



Service Provider Form 470 F.A.Q.

When does the E-rate procurement season typically begin?

Sales executives are encouraged to market their services and products year round and develop relationships with potential customers in order to build their K-12 vertical. Typically the E-rate procurement season will start in the fall. Technology directors are becoming more savvy, however, and know if they are going to be doing a large technology upgrade they should post a Form 470 in the spring or summer to ensure that the parts of the project that are E-rate eligible can qualify for E-rate support. The Form 470 has no “window” like the Form 471. However, schools are advised not to wait until the last minute to file a Form 470 as they need to wait 28 days, evaluate bids, perhaps get Board approval, sign a contract, and complete their Form 471 before the Form 471 window closes.

How many Forms 470 are filed each year?

Approximately 35,000 Forms 470 are filed with the SLD each year. Users of Funds For Learning’s E-rate Manager for Service Providers service can receive automatic notifications when a Form 470 is posted that meets your sales criteria and territory.

Does a school district have to post an RFP along with a Form 470?

Not necessarily. Applicants need to follow their own local and state procurement guidelines as well as follow FCC E-rate competitive bidding regulations. If your potential customers are required to post an RFP along with a Form 470, they must indicate on their Form 470 that they have an RFP and how it can be obtained. Ideally, the RFP and Form 470 should be posted at the same time. Both must remain open for at least 28 days.

Does the SLD or FCC regulate what evaluation criteria schools must use when selecting their E-rate vendors?

The FCC has established that cost must be the highest weighted factor in the evaluation process. Typically, the customer’s local rules and regulations will shape the remaining evaluation criteria. Your potential customers can list other criteria such as prior experience, personnel qualifications, management capability, local vendor, etc, but price (cost) does need to be weighted the highest.

What is a cost effectiveness review?

The selected bid must be cost-effective in comparison to prices available commercially. If the SLD believes that an applicant has requested too much E-rate support based on the services and products they are going to receive, the project may go through a cost effectiveness review. This is likely to cause questions, delays, or possible denials. Therefore, it is important to quote pricing that is competitive for the services or products offered.

I have a contract with a customer that was not competitively bid through the Form 470 process. Is there a way to make that contract E-rate eligible in order to help defray some of the costs?

Your customer can post a Form 470 and evaluate an existing contract along with any bid responses they receive. Price will need to carry the greatest consideration; however, your customers can also evaluate what would happen if they break your contract and any monetary penalties they may receive.

My customer has been using Brand X equipment for their technology needs. Do they have to evaluate other manufacturer’s bid responses?

It is understandable that a school district would want to be consistent with their technology purchases and they can specify they are interested in Brand X (or Brand X compatible) products on their Form 470. Applicants should not specify that they would like specific Brand X partners to fulfill their E-rate technology needs. That would be anti-competitive and the project could be denied E-rate support.

What is the 30% rule?

If 30% or more of a funding request (FRN) is for ineligible products or services the entire funding request may be denied. If less than 30% of the FRN is for an ineligible service or product the FRN will be reduced by the amount ineligible. You should partner with your customer to ensure they fully understand the eligibility of the project before they apply for E-rate discounts and submit their Form 471.

Do you have any contract guidance on how to protect ourselves during the E-rate process?

Companies can spend resources responding to Form 470s working with their customers during the application and application review process to get an E-rate commitment and can still get the deal taken from them. Once a funding commitment has been made, there are processes by which applicants can change service providers, and companies are becoming increasingly aggressive in pursuing potential customers after the E-rate procurement season has passed. USAC has multiple requirements for applicants interested in changing service providers. First, the customer must certify that the change is allowable under their applicable state and local procurement regulations. Next, the customer must certify that the change is allowable under the terms of the contract with their existing service provider. Finally, the applicant must notify the original service provider they would like to change companies. It is beneficial for your corporate legal team to produce specific language that dictates when your customers can and cannot back out of a contract.

It is also advantageous to detail your responsibilities and your customers' responsibilities in your contracts, as well as potential actions if either party does not fulfill obligations. As an example, the Form 486 is a form your customers fill out indicating to USAC that services have started, that they are CIPA compliant, and that the SLD may begin disbursing funds on the commitment. The deadline is a moving target and needs to be submitted 120 days from when services begin or when they receive their funding commitment decision letter, whichever is later. If the deadline is missed the dollars will be reduced and the SLD will not pay a service provider until the Form 486 is submitted. If your customer fails to file a timely Form 486, contract language dictating payment processes may be beneficial to your company. It may also be beneficial to state which payment method your customer prefers and when your customer needs to pay for their portion of the project if they prefer discounted invoices.

I have a potential customer that is interested in doing business with us and they have asked us if we had a sample RFP they could use. Can we provide one for them?

We advise that you do not supply them with an actual or sample RFP. E-rate is a highly political program and even the appearance of impropriety could cause delays. It could be seen from your competitors or regulators that you have too much influence over the schools procurement process. You could give your potential customer the name of another school that has drafted an RFP for similar services and have them contact the school directly. You may also refer the customer to their state E-rate coordinator for additional guidance.

Can I provide technology advice to potential customers?

Yes, it is appropriate to talk with your potential customer about technology and technology trends, as you are the

technology experts. However, remember to provide neutral advice. Again, you do not want to be seen from your competition or the regulators as having too much influence over the schools technology purchases.

When reviewing 470s, do you have any suggestions on how to avoid common mistakes or denials?

Yes, there are several items to look out for.

- Block 1 – Allowable Contract Date – Do not sign a contract with a school before the allowable contract date or your project will be in jeopardy. Schools need to wait a minimum of 28 days after a Form 470 is posted before they can sign a contract with a vendor or make their determination of the winning proposal. Even if a school's local procurement regulations stipulate schools can wait 21 days, based on FCC regulations, the school must wait a minimum of 28 days.
- Block 1 – Certification Received Date – Confirm that the Form 470 is certified or there could be funding delays on your project. The Form 470 needs to be certified by your customer before the Form 471 window closes or their projects could get denied funding. Due to the Bishop Perry Order, if a school forgets to certify their Form 470 they will get another opportunity during the application review process.
- Block 2 #7 – If your customers are receiving tariff or month-to-month service they must go through the E-rate procurement process each year. If you are aware that your potential customer is interested in a multiyear contract or a contract with voluntary extensions, they must indicate such on the Form 470 or the subsequent years of the contract may not qualify E-rate support. If a school district has a multi-year contract that was competitively bid through the E-rate process, your customer does not need to file a Form 470 each year for the life of that contract. However, they will still need to file a Form 471 each year to request the dollars they need to fulfill the project.
- Block 2 #8 – If you notice an RFP has been released and the Form 470 did not identify that an RFP would be posted, the project could be in jeopardy and the school would be advised to post another Form 470 that indicates that an RFP has been released.
- Block 2 #10 – Be advised that E-rate vendors should not be listed as the optional technical contact on a Form 470. When marketing your services and products it is appropriate for you to talk about technology, technology trends, your company's story and how you can help them achieve their technology goals, but it is a competitive bidding violation to be listed on the Form 470 in this capacity.



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