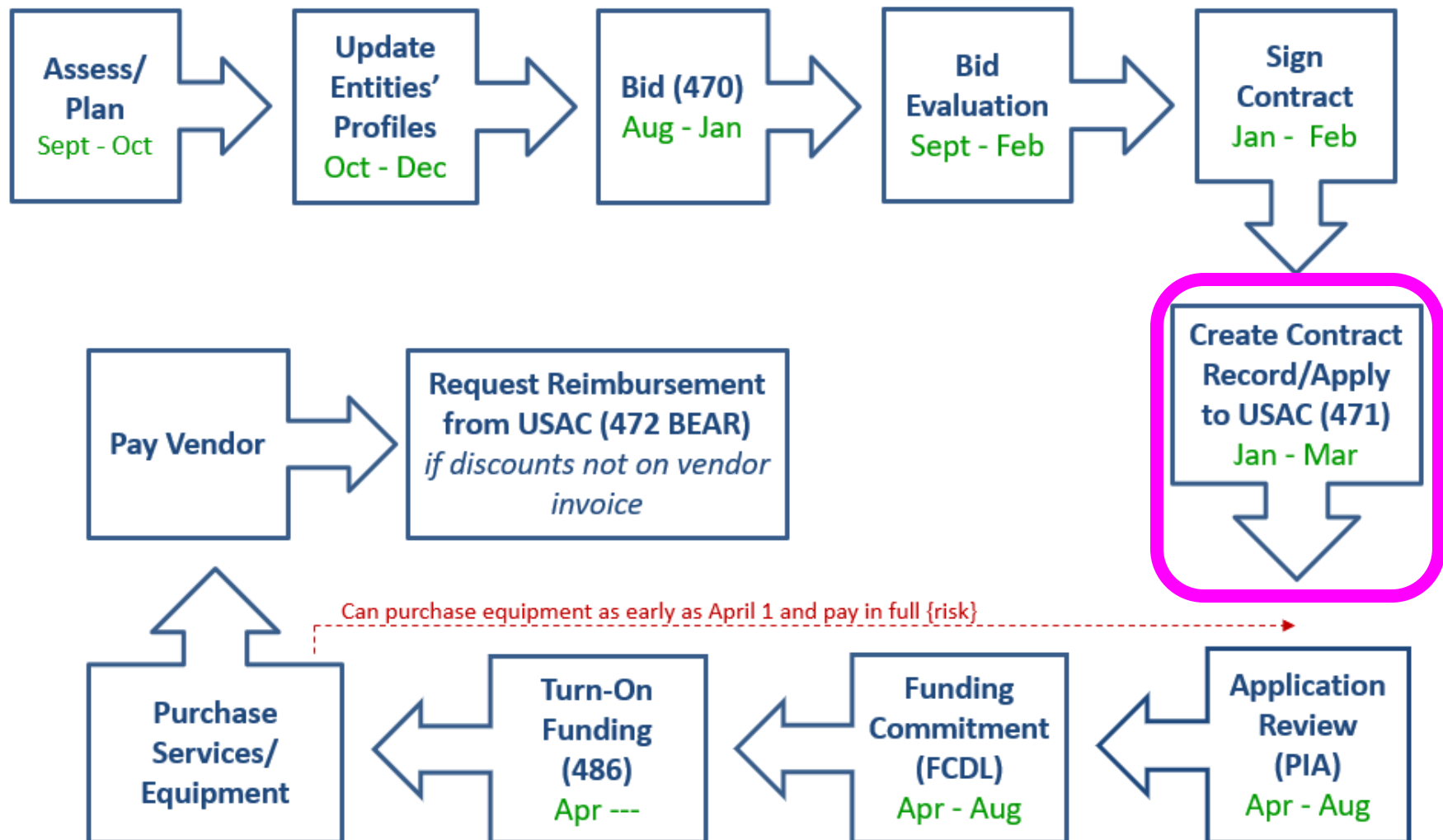
Do not accept vendor's standard Ts & Cs

**Negotiate!**

- Contract guidance available at: <http://e-ratepa.org/?p=32991>



# Step 6: Contract Records/Applying for Funding (Form 471)





# Step 6a: Upload New Contracts into EPC

- All NEW contracts must be uploaded into the 'EPC Contract Module' before starting the Form 471

-- > EPC Landing Page > District Name > Contracts from top toolbar

Records / Applicant Entities

**#125300 - MCGUFFEY SCHOOL DISTRICT**

MANAGE ORGANIZATION CREATE A CUSTOMER SERVICE CA...

