

E-rate Training for Beginners – Funding Year 2024



Presented by Julie Tritt Schell
PA E-rate Coordinator
for the Pennsylvania Department of Education
Fall 2023

Agenda for Today

- Overview
- Eligible entities
- E-rate Productivity Center (EPC)
- Eligible Services and Equipment
- Discount Calculations
- Category 2 Budgets
 - break
- Application Process, step-by-step
 - Questions taken at the end of each section. Please ask!!!
 - Copy of presentation available at: http://e-ratepa.org/?page_id=745

What is E-rate?

- 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.sfmc-content.com/3n2usens2cz>
- Document and retain everything
 - Stay organized!
- Use PA E-rate website: www.e-ratepa.org
 - Helpful Documents/Guides
- Attend content-specific webinars
- Have patience



What Entities are Eligible in PA?

- 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



E-rate Classifications for Various Libraries

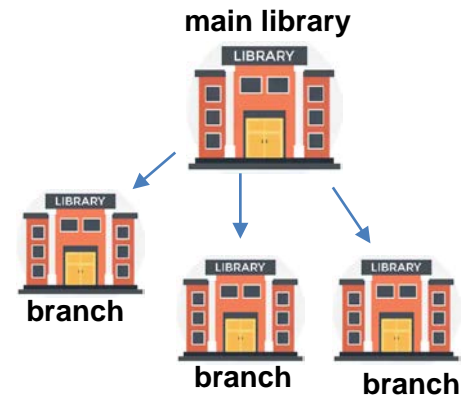
1. Independent Library

- Stand-alone library, not a branch



2. Library System

- Defined as library that has branches



3. Consortium

- Can be made up of one or more independent libraries
 - Consortia “lead” may or may not be an actual library
- Regional (Federated) library systems that procure services on behalf of independent libraries would be considered a “consortium” under E-rate rules
 - Not a “library system” as they’re known in PA



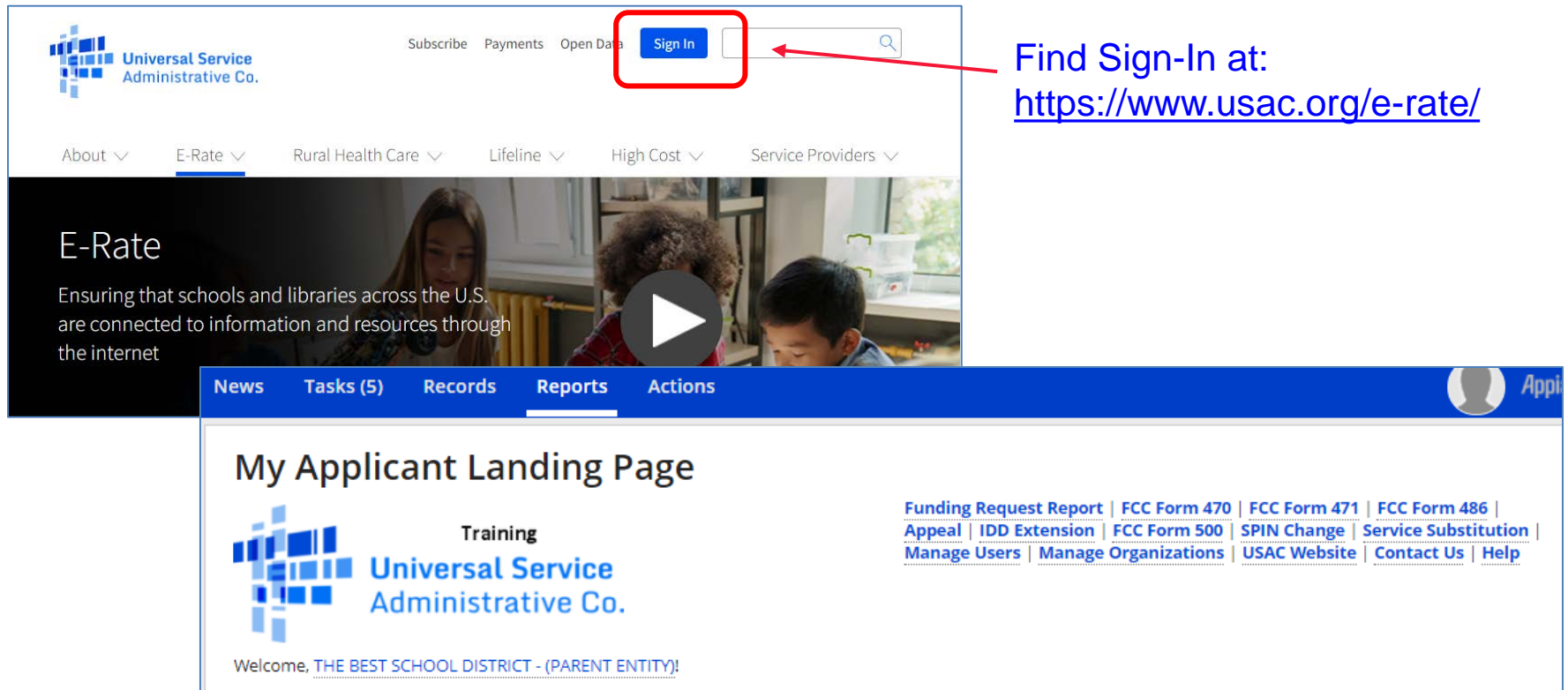
EPC – E-rate Productivity Center

- Account and application management portal
 - Launched in FY 2016
- All E-rate forms, letters and interactions are based in EPC
- Within EPC Portal is...
 - **E-rate Main**
 - **E-rate Form 472** BEAR Reimbursement System – *moving into EPC on Nov 4*
 - **ECF** = Emergency Connectivity Fund (appropriated program)
- Every “Billed Entity” has a BEN EPC Account
- Every BEN Account has “Users”
 - One of the Users is the EPC Account Administrator (AA)
 - ‘Related Actions’ is where most account management tasks are found
- Call USAC at 888-203-8100 for EPC assistance

Let's Peek into EPC ...

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

EPC How-To Guide: <http://e-ratepa.org/wp-content/uploads/2014/03/EPC-Admin-How-To-Guide-2023.pdf>



Universal Service Administrative Co.

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About ▾ E-Rate ▾ Rural Health Care ▾ Lifeline ▾ High Cost ▾ Service Providers ▾

E-Rate

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

News Tasks (5) Records **Reports** Actions

My Applicant Landing Page

Training
Universal Service Administrative Co.

Welcome, THE BEST SCHOOL DISTRICT - (PARENT ENTITY)!

[Funding Request Report](#) | [FCC Form 470](#) | [FCC Form 471](#) | [FCC Form 486](#) | [Appeal](#) | [IDD Extension](#) | [FCC Form 500](#) | [SPIN Change](#) | [Service Substitution](#) | [Manage Users](#) | [Manage Organizations](#) | [USAC Website](#) | [Contact Us](#) | [Help](#)

Find Sign-In at:
<https://www.usac.org/e-rate/>

Discount Calculations



School Discount Calculations

- **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
 - Being updated next week for 2020 US Census rural/urban designations
- 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	
DALLASTOWN AREA SCHOOL DISTRICT	U	4518	1208	26.7%

% NSLP = 27%

Not a majority of schools are Rural

Discount Matrix

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%

Library Discount Calculations

- **Independent Library** (most PA libraries):
 - Discount based on the % of students eligible for the NSLP in the school district in which that library is located, and whether the library is located in an urban or rural area
- **Library Systems:**
 - Discount based on the % of students eligible for the NSLP in the school district in which the system's main library is located
and
 - The % of libraries in rural areas
 - If more than 50% are located in rural areas, then the rural discount should be used
- **PA Federated Library Systems**
 - Made up of several independent libraries
 - Where System procures shared services, such as WAN/Internet
 - System would file as a Consortium
 - Discount calculate by taking simple average of all consortia members' discounts

Calculating Consortia Discounts

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

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

- Consortia are only entities that will have non-matrix discount
- Most common consortia are IU RWANs and Federated Library Systems' RWANs

How Does USAC Obtain Enrollment & NSLP Data?

- Short answer: Each school is required to update their EPC profiles annually during an “Admin Window”
 - System automatically calculates discounts
 - Discount Data is then be ported into E-rate application from EPC
 - Update C2 enrollment during Admin Window, if increases
 - For Funding Year 2024, Admin Window is open October 24 – early Jan
 - Julie will send PDE enrollment/NSLP data to listserve in mid December
 - Wait and update profiles after PDE data release
- Libraries do not enter enrollment/NSLP data
 - EPC linked to school district in which the library (or main library in a system) is located
 - Libraries only update changes to square footage for each building, if any
 - Square footage is used to determine Category 2 budgets



E-rate Eligible Services and Equipment

E-rate Eligible Services List and FAQs:

<https://www.usac.org/e-rate/applicant-process/before-you-begin/eligible-services-list/>



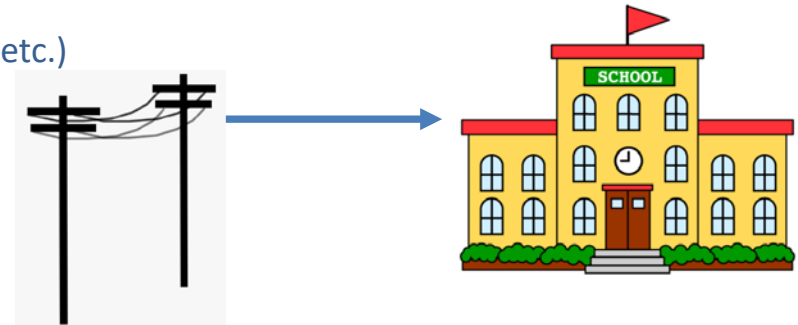
Categories of Service

- **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
 - Services must be received July 1 – June 30



- **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)
 - Equipment can be received April 1 – Sept 30 (18 months)



What's Eligible for Category 1 Funding?



