

**Before the  
Federal Communications Commission  
Washington, DC**

In the Matter of	)	
	)	
Request for Review of the Decision of the Universal Service Administrator or Waiver by	)	
	)	
Montgomery County Public Schools Rockville, MD	)	File Nos. SLD-863822
	)	
Schools and Libraries Universal Service Support Mechanism	)	CC Docket No. 02-6

**REQUEST FOR REVIEW OR WAIVER**

Montgomery County Public Schools (“School District”), by its representative, hereby requests that the Commission review and reverse the Decision of the Administrator (“USAC”) in the above-captioned matter dated July 25, 2013<sup>1</sup> and instruct USAC to commit funds to the funding request in issue.<sup>2</sup> Alternatively, the School District requests that the Commission reach the same result by waiving its rules.

This matter involves a request for a 90% discount on the cost of *installing* wireless and other networking infrastructure into a school that serves one of Montgomery County, Maryland’s most economically disadvantaged neighborhoods. USAC funded the equipment purchase, but not the related installation charges. The only reason USAC refused to fund the installation charges was *because the School District entered into a separate contract for them*. USAC insists that this result is what the Commission’s rules require, notwithstanding that the School District had accepted the lowest-priced bid for installation services. We disagree. That could not possibly be what the rules require; if it is, then the result is surely not what the Commission intended.

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<sup>1</sup> See Exhibit 1, Funding Commitment Decision Letter dated July 25, 2013.

<sup>2</sup> FRN 2352347 (pre-discount amt. \$82,500 @ 90% discount rate)

The rule, USAC says, is that *one contract* must cover the purchase of eligible equipment *and* the installation of that equipment or else the latter will be ineligible for discounts. The price of installation services, according to USAC, is completely irrelevant -- even if procuring a separate contract for installation services results in the least expensive price for the project overall. Under USAC's interpretation of the rule, even something as innocuous as a school district administrative decision to enter into two separate contracts with the same vendor, one for equipment and the other for installation, would result in USAC refusing to fund the installation charges.

When interpreting statutes, courts generally steer clear of any interpretation that creates an illogical result that the legislature clearly did not intend. USAC should be following the example set by the courts. We are confident that the Commission does not wish to see any of its rules interpreted or applied in a fashion that does not make sense. Since USAC's interpretation of the Commission's installation services eligibility rule is creating some illogical, totally confounding results, it is obvious that the Commission needs to step in quickly and clarify the rule.

The State E-rate Coordinator's Alliance ("SECA") agrees that USAC's approach to the "internal connections installation" rule is wrong. In comments filed last month, SECA says it "believes that it was never the Commission's intent to require applicants to bundle equipment purchases and installation together in a single contract. Indeed, applicants can often achieve greater flexibility and cost efficiencies by negotiating separately for equipment purchases and for installation services."<sup>3</sup>

## FACTS

- **Single "Bid" for Equipment and Installation Services**

The School District issued a single, consolidated bid for both eligible equipment *and* installation services, requesting separate quotes for each.<sup>4</sup> At the conclusion of the competitive bidding process, the School District discovered that it could obtain the lowest price for the project overall by awarding two contracts, one to the vendor that

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<sup>3</sup> See Exhibit 2, *SECA Comments* at pp. 4-6. (August 2, 2013).

<sup>4</sup> See Exhibit 3, Form 470 No. 20200000879890 (Item No. 10).

had offered the lowest price on equipment and the other to the vendor that had offered the lowest price on installing that equipment.

- **Two Contracts Prove to be the Most Cost Effective Option**

Mindful that program rules require applicants to select the most cost effective options available to them, the School District did just that. That is the reason why the School District’s single bid resulted in two contracts with two different vendors *and* the least expensive price possible for equipment and installation.