Summary Customer Service Modifications Additional Information Discount Rate **Contracts** FCC Forms FRN Appeals News Related Actions



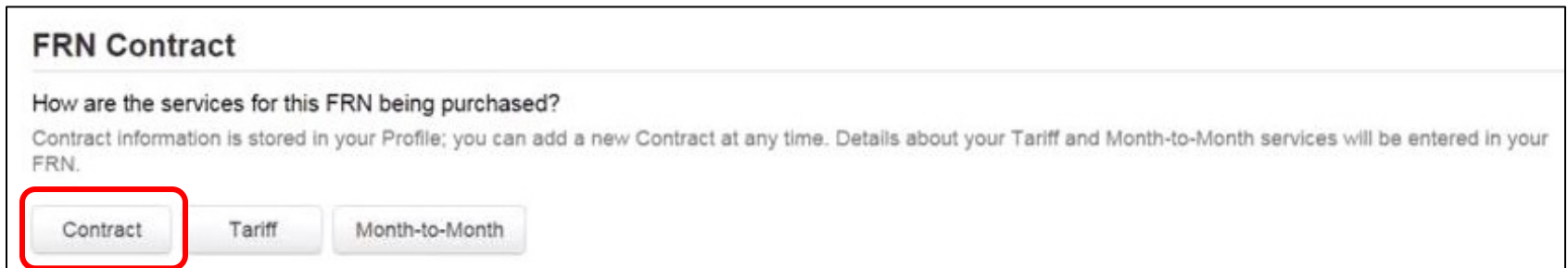
There is no way to edit a Contract Record after it has been submitted  
Simply create a new Contract Record with the accurate information



# Purpose of Contracts Module

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- When completing a Form 471 Funding Request on the 471, you must indicate how you will be purchasing the requested services – either via a Contract, Tariff or Month-to-Month (MTM) basis:



The screenshot shows a web interface for selecting a purchase method. At the top, it says "FRN Contract". Below that is the question "How are the services for this FRN being purchased?". A note states: "Contract information is stored in your Profile; you can add a new Contract at any time. Details about your Tariff and Month-to-Month services will be entered in your FRN." At the bottom, there are three buttons: "Contract", "Tariff", and "Month-to-Month". The "Contract" button is highlighted with a red rectangular border.

**FRN Contract**

How are the services for this FRN being purchased?

Contract information is stored in your Profile; you can add a new Contract at any time. Details about your Tariff and Month-to-Month services will be entered in your FRN.

- If you select 'Contract,' you will then be asked to select from the list of your Contract Records from the Contract Module
- The Contract Record selected will then be "linked" to the Form 471 Funding Request

# Contract Record Hints

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- Assign is a very descriptive nickname
  - Recommended: Service – Vendor – Year Signed
  - Example: “Internet – Zito – 2022”
- Upload copy of contract
  - If you don’t, USAC will simply ask you for it during their application review
- Enter following data:
  - 470 used to bid service
  - Contract signing date
  - # of bids
  - How many contract extensions, if any
  - Service provider selected (SPIN)
- Contract record will not ask for contract expiration date
  - This is listed with each funding request in the 471



# Step 6b: Filing the Form 471

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## Purpose of the Form 471

- Filed by entity that actually pays the bills (the Billed Entity)
- Formally requests E-rate funding commitments from USAC
- Asks detailed questions about services or equipment
- Shows which entities are receiving service
- Shows discount calculations (from EPC)
- Links to a Contract Record(s) to show which Form 470 was used to bid services, contract signing dates, contract amounts, etc.

## Funding Requests

- Each separate funding request is assigned a number, called a Funding Request Number (FRN)
- Each FRN is “built” by adding FRN Line Items