C1: Data Transmission Services

Most Common:

- Leased Lit Fiber
- Cable Modem/DSL/FIOS
- Bundled Internet Access (with transport)

Other Eligible Fiber:

- 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):

- Microwave Service
- 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
- Stand-Alone Internet (no transport)
- Wireless data plans *
 - If no Wi-Fi access, must prove that data plans are most cost-effective option
- **Coming Soon: Wi-Fi on Buses**

Not Eligible:

- Voice services
- Duplicative (redundant) services
- Filtering

* Additional bidding requirements apply

CABIO Internet Bidding Exemption

Commercially Available Bundled Internet Option (CABIO)

- Schools and libraries seeking “Commercially-Available Business Class Internet Services” are not required to file a Form 470
- Typically, only Cable-Modem, DSL, or FIOS Internet Service
- Commercially Available means that it is publicly available to non-residential customers (such as enterprise, small business, or other government customers) in the same form and at the same rates that it is offered to schools or libraries
 - In layman’s terms, this means an internet service that is available on a vendor’s website for its business customers
- Minimum speeds must be 100 Mbps downstream and 10 Mbps upstream
- Cost must be \$3,600 or less annually (pre-discount)
 - Cost must be per-building and cannot be averaged across multiple buildings
 - \$3,600 includes any installation costs, equipment rental, taxes and fees

The CABIO option is geared (but not limited) to small libraries and small non-public schools using cable modem-type services

What's Eligible for Category 2 Funding?



3 Sub-Categories for C2

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

Internal Connections

- Wireless Access Points/Controllers
- Network Routers & Switches
- In-Building Structured Cabling
- Caching Servers
 - Only eligible servers
- Firewall Appliances
- Racks and UPSs
 - That support eligible equipment only
- Equipment licenses
 - Pre-paid, multi-year licenses can be requested in first year
- Cloud-based functionality of eligible 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
 - Advanced firewall functions, like anti-spam, anti-virus, etc.

Internal Connections Purchase Timeline

- Equipment can be purchased as early as April 1, prior to funding year start
 - For example, applicants can purchase equipment on April 1, 2024 for FY 2024, even though funding year doesn't begin until July 1, 2024
 - **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

[illegible]

Basic Maintenance (BMIC)

- 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
- Multi-year, pre-paid 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 (7/1/2024 – 6/30/2025)
 - Does not follow the 4/1/2024 – 9/30/2025 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

- 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



Library Small C2 Bidding Exemption

- Beginning in FY 2024, libraries are exempt from bidding Category 2 equipment or services if:
 - Total, pre-discount amount is \$3,600 or less
 - Total cost is per library and cannot be averaged over multiple libraries
 - Cost-effective rules still apply
 - Contracts still must be signed prior to filing the Form 471

Equipment Transfer/Disposal Rules

- **Transfers:** E-rate funded equipment may be transferred between eligible schools or libraries within the BEN
 - If equipment is transferred between buildings within 5 years from date of purchase, applicants 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. after 5 years from the date of installation
 - No notice to USAC required but asset inventory must be updated

NIFs Not Eligible for C2 Funding

- Non-instructional facilities (NIFs) are not eligible for C2 funding/equipment that is specific to their building
- Shared equipment may be housed at a NIF
- For example:
 - A Wireless Controller may be housed at data center
 - Wireless Access Points in a data center may not be purchased with E-rate funds
 - These would be building-specific and equipment that is shared with other schools

Category 2 Budget Calculations



Category 2, 5-Year Funding Caps

- Current C2 budget cycle – Funding Years 2021 – 2025
 - All C2 budgets will reset in FY 2026 and no funding will be carried over
 - 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

Category 2 Pre-Discount Budget Example

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 for Current 2 Budget Cycle?

Calculating Remaining C2 Budgets

What is your remaining Category 2 Budget for this C2 cycle?

1) Go to: <https://opendata.usac.org/E-rate/E-rate-C2-Budget-Tool-FY2021-/8z69-hkn7>

2) Enter BEN to filter just your entity's data

3) Summary Table will appear

Review these columns:

C2
enrollment
currently in
EPC

5-Year
Pre-
Discount
C2 Budget

Amount of any
"still pending
FRNs" in FY
2021, 2022,
2023

Amount
"committed"
in FY 2021-
FY 2023

Remaining
available
C2 Budget

Filters (2) × Clear All

State
PA ▼

Applicant Type
Select... ▼

City
Select... ▼

Billed Entity Name
Select... ▼

BEN
125300 ▼

Consulting Firm Name (CRN)
Select... ▼

Full Ti...	Library...	School...	Library...	C2 Bud...	C2 Bud...	Funded...	Pendin...	Availab...
1,605		\$167.00		\$268,035.00	Confirmed	\$207,881.00	\$0.00	\$60,154.00

Data Used for Category 2 Budgets

- Enrollment data entered in separate location in EPC (different from discount calculations)
- Why? Enrollments are set at first year you apply for C2 during that Category 2 Budget Cycle
- Not required to update annually
- CAN update if it will increase your C2 budget
 - Must then ask for C2 Budget Recalculation from USAC

Where to update C2 enrollment data?

>>> EPC Landing Page > District Name > Manage Organization > Scroll to bottom of page



The Application Process



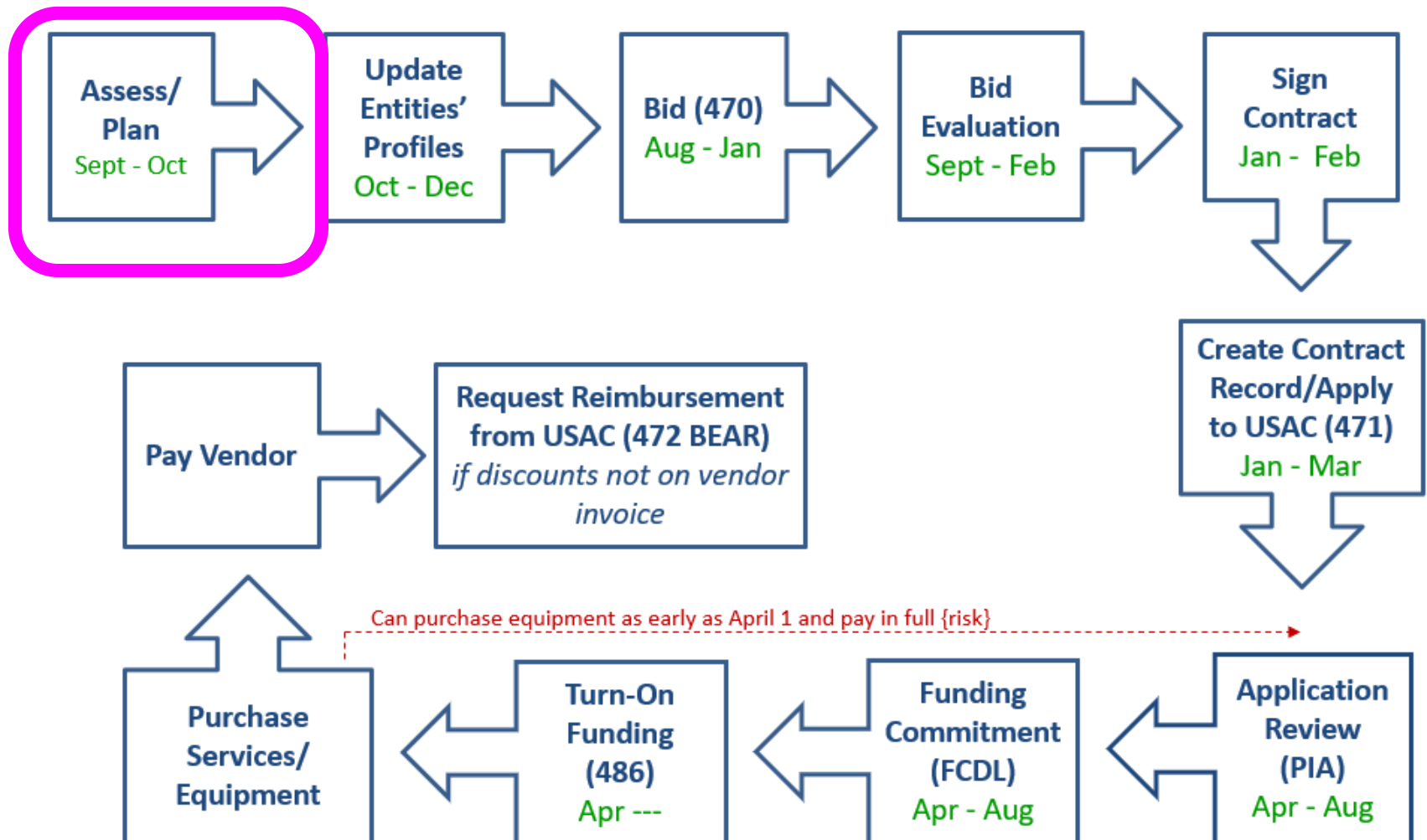
Application Process Overview

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, 2024 – June 30, 2025
11) Pay Vendor	July 1, 2024 – June 30, 2025
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, 2025 (deadline)