- **Installation-Only Contracts are Ineligible USAC Claims**

Regardless of the circumstances, USAC informed the School District during the application review process, equipment installation services are eligible *only if* they appear together with the equipment that is going to be installed as part of “a single contract or single bid response.” All USAC wanted to know, therefore, was whether the School District could produce such a document. This is what USAC asked:<sup>5</sup>

Is Netcom Technologies, Inc. the correct service provider installing the eligible product/service purchase in FRN 2352343? \_\_\_ Yes \_\_\_ No

If Yes, provide:

a copy of the single contract or single bid response [emphasis added] that includes both the product/service as well as the installation, activation, and/or initial configuration charges but the services are being delivered by more than one service provider; or

If No, please provide the correct SPIN that is delivering the installation services. If the correct SPIN is not the same provider as in FRN 2352343, please provide a copy of the single contract or single bid response [emphasis added] that includes both the product/service as well as the installation, activation, and/or initial configuration charges or single contract or single bid response that included both the eligible components as well as the installation, activation, and/or initial configuration charges.

- **School District Challenges USAC’s Interpretation of the Rule**

In its response, the School District informed USAC that it did not have the kind of documentation that USAC seemed to be looking for, but that it did have the Form

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<sup>5</sup> See Exhibit 4, USAC PIA request dated May 23, 2013.

470, an official bid document that it had prepared and *which did include both equipment and installation.*<sup>6</sup> The document that kicks off the competitive bidding process, the School District argued, are what the word “bid” in the Commission’s installation services eligibility rule actually refers to, and, since that interpretation makes much more sense, USAC should adopt it and fund the School District’s request for discounts on installation services.

- **USAC Insists that Its Interpretation is Correct**

From: Yates, Carla  
Sent: Thursday, May 23, 2013 1:38 PM  
To: Sean Lock  
Cc: 'Laurie Walsh'  
Subject: FCC 471 Application 863822 Montgomery County SD 5-23-13

Good Afternoon,

With regards to the letter sent previously for FCC 471 Application 863822 addressing installation, the issue has been escalated and further clarification has been received.

Installation is eligible if it is part of a contract or bid for those eligible components. The use of the word single is to help clarify our request. The Eligible Services List does require installation to be part of a contract or bid for the eligible components being purchased which if it is on separate contracts would not comply with the requirement that it be part of the contract or bid for the eligible components. [Emphasis added]

I’ve attached a new 15 Day letter. Please fax or email your response to my attention as soon as possible.

Thank You,

**Carla Yates**  
**Associate Manager, PIA Reviewer**

- **USAC Rejects Installation Services Request Because it Appeared in an Installation-Only Contract**

Without addressing any of the issues that the School District raised during the review process, USAC denied the School District’s request for discounts on installation services. It did so on the grounds that installation-only contracts can

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<sup>6</sup> See Exhibit 5, PIA Response dated June 6, 2013

never be eligible. USAC reasoned as follows:<sup>7</sup>

The FCC's Eligible Services List states that installation and configuration of products and services is only eligible if it is a part of the contract or bid for those eligible products and services. This funding request is for installation charges that were not part of the contract for the product and services in FRN 2352343 containing the product/service; therefore funding is denied.

## DISCUSSION

### **I. The Commission's Installation Services Eligibility Rule Needs to Be Clarified to Make it Clear that the Rule Does NOT Require Equipment and Related Installation Services to be Bundled Together in a Single Contract.**

#### **A. The State E-rate Coordinators Alliance (SECA) Agrees that This Rule Requires Clarification.**

The Installation Services Eligibility Rule reads as follows:

*Installation, activation, and initial configuration of eligible components are eligible if they are part of a contract or bid for those eligible components.*

“It was never the Commission’s intent,” SECA argued convincingly in its recent comments on the FY 2013 draft Eligible Services List, “to require applicants to bundle equipment purchases and installation together in a single contract.”<sup>8</sup> SECA contended, and we agree, that important language in this rule has changed over time, that the current iteration of the rule is ambiguous, that USAC has been interpreting the rule incorrectly, and that USAC’s incorrect interpretation of it has and will continue to cause unwarranted and unnecessary hardship among applicants in both rural and non-rural areas alike.