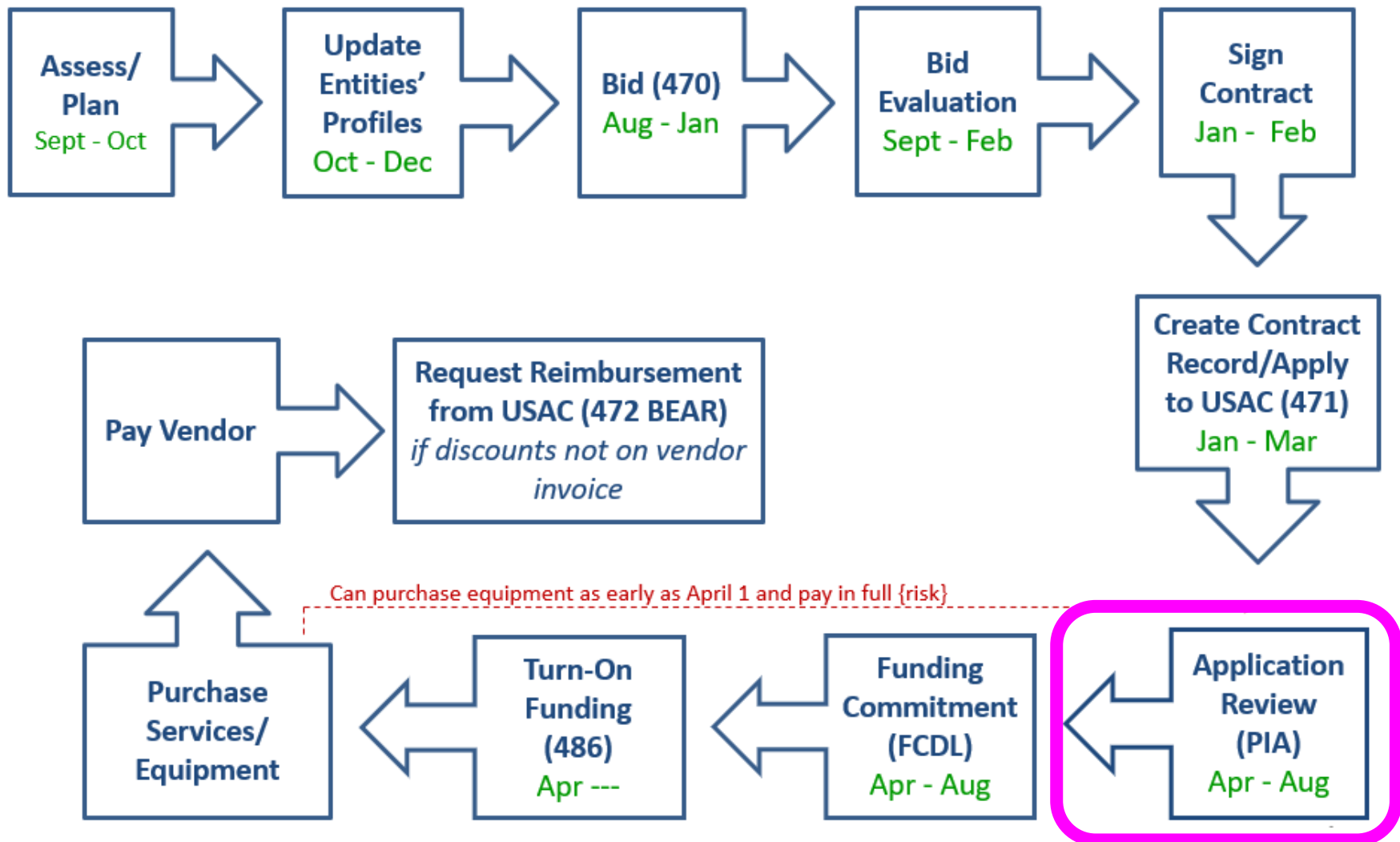
# When and How Many to File

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- **471 Application Window: early January – mid March**  
Do **NOT** miss this deadline!
- Must be filed in EPC
- Category 1 and Category 2 must be filed on separate applications