- Funding years named for the year in which they begin
 - FY 2023 = July 1, 2023 – June 30, 2024
 - FY 2024 = July 1, 2024 – June 30, 2025
 - Application process begins 6-10 months ahead of start of next funding year

									FY 2024 - Non-Recurring Services/Equipment Purchases - April 1, 2024 - Sept 30, 2025																					
									FY 2024 - Recurring Services - July 1, 2024 - June 30, 2025																					
		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	2023	2023	2023	2023	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2026	
470	Competitive Bidding Window (min. 29 days)	July 1, 2023 - Mid February 2024																												
AW	Administrative Window (EPC Profile Updates)			Early Oct - Mid Jan. 2024																										
	Newly Signed Vendor Contracts Uploaded to EPC																													
471	Funding Request Application Window					Mid Jan - Late Mar. 2024																								
PIA/ FCDL	PIA Review/Funding Decision Letters (FCDL) Issued								April 2024 - Sept 1, 2024																					
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

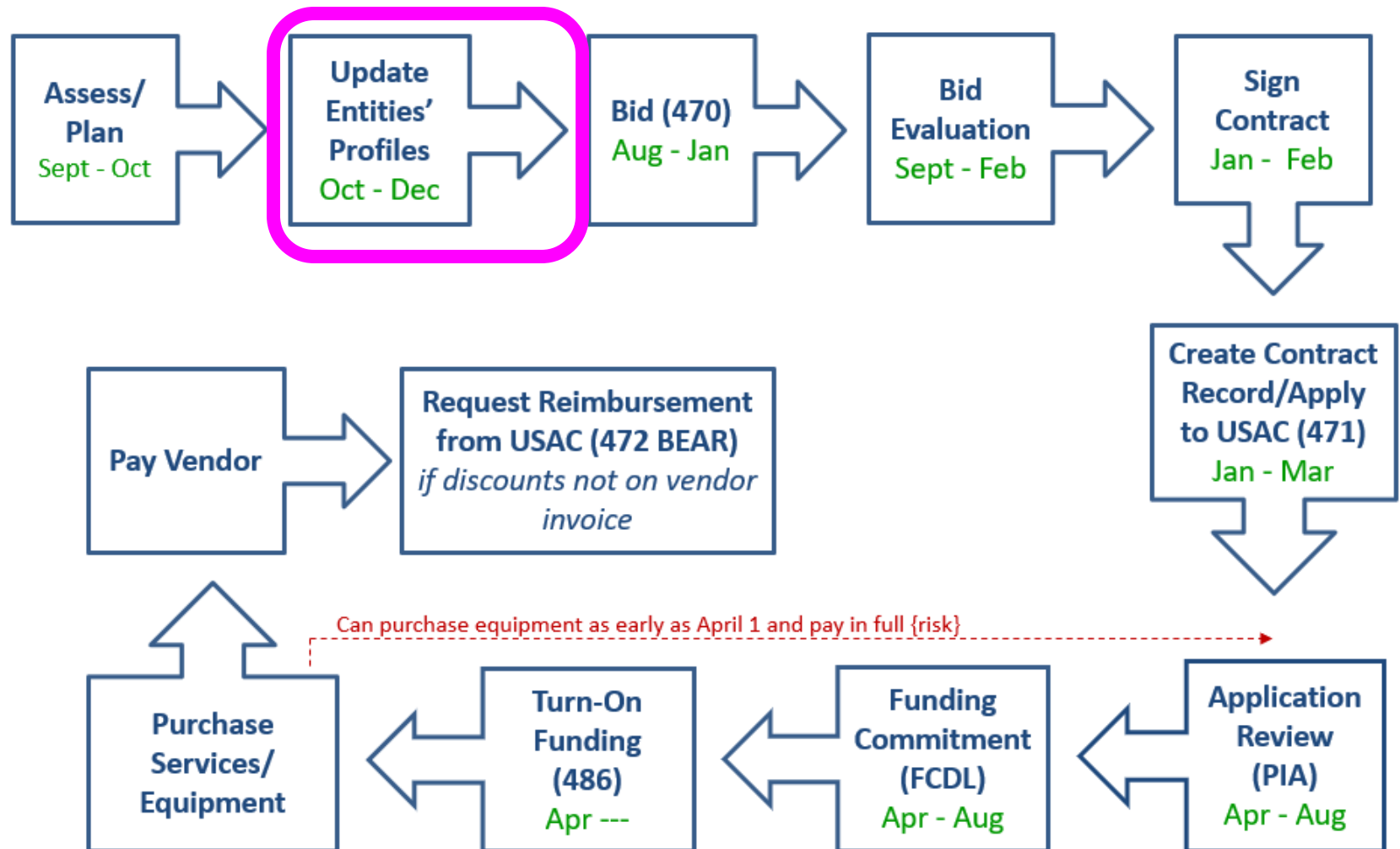


Step 1: Assess Need & Plan

- **When?** September/October/November
 - **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**
- Coming soon to listserve



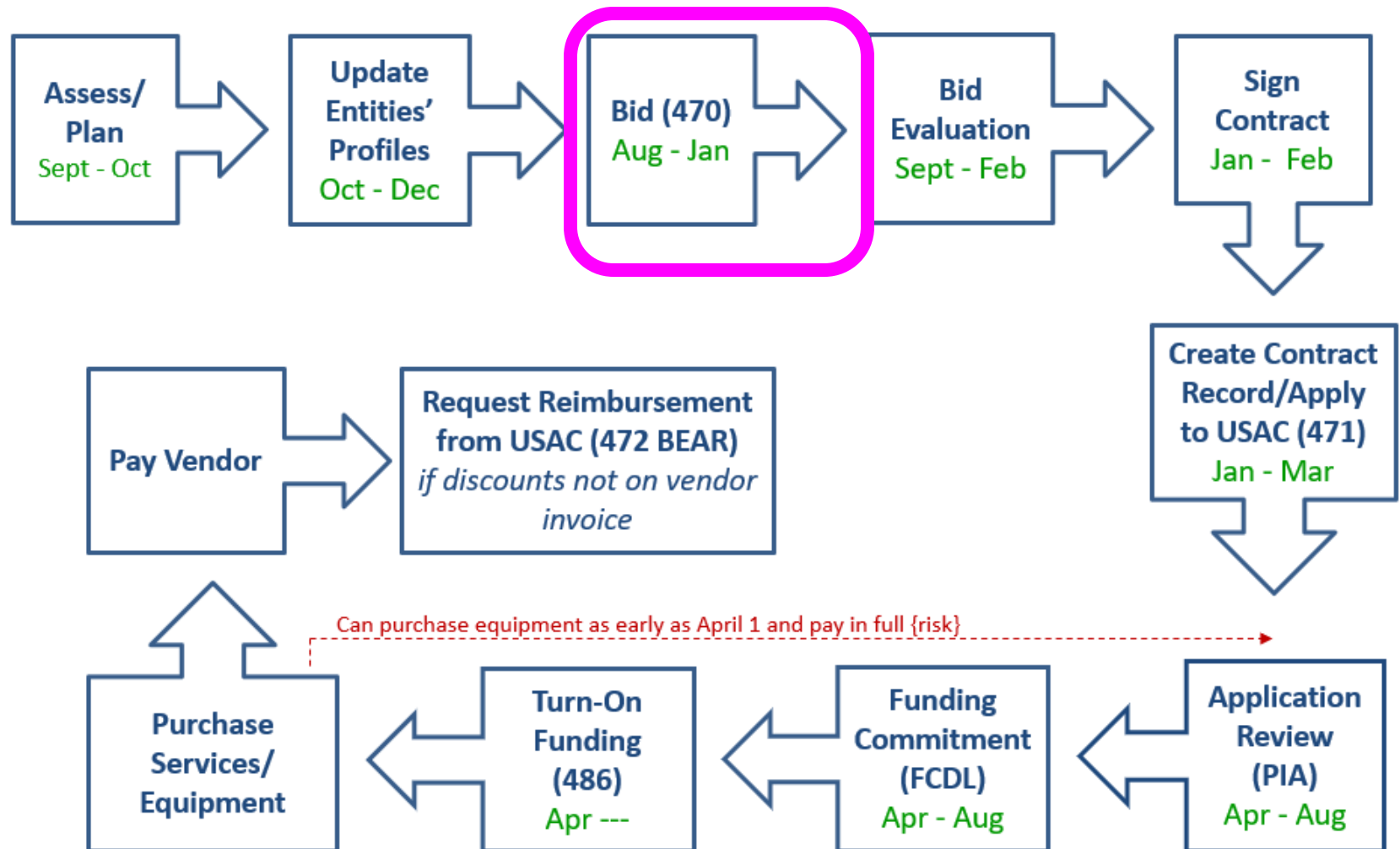
Step 2... Update Entities' Profiles



Step 2... Update Entities' Profiles



- **Update Entities' Profiles during Administrative Window each fall**
 - 3-months when schools must update enrollment/NSLP data for each school
 - And update Category 2 Enrollment if it has increased
 - Data cannot be changed when Admin Window closes
 - 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 enrollment/NSLP data**
 - EPC links libraries with the school district in which the library (or main library in a system) is located
 - Libraries should update square footage/address changes, if any

Step 3... Post Form 470s



Step 3: Posting the Form 470

Form 470 Competitive Bidding Form

- Notifies 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?

