

## Schools and Libraries

# NEWS BRIEF

January 27, 2012

**FY2012 WINDOW COUNTDOWN**

Days to window close	53
Forms 470 filed to date	24,667
Forms 471 filed to date	2,309
Online Item 21 attachments filed to date	4,966

**TIP OF THE WEEK:** To [file an Item 21 attachment online](#), you will need your **Billed Entity Number, your FCC Form 471 application number, and your security code**. The online system will walk you through the process, but you can also refer to the [Item 21 Attachments document](#) in the Reference Area of the USAC website for examples and detailed guidance.

## Commitments for Funding Years 2011 and 2010

**Funding Year 2011.** USAC will release FY2011 Wave 32 Funding Commitment Decision Letters (FCDLs) January 31. This wave includes commitments for approved Priority 2 (Internal Connections and Basic Maintenance) requests at 90%. As of January 27, FY2011 commitments total just under \$1.60 billion.

**Funding Year 2010.** USAC will release FY2010 Wave 84 FCDLs February 1. This wave can include commitments for approved Priority 2 requests at all discount levels. As of January 27, FY2010 commitments total over \$2.96 billion.

On the day the FCDLs are mailed, you can check to see if you have a commitment by using USAC's [Automated Search of Commitments](#) tool.

## Updated Guidance on Operational SPIN Changes

Under certain conditions, applicants can request a change to the service provider associated with a funding request number (FRN). We refer to these changes – which can occur after USAC has issued an FCDL – as Operational SPIN changes.

In the Sixth Report and Order ([FCC 10-175](#), released September 28, 2010), the FCC established additional requirements for Operational SPIN changes.

- These additional requirements apply to FRNs for FY2011 and future funding years.
- These additional requirements do not apply to FRNs for funding years before FY2011, even if USAC issues commitments for these FRNs on or after July 1, 2011.

Below is a summary of requirements for Operational SPIN change requests.

### **Operational SPIN change requirements for FY2011 and beyond.**

The FCC permits Operational SPIN changes when:

1. the SPIN change is allowed under the applicant's state and local procurement rules;
2. the SPIN change is allowable under the terms of any contract between the applicant and its original service provider;
3. the applicant has notified its original service provider of its intent to change service providers;
4. there is a legitimate reason to change providers (e.g., breach of contract or the service provider is unable to perform the requested service); and
5. the newly selected service provider received the next highest point value in the original bid evaluation. If the applicant did not receive multiple bids, the applicant must submit a statement explaining that it received only one or no bids.

The last two requirements are new, beginning in Funding Year 2011. **Changing service providers because the services are available at a lower cost from another provider or because you now wish to do business with a provider that did not originally participate in the competitive bidding process are not considered legitimate reasons for change, and requests citing such reasons will be denied.**

### **When to file Operational SPIN change requests.**

A SPIN change request for an FRN must be postmarked or received no earlier than the date of the FCDL and no later than the last date to submit an invoice for that FRN. (For further information on deadlines, please refer to [Service Delivery Deadlines and Extension Requests](#).)

The SLD (the Schools and Libraries Division of USAC) is concerned about its ability to pay the appropriate service provider depending on when service provider changes are made and when SPIN change requests are received and approved. If a service provider is changed before the SLD approves a SPIN change request, there is a possibility that the SLD will inadvertently pay the old service provider. To minimize that possibility, APPLICANTS SHOULD NOTIFY THE SLD OF THEIR INTENT TO CHANGE SERVICE PROVIDERS AS SOON AS THE DECISION IS MADE AND SHOULD ADVISE THE SLD OF THE PROPOSED EFFECTIVE DATE OF THE CHANGE.

In order to reduce confusion and possible delays, applicants should request the SPIN change sufficiently in advance of the change so that USAC has time to process the request before the submission of any invoices for services rendered by the new provider. Once the request is received, the SLD will make no additional payments on the FRN until the SPIN change is reviewed and either (1) approved and the SPIN is changed or (2) denied and the SLD verifies that additional invoices are for services actually rendered to the applicant by the original service provider.

### **Changes of SPIN in multi-year contracts are conditionally eligible.**

If the applicant has a multi-year contract with the service provider from which it wishes to switch, it may switch to a multi-year contract with a new service provider without posting a new FCC Form 470 and waiting at least 28 days. The multi-year contract with the new service provider must have an expiration date no later than the original contract. Neither contract should be longer than any term for the contract described in the original Form 470 or the RFP under which the original service provider was selected.

### **Service substitutions.**

A change in service provider, by itself, does not allow a substitution in the specific products or services to be supplied. Such substitutions are available in limited circumstances that are described in the document [Service Substitutions](#) posted in the Reference Area of the USAC web site.

Applicants may make a simultaneous request for both service substitution and change in service provider by (1) following the steps as outlined in the [Service Substitutions](#) procedure, and (2) including the service provider change letter described below as an additional attachment to the service substitution request.

In the event that a simultaneous service substitution and service provider change cannot be granted due to a problem with one request or the other, the SLD will contact the applicant to determine if the SLD should continue to process the remaining request.

### **How to apply for an Operational SPIN change.**

You can request an Operational SPIN change by indicating the original service provider name and SPIN indicated on the FCDL and the new service provider name and SPIN to be reflected on SLD records.

Operational SPIN change requests must be in writing. You must supply the specific information indicated

in the [Operational SPIN Change guidance](#) document in order for your request to be processed. This includes:

- Information that identifies the FRN(s) affected by the SPIN change request.
- Your contact information.
- Contact information for the original and new service providers.
- If the original service provider has already provided some service under one or more of the FRNs, you must identify the amount of funding to be apportioned to the original and new service providers for both recurring and non-recurring services, the effective date of the change, and the last date the new service provider will provide service. Note that the total amount of funding – and the total amounts originally specified as recurring and non-recurring – cannot be increased.

You must answer the following questions and provide an explanation if you answer "No" to any of them.

1. Are all SPIN changes requested in this letter allowed under all applicable state and local procurement rules? (Yes or No)
2. Are the SPIN changes allowable under the terms of the contract, if any, between the applicant and its original service provider? (Yes or No)
3. Have you notified your original service provider of your intent to change service providers? (Yes or No) If your service provider is no longer in business, have you attempted to contact them? (Yes or No)

Beginning with FY2011 FRNs, you must also provide the following two items:

1. A detailed explanation of the need for the change.
2. The final bid evaluation worksheet (a listing of the bid weighting factors and individual vendors' scores for all vendors that participated in the original competitive bidding process) for the services requested in FRN(s) associated with the SPIN change or, if applicable, a statement that there was only one or no bids received.

Your request may be sent by regular mail, fax, or e-mail.

The exact list of information to be included on your request, together with information on submitting your request to USAC by regular mail, fax, or e-mail, can be found on the [Operational SPIN Change guidance](#) document in the Reference Area of the USAC website.