  - Multiple applications are ok
- Read the listserve messages for important filing tips



# Step 7: PIA Application Review



# Step 7: PIA Review

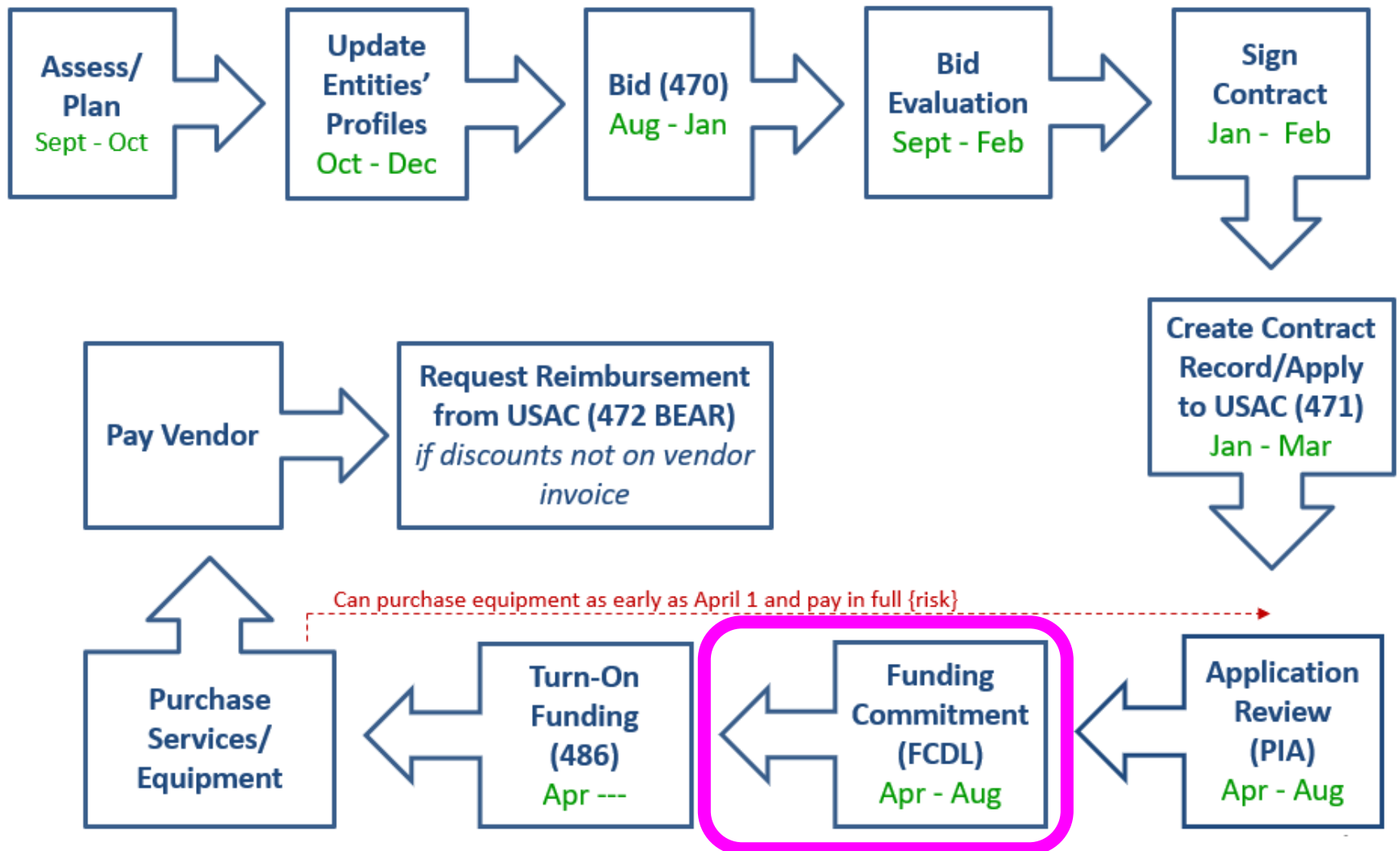
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## Program Integrity Assurance (PIA) Review