1. Month-to-Month Services

- No contract exists – these are mostly cable modem-type services
- File annually unless using CABIO

2. New Contracts

- File before signing 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, 2025, you are not required to file a Form 470 for FY 2024

3. Bandwidth Upgrades

- If you're upgrading service mid-contract and the upgrades and associated prices are not included in the original contract

Contract Extensions:

- Permitted but must have been in original contract and must have definitive 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 before filing Form 471 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)

- USAC considers any bidding document provided to vendors an RFP
- RFPs not required, except for:
 - Minimum state bidding threshold requirements for equipment (public schools)
 - All applicants seeking dark fiber or self-provisioned fiber projects
- 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

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, 2024; therefore...
- February 25, 2024 = 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
- Helpful Form 470 Guides: http://e-ratepa.org/?page_id=754
 - Helpful Form 470 and RFP Narrative Guide
 - C1 Form 470 Filing Guide
 - C2 Form 470 Filing Guide – Public Schools
 - C2 Form 470 Filing Guide – Non-Public Schools/Libraries

Public Schools: 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: http://e-ratepa.org/?page_id=6121



Home » PA PEPPM Contract E-rate Information

PA PEPPM Contract E-rate Information

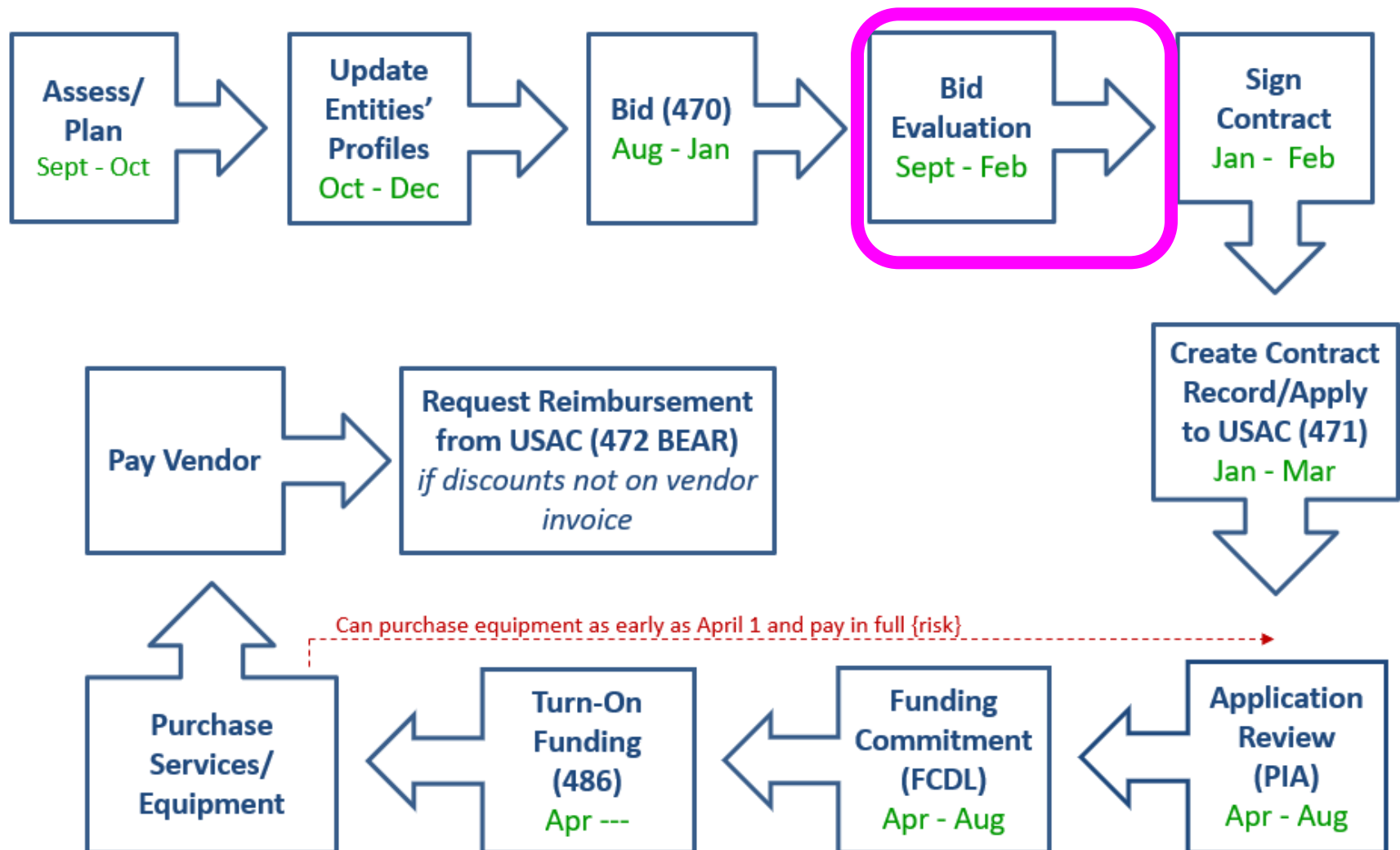
For schools that choose to use the PEPPM Contract as the procurement option for their E-rate Category 2 applications, a mini-bid process must be conducted among all manufacturers that can provide that "category" of equipment in order to meet the E-rate requirement that all equivalent product lines must 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...

- 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

- 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

– Brief list of evaluation criteria examples:

- 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)
- Helpful Guide: <http://e-ratepa.org/?p=33972>

Disqualifying a Bid

- 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?

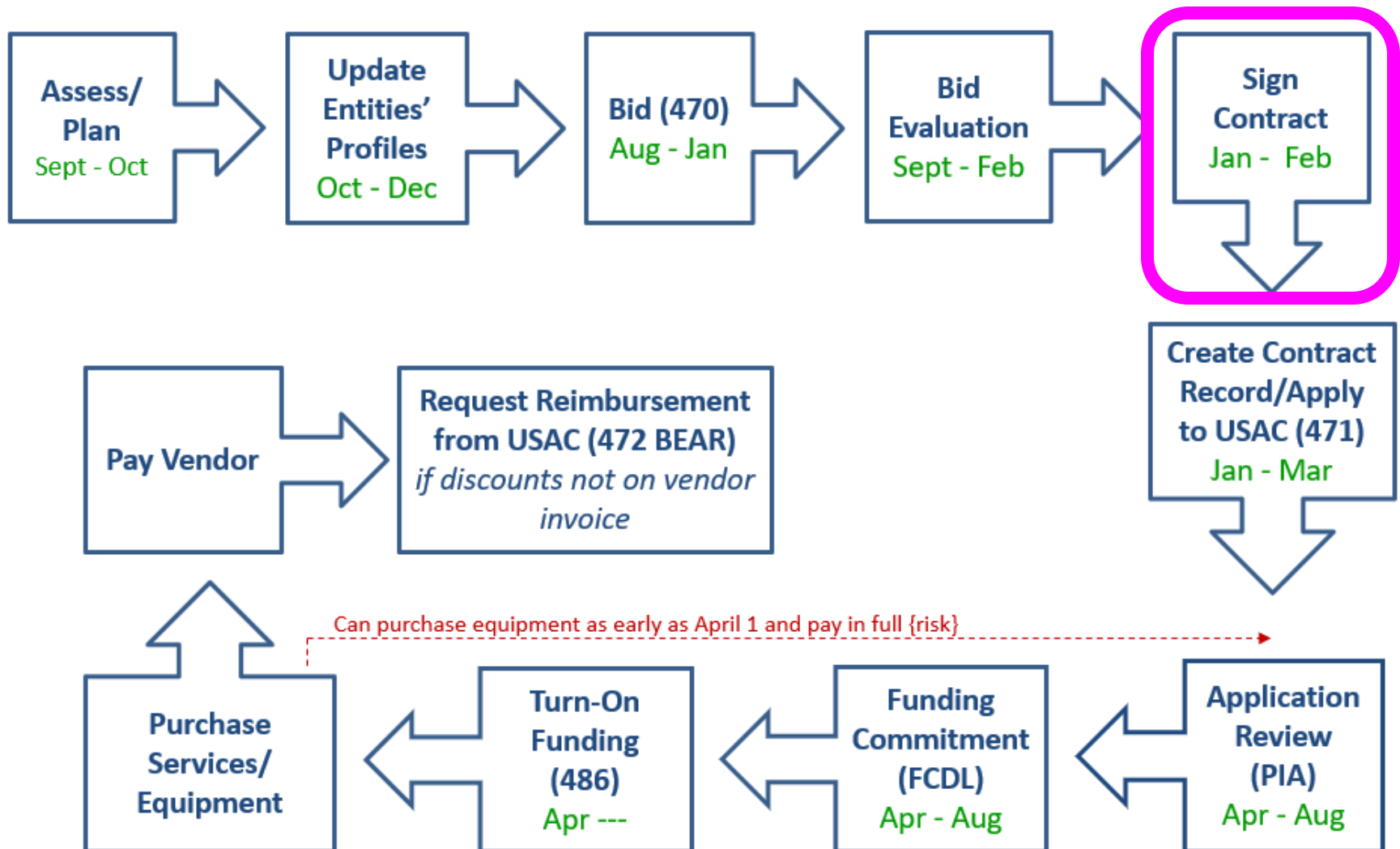
- Document via an email or file memo that no bids were received
- Existing Services: can continue to receive services from existing service provider
- New Services/Procurement: Solicit bid from willing vendor (who is not your brother-in-law) 
 - Make sure price is cost-effective
 - Check marketplace 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

