



**Universal Service Administrative Company**  
Schools & Libraries Division

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**Administrator's Decision on Appeal – Funding Year 2014-2015**

October 10, 2014

Bernice Riga  
Cincinnati Public Schools  
2651 Burnet Avenue  
P.O. Box 5381  
Cincinnati, OH 45201-5381

Re: Applicant Name: CINCINNATI CITY SCHOOL DIST  
Billed Entity Number: 129871  
Form 471 Application Number: 985758  
Funding Request Number(s): 2688391  
Your Correspondence Dated: September 05, 2014

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2014 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision. If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 2688391  
Decision on Appeal: **Partially Approved, Funding Denied**  
Explanation:

- Your appeal has brought forward persuasive information that the funding request cited above should have been reduced from \$37,500.00 per month to \$12,000.00 per month pre-discount. However, the FRN was denied due to a competitive bidding violation. The requested services must be posted on a new FCC Form 470 when the services and/or the price of the original contract are significantly modified, so that the modified services can be competitively bid. You submitted an addendum to the original contract for this FRN which covered Funding Year (FY) 2013 that changed the bandwidth speed of the contract from 700 mbps to 1000 mbps and the price from \$8,900/month to \$12,000/month. A second addendum was provided which covered FY 2014 that changed the bandwidth speed of the contract from 1000 mbps to 5000 mbps and the price from \$12,000/month to \$37,500/month. These are cardinal changes to the original

contract which must be re-bid. The establishing FCC Form 470 cited for this FRN is the FCC Form 470 that established the original contract. Additionally, FCC Rules require applicants to carefully consider all bids submitted and to choose the most cost effective solution. Documentation provided demonstrates that the applicant did not consider all of the bids that were submitted. Therefore, the applicant has violated program rules. During review you indicated that you received two bids for the services requested in the FRN from Windstream and Cincinnati Bell. You indicated the bid from Windstream was not considered. You stated, "Windstream did not submit a bid for the specific bandwidth we had requested, although they had previously stated in an email that they would. Our bid review team did not feel it was appropriate to consider their bid..." The FCC Form 470 cited as the establishing FCC Form 470 requests "Internet Access" and does not contain any specific bandwidth requirement. Thus, you inappropriately disqualified the bid from Windstream from consideration. On appeal you have failed to provide any evidence that USAC's erred in its decision to deny funding. Consequently, your appeal is partially approved, funding denied.

- FCC rules require that all products and services for which an applicant requests discounts on an FCC Form 471 must be competitively bid on an FCC Form 470. The FCC Form 470 must include a complete description of the services for which discounts are sought, be posted on the website for 28 days, and applicants must carefully consider all bids received before selecting a vendor, entering into an agreement or signing a contract, and signing and submitting an FCC Form 471. *See* 47 C.F.R. secs. 54.503(b) and (c), 54.511(a) and (c). These competitive bidding requirements help to ensure that applicants receive the lowest pre-discount price from vendors. *See* Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Order on Reconsideration, 12 FCC Rcd 10095, 10098, FCC 97-246 para. 9 (rel. Jul. 10, 1997). The only exceptions to the posting requirement are for: (1) contracts signed on or before July 10, 1997 for the life of the contract; and (2) contracts signed between July 10, 1997 and before January 30, 1998 (the date on which the website became operational) for products and/or services provided under such contract between January 1, 1998 and December 31, 1998. *See* 47 C.F.R. secs. 54.511(c).
- FCC rules require that, except under limited circumstances, an eligible school, library and consortium that includes an eligible school or library shall seek competitive bids for all services eligible for support. *See* 47 C.F.R. sec. 54.503(b). Applicants are required to carefully consider all bids received, with price being the primary factor, before selecting a vendor, entering into an agreement or signing a contract, and signing and submitting an FCC Form 471. *See* 47 C.F.R. secs. 54.511(a), 54.503(c)(2)(vii), 54.504(a)(1)(xi). The FCC also noted that several additional factors should be considered by the applicant in determining which service provider meets their needs most effectively and efficiently. *See* Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, FCC 97-157 para. 481 (rel. May 8, 1997). These competitive bidding requirements help to ensure that applicants receive the lowest pre-discount price from vendors. *See* Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Order on Reconsideration, 12 FCC Rcd 10095, FCC 97-246 para. 9 (rel. Jul. 10, 1997).

Since your appeal was partially approved but funding was denied, you may file an appeal with the FCC. Your appeal must be postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found under the Reference Area/"Appeals" of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

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