- USAC team that reviews all applications submitted within the “Form 471 Window” and makes determination on funding approval/reductions/denials
- Checks for rule compliance
  - Eligible services
  - Eligible entities
  - Appropriate discount level
  - Competitive bidding violations
  - Category 2 budget levels
- The 471 main contact will receive an email notification that PIA questions are pending in EPC about their application
- Applicants have 15 days to respond
  - Can seek a single, 1-week extension
- PIA will notify if they intend to deny or reduce request



# Step 8: Funding Commitment Decisions





# Step 8: USAC Issues FCDL

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## FCDL = Funding Commitment Decision Letter

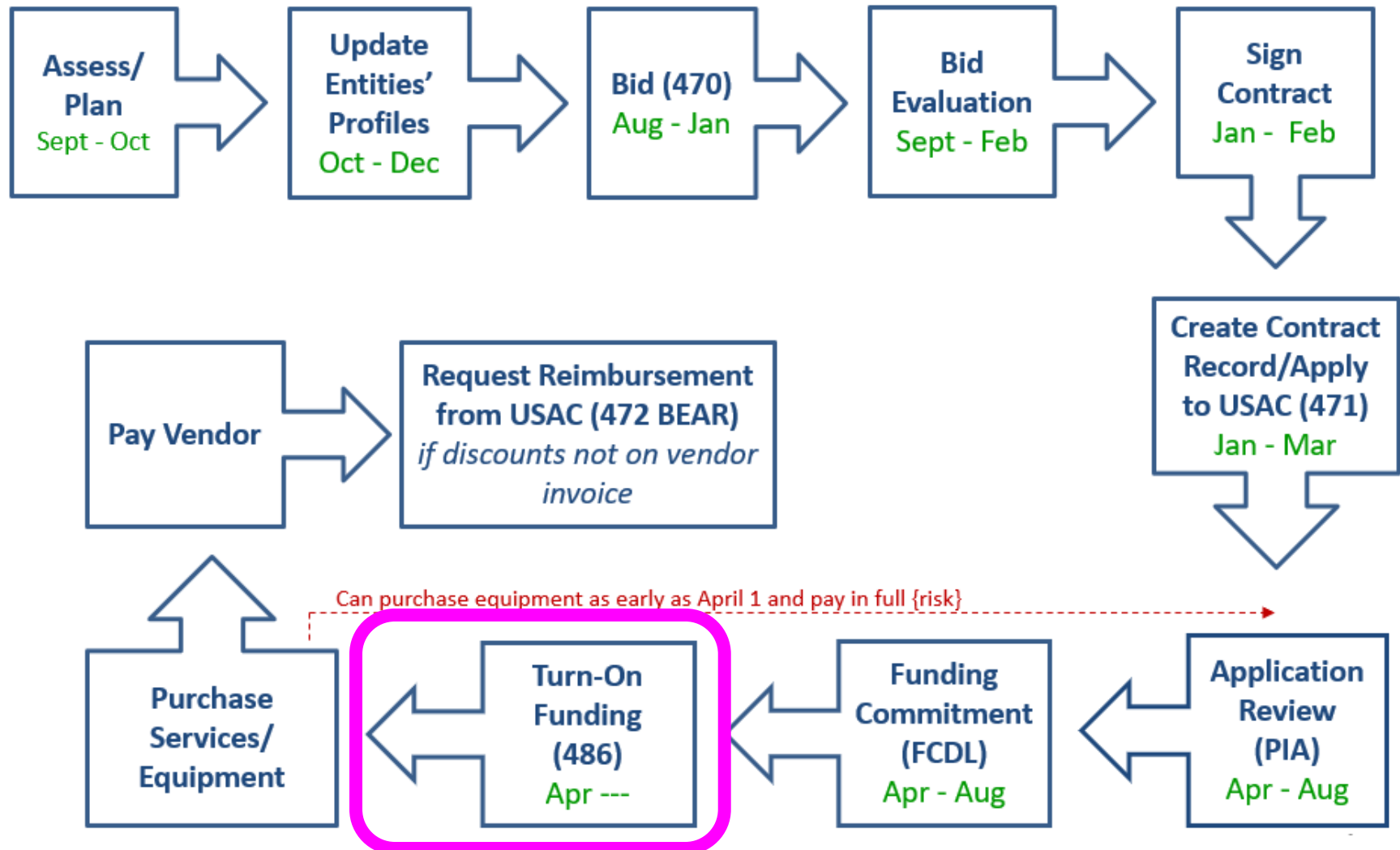
- Funding “waves” are released weekly (usually waves issued on Thursdays)
  - Goal is to have all “workable” applications funded by Sept 1
- FCDLs e-mailed to Form 471 contact and EPC AA
- Gives approval decisions of each funding requests (FRNs) on Form 471
- Can appeal within 60 days if you don’t agree with their decision
  - Appeal to USAC first
  - Can then appeal to the FCC if USAC denies