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
TOTAL POINTS		88	76	80



Step 5... Signing Contracts

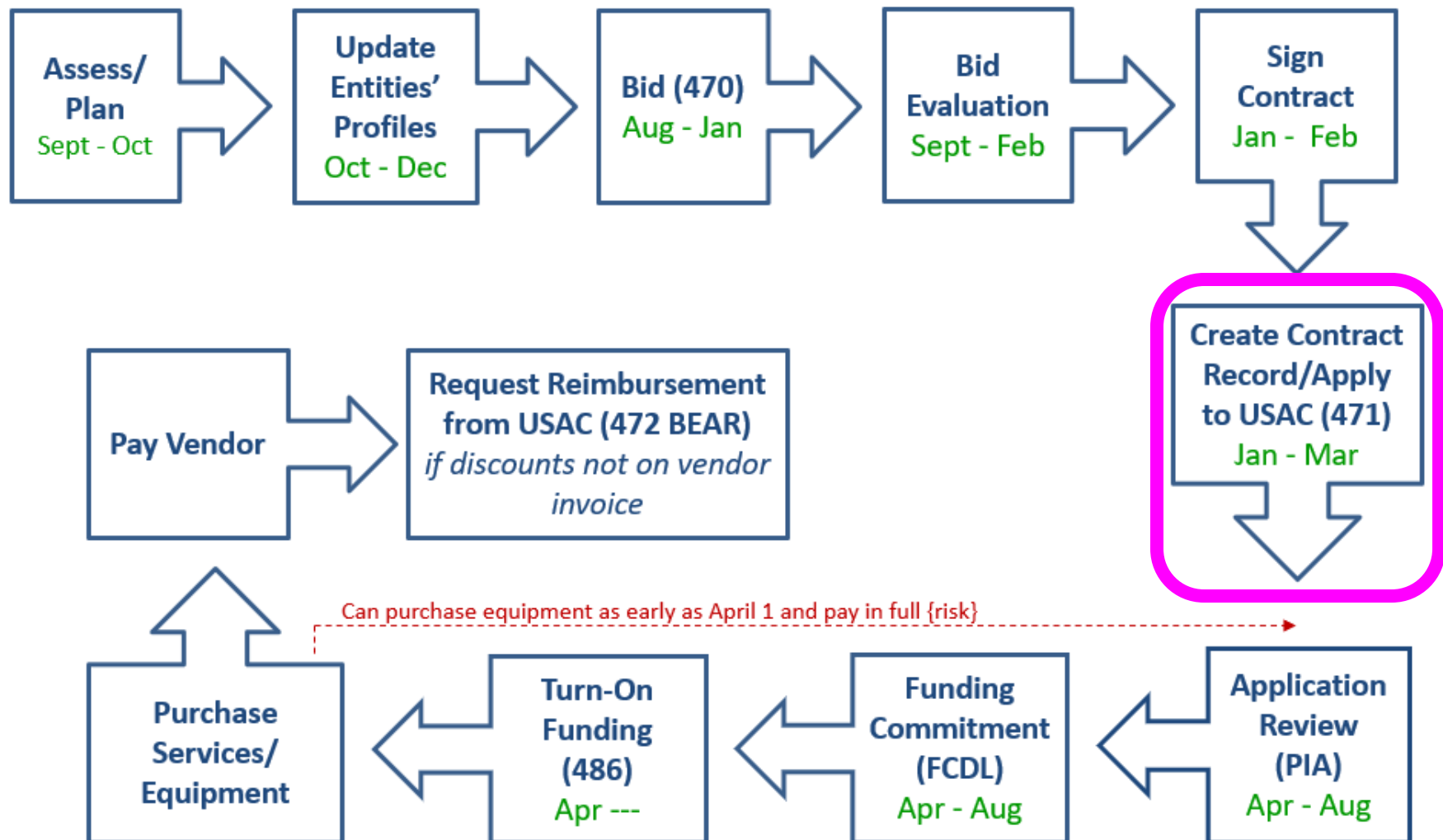


Vendor Contracts

- 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
- Contract guidance available at: <http://e-ratepa.org/?p=33992>



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



MANAGE CONTRACTS

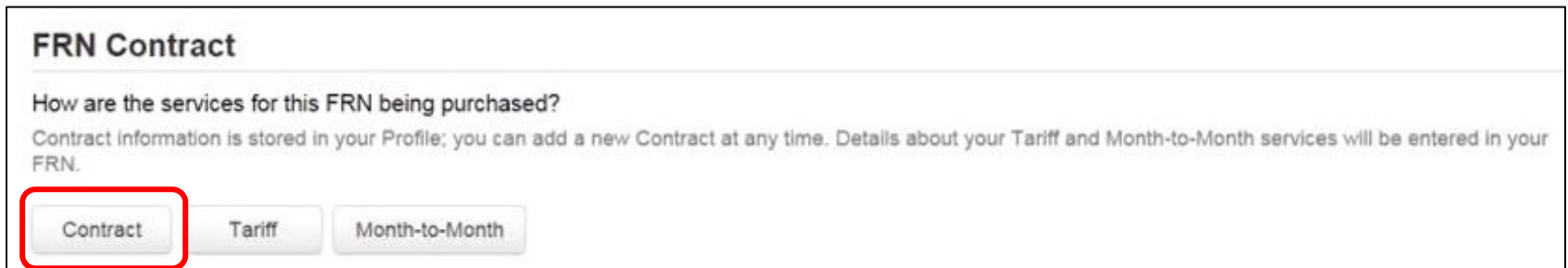


ADD A NEW CONTRACT

EDIT

Purpose of Contracts Module

- 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, the heading "FRN Contract" is displayed. Below it, a question asks "How are the services for this FRN being purchased?". A paragraph of text explains that contract information is stored in the user's profile and that details for Tariff and Month-to-Month services will be entered in the 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

Step 6b: Filing the Form 471

Purpose of the Form 471

- Filed annually 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

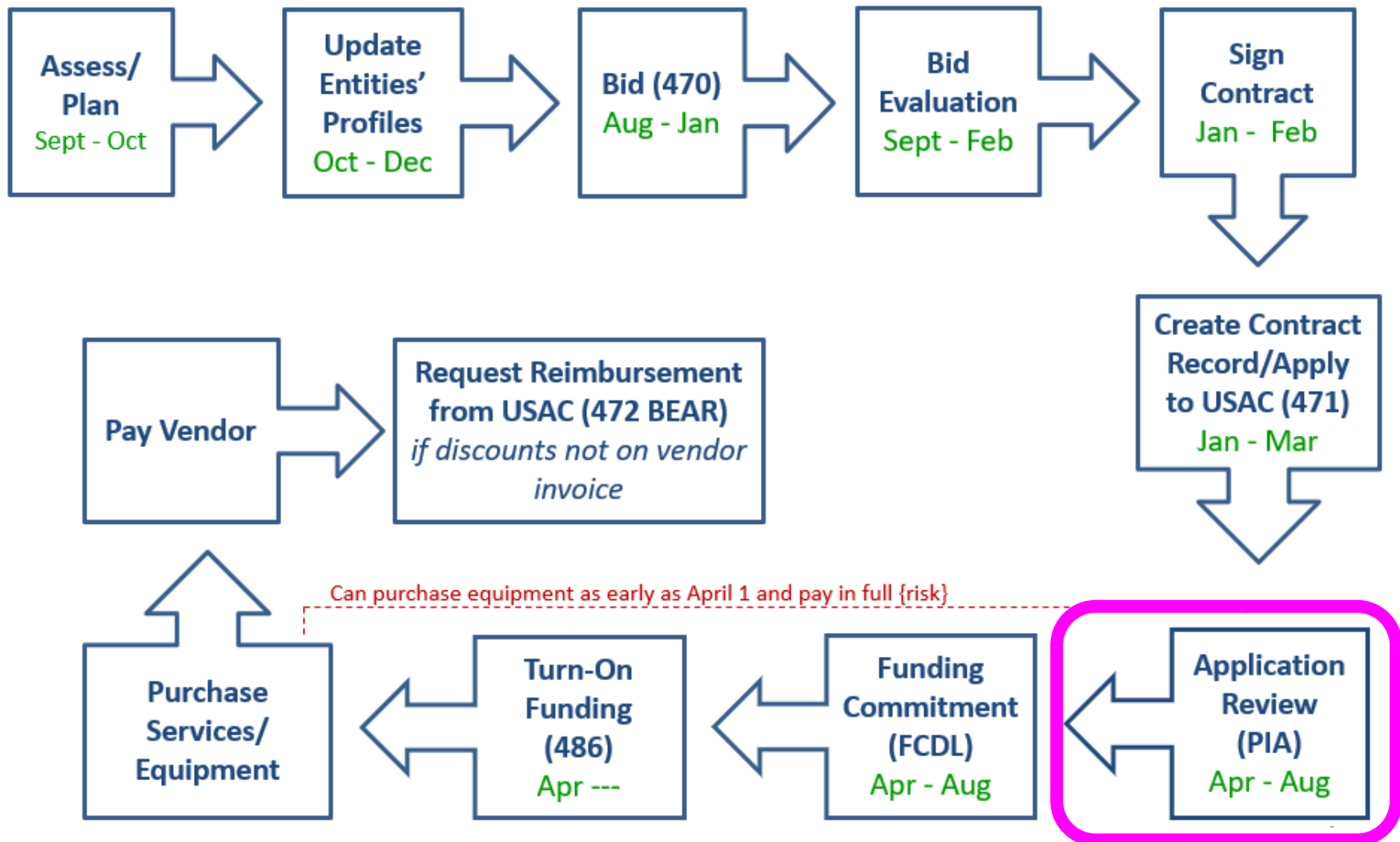
- Each separate funding request is assigned a number, called a Funding Request Number (FRN)
- Each FRN is “built” by adding FRN Line Items