Watch PA E-rate listserve for weekly wave notices!



# Step 9: Filing the Form 486



# Step 9: Form 486

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## Form 486 Receipt of Services Form

- Informs the SLD that services have (or will) **start**, and
- Informs the SLD that your school or library is **CIPA** compliant
- Can only be filed after the FCDL has been issued
- Neither BEAR and Vendor invoices can be paid until the Form 486 has been submitted and approved
  - Approval is usually instantaneous unless you check a wrong box
  - Most vendors will not discount bills or order equipment until the Form 486 has been submitted
- Form 486 is **very** simple! Almost all data fields pre-populated



**Deadline:** 120 days after FCDL date or October 28, whichever is later

- Can be filed immediately after FCDL received, even before July 1
- USAC will deduct 1-month's funding for each month the form is late



Always list Service Start Date as July 1

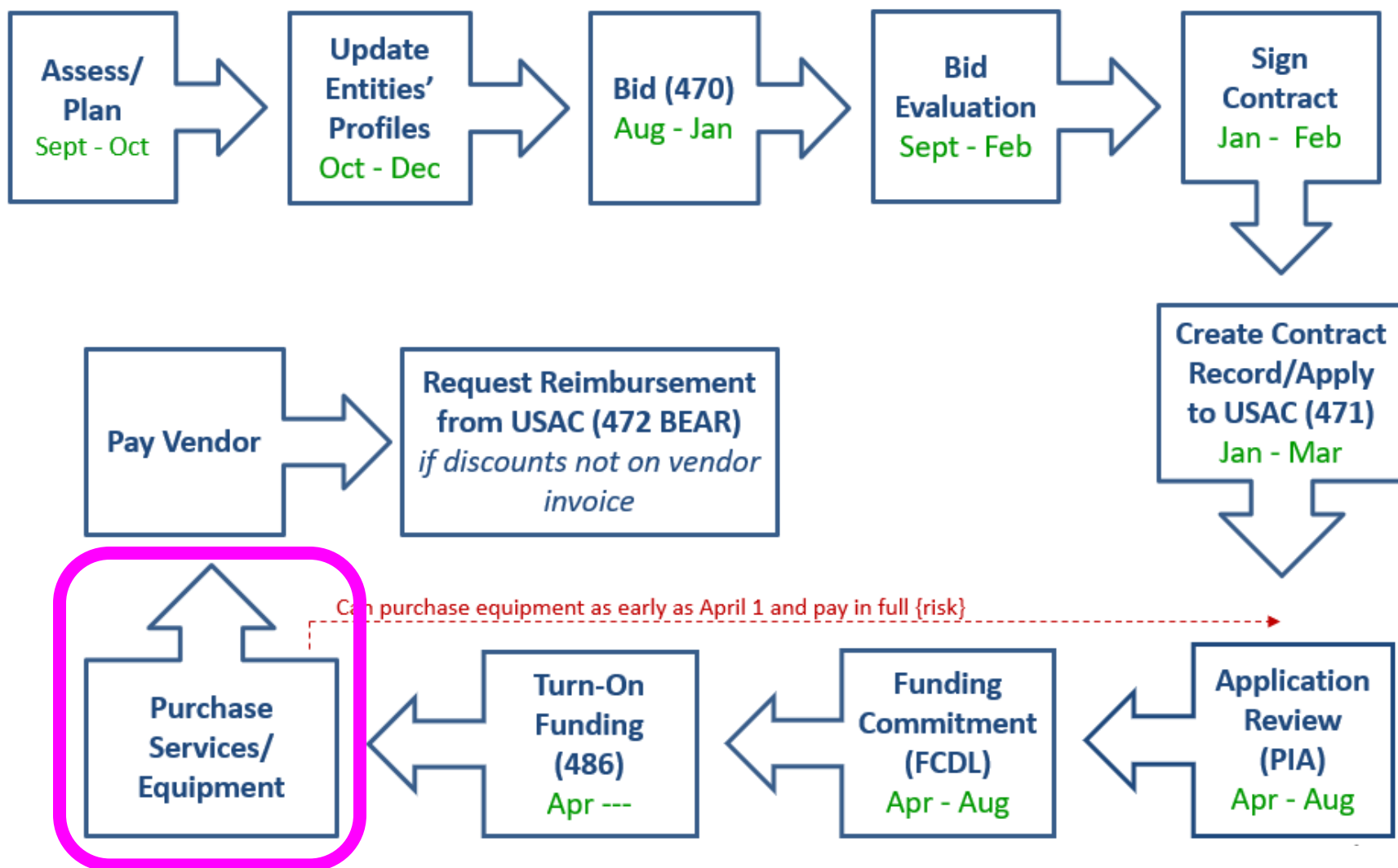
# CIPA Requirements

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**Any school or library receiving either Internal connections or Internet access must, OR ECF funding for internet access must...**

- Filter all Internet access
- Have an Internet Safety Policy that addresses required elements
  - Policy must have been adopted after public hearing
- Schools' (not libraries) Internet Safety Policies must include "...  
*educating minors about appropriate online behavior, including interacting with other individuals on social networking websites and in chat rooms and cyberbullying awareness and response.*"
  - This means that schools are required to teach online safety to students as a prerequisite to receiving E-rate funding
- Recipients only receiving telecommunications services are exempt from E-rate CIPA compliance
- Consortium members submit Form 479 to consortium leader certifying compliance in order for consortium lead to submit Form 486

# Step 10: Receiving Services/Equipment



- Category 1 services must be delivered between July 1 – June 30
- **Installation** may occur as early as January 1 or contract signing date, whichever is later
  - Services may not BEGIN until July 1

FUNDING YEAR 2022 APPLICATION CYCLE																												

# Category 2 Delivery Timeline

- C2 equipment may be purchased/installed anytime after **April 1** (3 months before funding year begins)
- Equipment must be installed before **September 30** (3 months after funding year is complete)
  - Even if installation isn't included on the FRN
  - Can request 1-year extension if request is made before September 30

FUNDING YEAR 2022 APPLICATION CYCLE																																								
									FY 2022 - Non-Recurring Services/Equipment Purchases - April 1, 2022 - Sept 30, 2023																															
									FY 2022 - Recurring Services - July 1, 2022 - June 30, 2023																															
Form	Description	Sept 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	June 2022	July 2022	Aug 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023	July 2023	Aug 2023	Sept 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024										
470	Competitive Bidding Window (min. 29 days)	July 1, 2021 - Mid February 2022																																						
AW	Administrative Window (EPC Profile Updates)		Oct - Mid Jan. 2022																																					
	Newly Signed Vendor Contracts Uploaded to EPC																																							
471	Funding Request Application Window					Mid Jan - Late Mar. 2022																																		
PIA/ FCDL	PIA Review/Funding Decision Letters (FCDL) Issued								April 2022 - Sept 1, 2023																															
486	CIPA Certification/Turn on Funding																																							
472	BEAR Deadline - Recurring Services																										Oct 28													
	BEAR Deadline - Non-Recurring Services																														Jan 28									

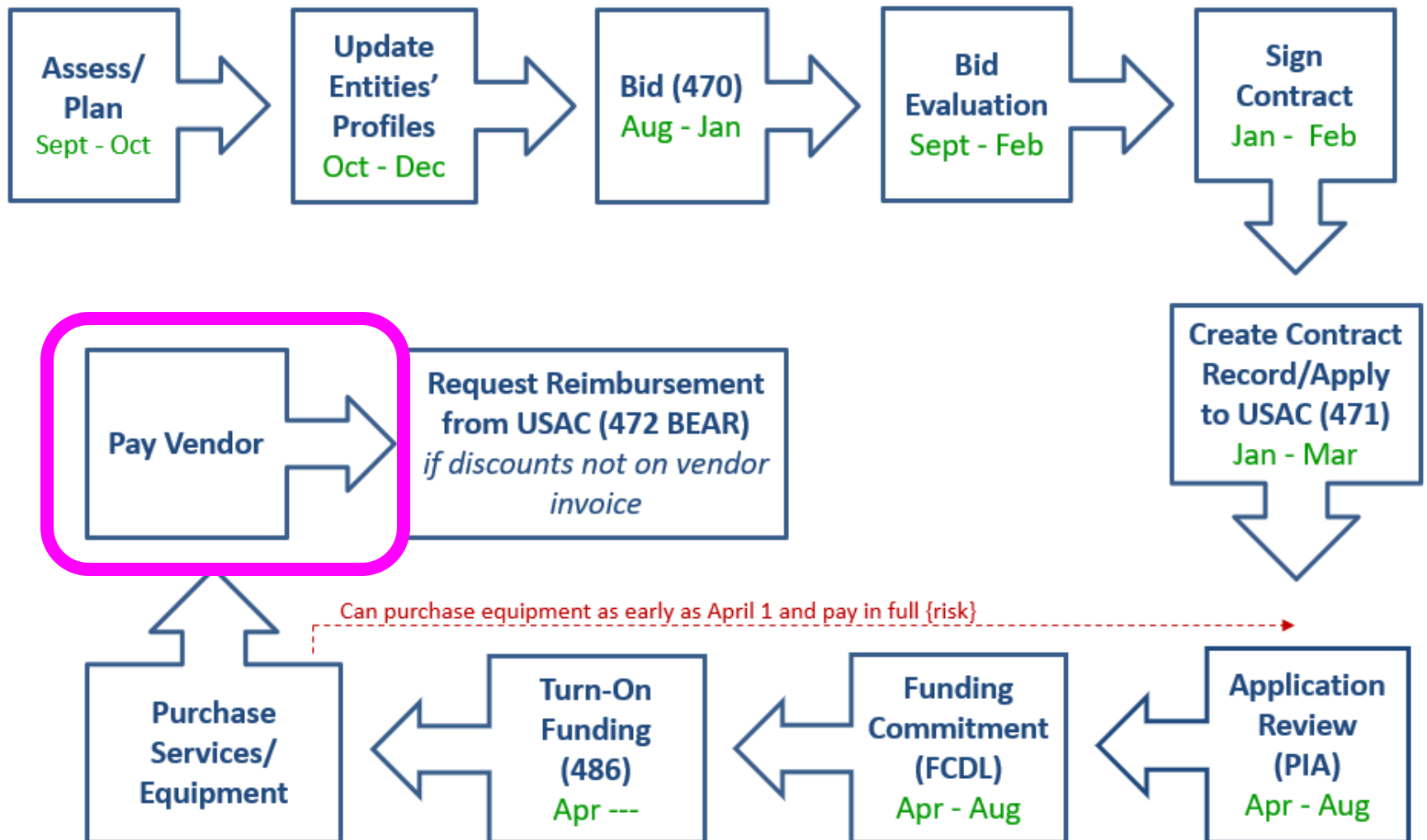
# Category 2: Purchasing Reminders

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- ✓ Create and Maintain Asset Inventory
  - All audits require this to be submitted
  - Sample: <http://e-ratepa.org/wp-content/uploads/2014/03/Asset-Register-Sample.xlsx>
- ✓ Only purchase exact equipment that was approved on 471
  - If equipment is different, seek a **Service Substitution** from USAC
- ✓ Keep everything
  - E-rate rules now require you to keep all documents related to procurement, purchasing, discount calculations, invoicing for 10 years from the last date to receive service or service delivery deadline, whichever is later