When and How Many to File

- **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



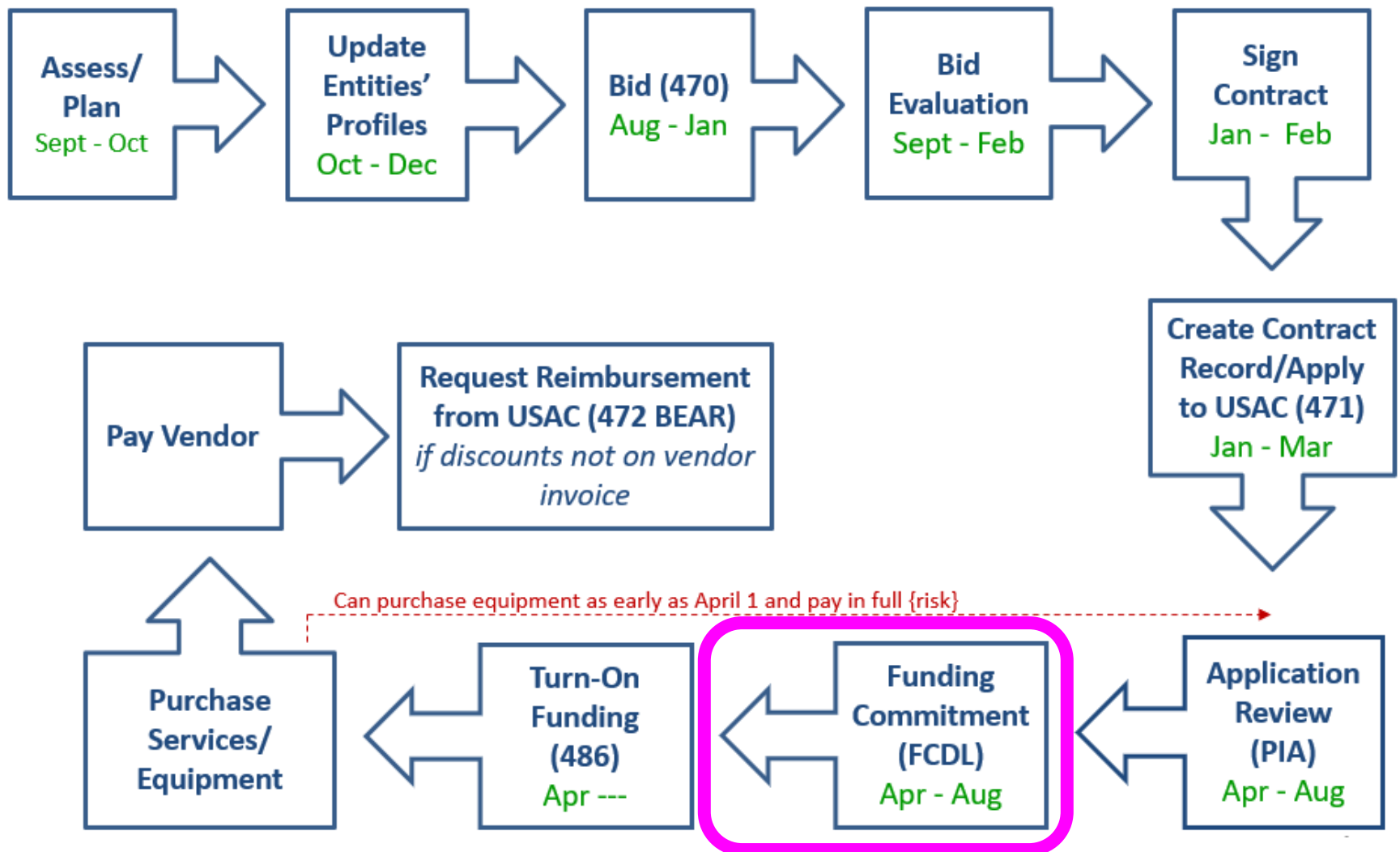
Step 7: PIA Review

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

FCDL = Funding Commitment Decision Letter

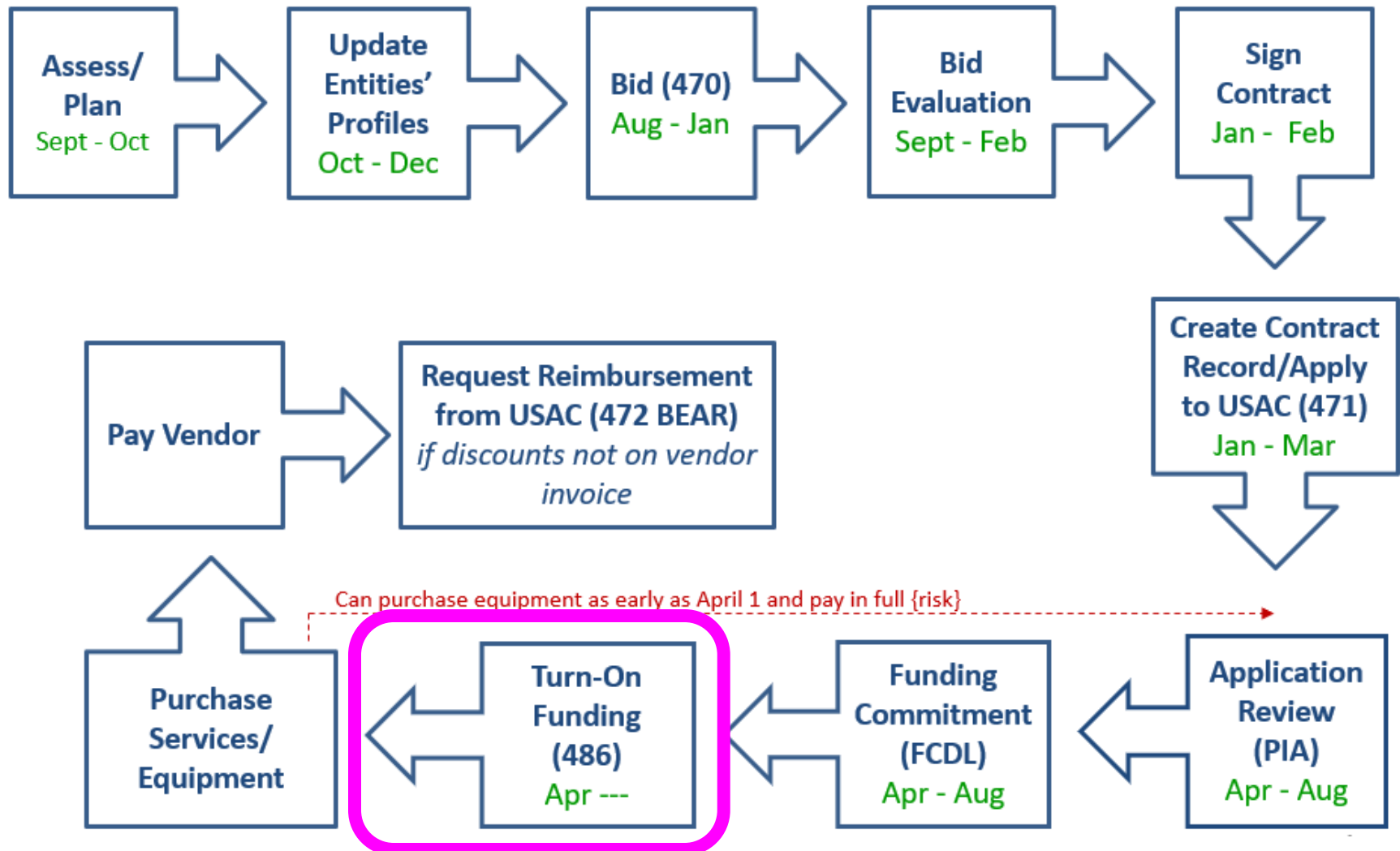
- Funding “waves” are released weekly
 - Goal is to have all “workable” applications funded by Sept 1
- FCDLs e-mailed to Form 471 contact and EPC AA
- Gives approval decisions of each funding requests (FRNs) on Form 471
- Can appeal within 60 days if you don’t agree with their decision
 - Appeal to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



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
- No applicant or vendor reimbursement forms can be paid until the Form 486 has been submitted and approved
- Form 486 is **very** simple! Almost all data fields pre-populated