# Step 11: Paying for Services/Equipment



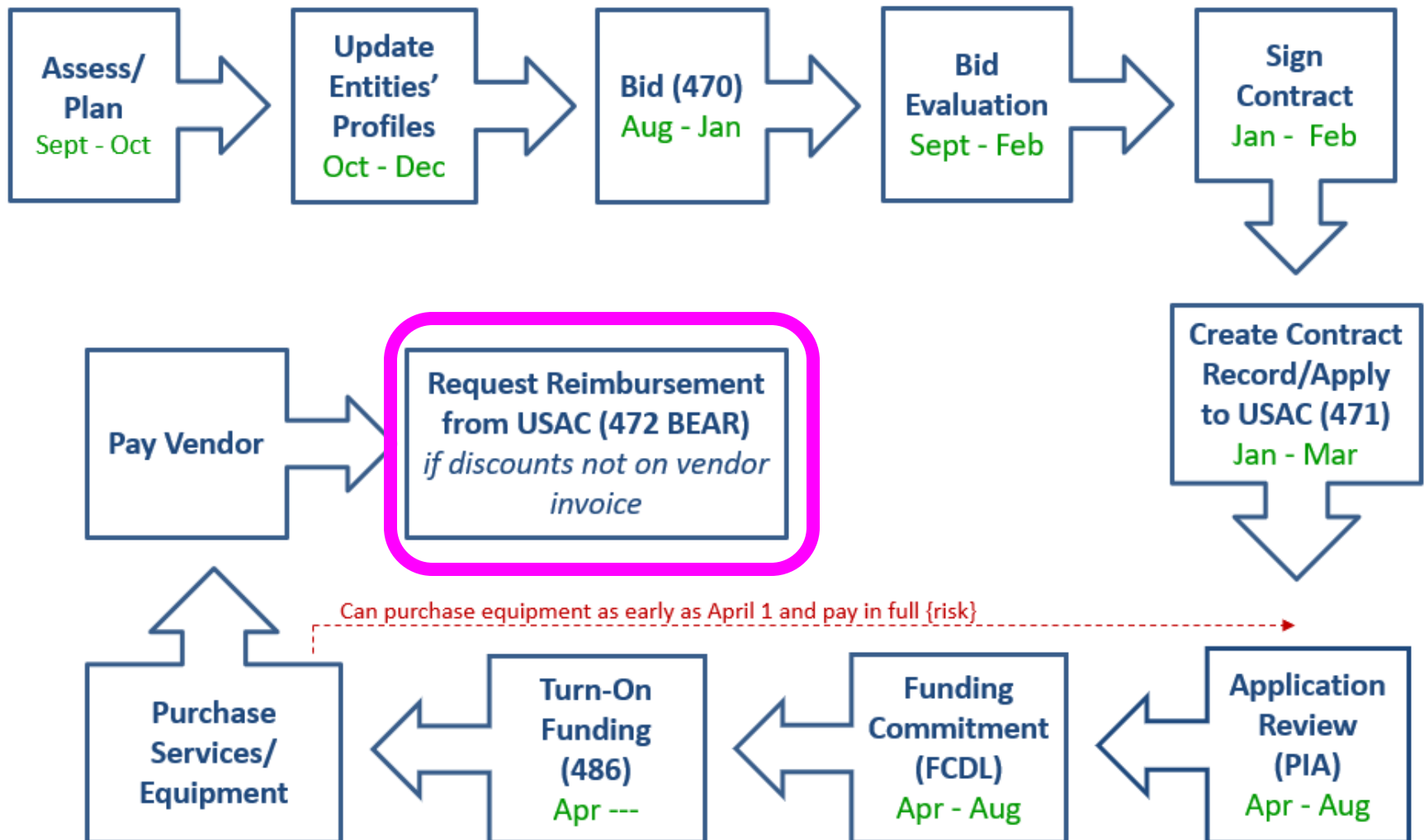
# Paying for Equipment/Services

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- Applicant's choice
  - **Discounts** on bills (vendor invoices USAC)
  - or*
  - **Reimbursement** process (applicant pays bills in full, then invoices USAC)
- Must select one or the other for entire year for each FRN
- Vendors often have additional form to complete so they know exactly which option is selected, and which account # to discount
- If you want discounted bills, notify your vendor after contract signing, as soon as you are funded
- Applicants must always pay their non-discounted share
- Rules require it will be paid within 90 days of receiving service/equipment
  - Even if vendor is delayed in sending invoice



# Step 12: Requesting Reimbursements



# Reimbursement Method - BEAR

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- If applicant pays the vendor invoice in full, applicant submits Form 472 – BEAR Form to USAC for reimbursement
  - Quarterly, semi-annually, or at end of year (for recurring services)
  - Complete one BEAR for each SPIN
- Must be set up in EPC to file BEAR
  - You don't have access if you don't see the option when you log into One Portal
- Calculated based on eligible charges on actual bills

## Deadline:

- October 28 (following close of funding year) for recurring services;
- January 28 for non-recurring services/equipment
- Can request 1 extension if request is submitted by original invoice deadline

# Reimbursement Method - BEAR

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- USAC approves BEAR and sends payment to applicant's bank account via EFT
- Payments:
  - Payments made on Mondays and Thursdays
  - *Remittance* contact receives e-mail notification
  - *Form 486* contact receives paper BEAR notification
- Bank account info submitted on Form 498
  - Only submitted once
- To determine if you have an approved Form 498:
  - Log into EPC > Records > Form 498s > Click on 498 if one is showing to see the Status
  - If no 498 is showing, then there isn't one on file with USAC



# What's Next? Get Started Now!

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- Do you need to file a FY 2020 BEAR? If so, request IDER
  - IDER Guide: <http://e-ratepa.org/?p=31914>
- Update enrollment/NSLP in EPC or “let it ride” from last year (due to COVID)
- Update C2 enrollment if higher than last year
- Review Category 1 contracts for expiration dates
  - File FY 2022 Form 470s by Thanksgiving
- Determine what schools or libraries need Category 2 equipment

**Make and follow your FY 2022 E-rate Plan!**

# Where to Go For E-rate Help

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- **USAC's Client Service Bureau (CSB)**
  - E-rate “Help Desk” where applicant & service providers can get answers to questions
  - Call **888-203-8100**
  - Submit a ‘Customer Service Case’ in EPC
- **PA E-rate Coordinator**
  - E-mail [jtschell@comcast.net](mailto:jtschell@comcast.net)
  - Attend webinars!
  - Read listserve messages!
  - [www.e-ratepa.org](http://www.e-ratepa.org)
    - **Helpful Documents:** [http://e-ratepa.org/?page\\_id=754](http://e-ratepa.org/?page_id=754)
    - **Training:** [http://e-ratepa.org/?page\\_id=745](http://e-ratepa.org/?page_id=745)



**That's All!**  
**Any questions?**