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

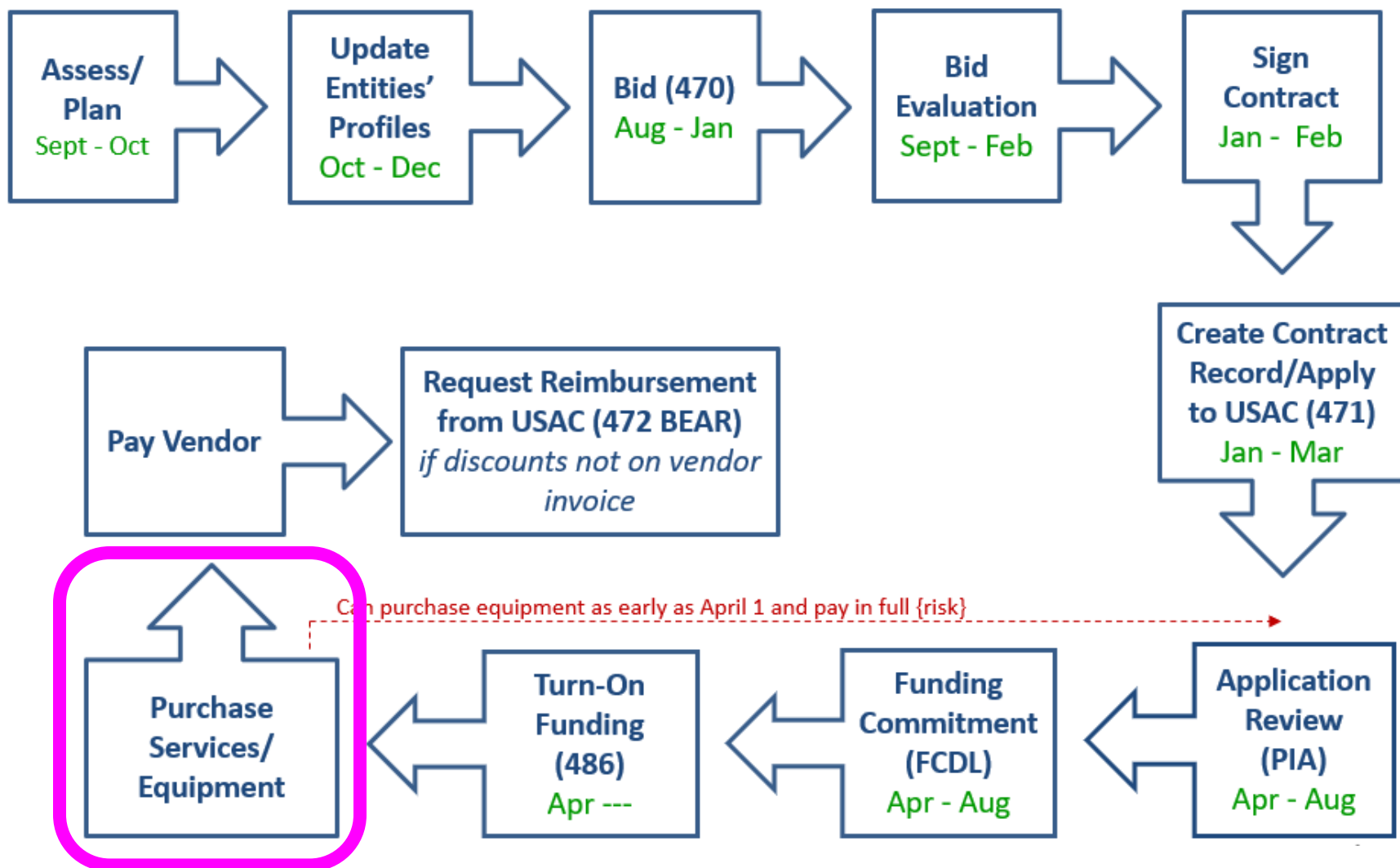
- Can be filed immediately after FCDL received, even before July 1
- USAC will deduct 1-month's funding for each month the form is late
- **Are you on the list?**

CIPA Requirements

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



Service/Equipment Delivery Timelines

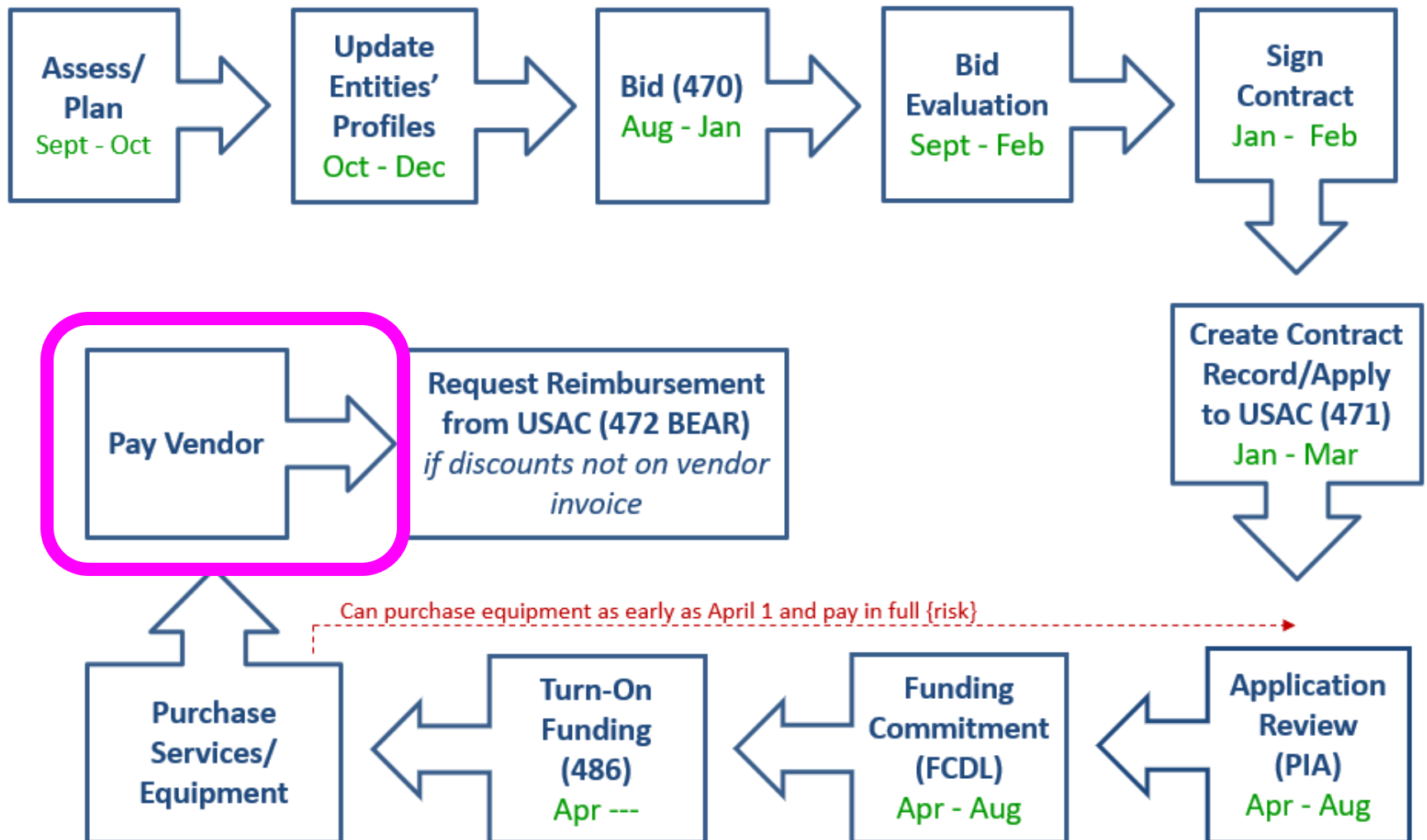
- Category 1 services must be delivered between July 1 – June 30
 - Installation may occur as early as January 1 or contract signing date, whichever is later
 - Services may not BEGIN until July 1
- C2 equipment has 18-month window to purchase/install equipment
 - May be purchased/installed anytime after April 1 (3 months before funding year begins)
 - Equipment must be purchased and installed by September 30 (3 months after funding year is complete)

FY 2024 - Non-Recurring Services/Equipment Purchases - April 1, 2024 - Sept 30, 2025																	
			FY 2024 - Recurring Services - July 1, 2024 - June 30, 2025														
Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
2024	2024	2024	2024	2024	2024	2024	2024	2024	2025	2025	2025	2025	2025	2025	2025	2025	2025

Record Retention

- Rules require all documents related to E-rate rule compliance be kept for 10 years from last date to receive service (essentially 11 years)
- List of documents required to be kept:
 - <http://e-ratepa.org/wp-content/uploads/2014/03/Beneficiary-Initial-Request-List.xlsx>
 - RFPs, winning and losing bids, contracts, invoices, asset inventories, CIPA policies, etc.
- Asset Inventories - important
 - All audits require this to be submitted
 - Sample: <http://e-ratepa.org/wp-content/uploads/2014/03/Asset-Register-Sample.xlsx>

Step 11: Paying for Services/Equipment

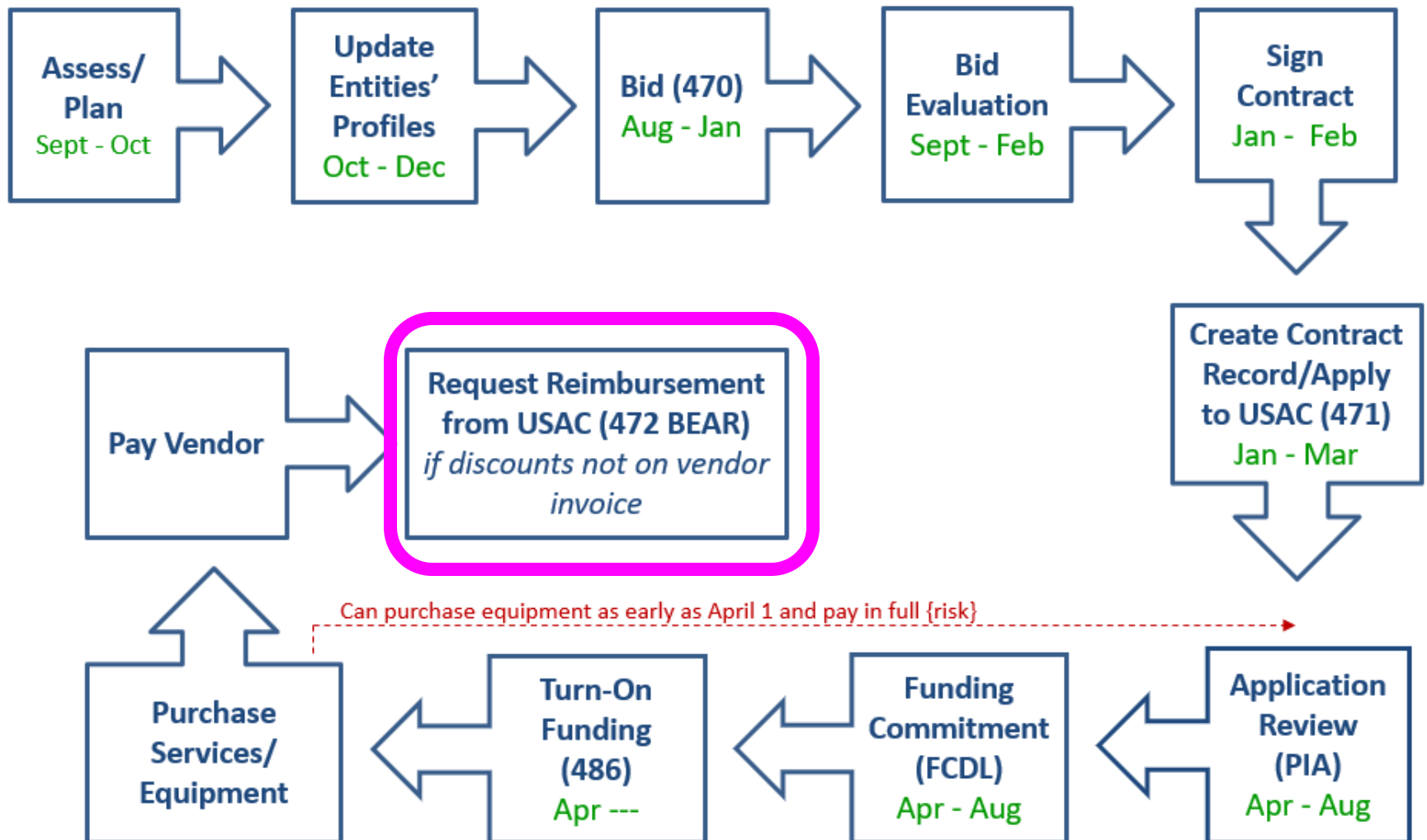


Paying for Equipment/Services

- 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
- If you want discounted bills, notify your vendor after contract signing, as soon as you are funded
 - Vendors often have additional form to complete so they know exactly which option is selected, and which account # to discount
- Applicants always must pay their non-discounted share
- Rules require it will be paid within 90 days of receiving service/equipment



Step 12: Requesting Reimbursements



Reimbursement Method - BEAR

- If applicant pays the vendor invoice in full, applicant submits Form 472 – BEAR Form to USAC for reimbursement
- Must have ‘full-rights’ permission to file BEAR in EPC
- 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
- Are you on the list?

Reimbursement Method - BEAR

- USAC reviews/approves BEAR and sends payment to applicant's bank account via EFT
- School/Library bank account info would have been submitted on Form 498
 - Only submitted once (update, if needed)
- To determine if you have an approved Form 498:
 - Log into EPC > Records > Form 498s > Click on 498 if one is showing
 - If no 498 is showing, then there isn't one on file with USAC

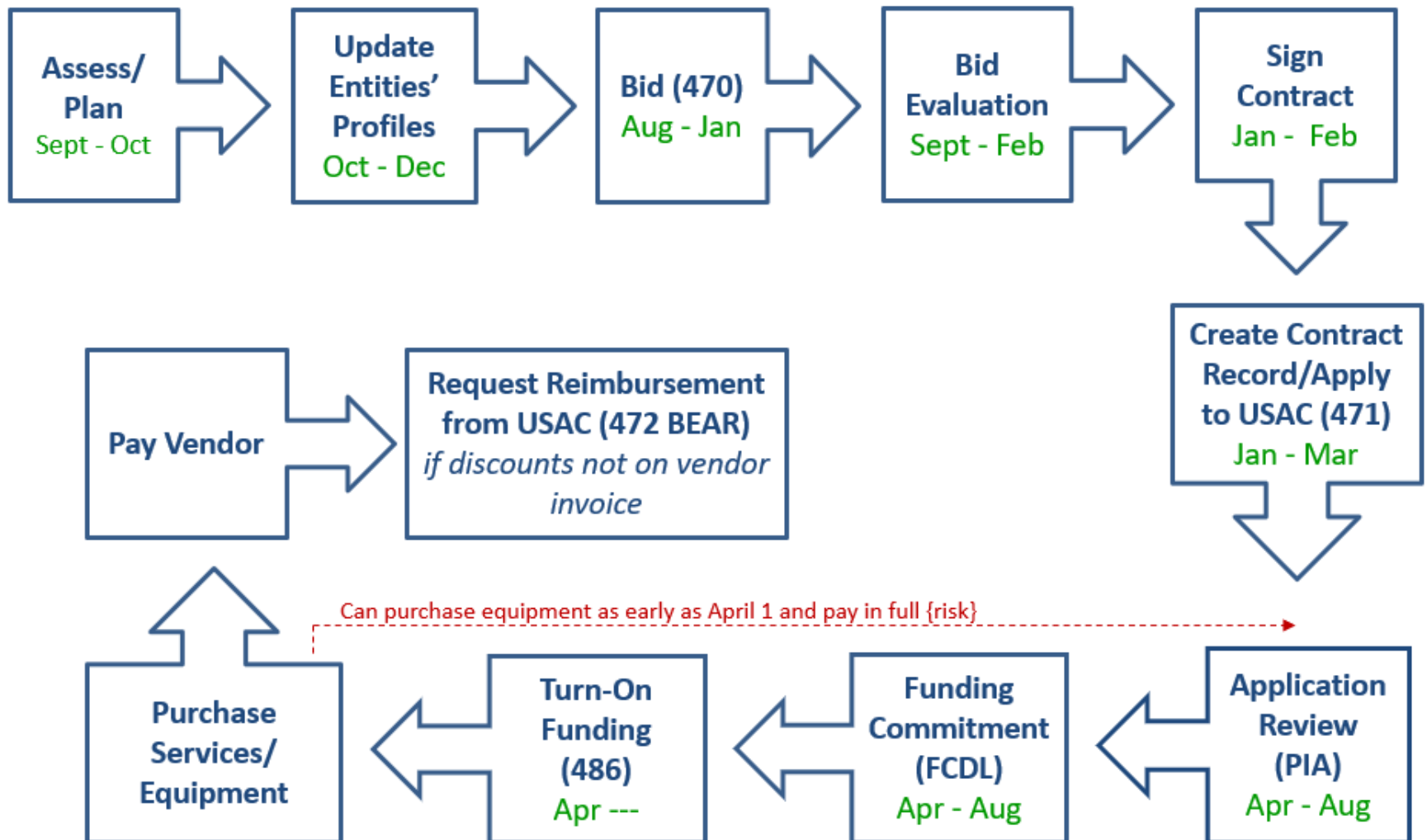


Discounted Bills Method - SPI

- Vendor provides E-rate discounts to invoice(s)
- Vendor submits Form 474 SPI to USAC to seek reimbursement
- Applicants' responsibilities?
 - Notify vendor you want discounted bills
 - Review invoice to ensure discounts are properly applied
 - File timely Form 486 so vendor can invoice USAC



Final Look – Application Process



What's Next? Get Started Now!

- Administrative Window Updates (after 10/24)
 - Schools - Update enrollment/NSLP in EPC
 - Schools - Update C2 enrollment, if increase
 - Libraries – Update C2 square footage, if increase
- Review Category 1 contract
 - Need more bandwidth?
 - Contract expiring June 2024?
 - File FY 2024 Form 470s by Thanksgiving
- Determine what equipment will be needed in upcoming year for schools or libraries
 - File FY 2024 C2 Form 470s by Thanksgiving
 - PEPPM Option for Public Schools

Make and follow your FY 2024 E-rate Plan!

Where to Go for E-rate Help

- **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
 - Attend webinars!
 - Read listserve messages!
 - www.e-ratepa.org
 - **Helpful Documents:** http://e-ratepa.org/?page_id=754
 - **Training:** http://e-ratepa.org/?page_id=745