Because SECA’s comments on this subject are directly on point, we have copied them here for convenience:

#### *Installation Charges*

The first item in the “Miscellaneous Section” of the Draft Eligible Services List, under Installation and Configuration, reads:

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<sup>7</sup> See Exhibit 1.

<sup>8</sup> See Exhibit 2.

Installation, activation, and initial configuration of eligible components are eligible if they are part of a contract or bid for those eligible components. Such eligible services may include basic design and engineering costs and basic project management costs, if these services are provided as an integral component of the installation of the relevant services.

This language seems to imply — at least as is being interpreted by USAC — that installation-related services (including training) are eligible only if they are part of same contract for the purchase of those eligible components.

SECA believes that it was never the Commission’s intent to require applicants to bundle equipment purchases and installation together in a single contract. Indeed, applicants can often achieve greater flexibility and cost efficiencies by negotiating separately for equipment purchases and for installation services. Such separation would permit an applicant to purchase components directly from a manufacturer without incurring markups from an installation company, or even permitting separate installation services (e.g., basic make-ready and final installation services) from different contractors without incurring additional subcontracting charges.

This change is crucial to schools and libraries in rural communities that do not have local or regional equipment manufacturers that sell networking equipment and perform installation. In many cases, the schools and libraries purchase the equipment from the manufacturer or reseller online and have it drop- shipped. Then a local firm will be contracted with to perform the installation. This reality of rural school procurement should not be prohibited under program rules.

In addition, in many cases – for both rural and non-rural schools and libraries – it may be more cost effective to sign separate contracts for equipment and installation services. And because the pre-discount price of [both] will be lower, the E-rate fund will realize savings as well. Schools are required to consider total cost of ownership when making major purchases and requiring a higher priced (or sometimes non-existent) bundle is contrary good financial decision making for both the applicant, and for the E-rate program.

The change in language first occurred between the 2006 and 2007 ESL when the ESL was consolidated from 71 to 49 pages. It appears that during the editing process, several distinct aspects of equipment purchase, installation, network design and engineering, and project management were combined into a single paragraph. The 2006 ESL listed each category under separate headings and specifically required that funding for network design and engineering and project management would only be eligible if they were part of a contract or bid for associated eligible products.

However, the 2006 ESL did not have a similar restriction for the installation of eligible equipment. Rather, the installation section simply and categorically stated: “Services tied directly to installation and initial configuration are eligible.”

SECA is not aware of any Commission order that would require such a drastic change. Of all comments and reply comments, the change was not highlighted or mentioned. So innocuous was the change, it appears the Administrator did not even begin enforcing the new rule until 2011 with the first funding denial for separate equipment purchase and installation contracts.

SECA asks the Commission to clarify that its current rules do not require the bundling of eligible component purchases and installation. SECA suggests that the above quoted language be changed to read:

Installation, activation, and initial configuration of eligible components are eligible. Such services may include basic design and engineering costs and basic project management costs, if these services are directly related to the purchase and initial implementation of these eligible components and are not duplicative of services provided as a part of the purchase agreement.

#### B. By Adding Words of its Own, USAC has Altered the Rule's Meaning

By adding words to the Commission's Installation Services Eligibility Rule, USAC has substantially altered its meaning. The rule states that installation services are eligible if they are part of "a contract or bid" for eligible components. USAC, on the other hand (as evidenced by the questions it posed to the School District during the application review process) says that, to be eligible, installation services must be part of "a *single contract or single bid response.*" [Added words in italics].

The crux of the problem is USAC's addition of the word, "response," after the word, "bid." In the context of a formal, competitive bidding process, the word, "bid," is a term of art. Procurement professionals use it interchangeably to describe either the formal solicitation documents themselves -- RFP, IFB, Form 470, etc. (e.g., the technology department is preparing a "bid" for switches and routers) or a vendor's response to a bid -- in other words, a bid response. By adding the word "response" after the word "bid," USAC took the liberty of assuming that the Commission meant the latter definition of "bid," rather than the former, even though the former is the only one that actually makes sense in this context. Clearing up ambiguities in program rules is a power that USAC unambiguously does not possess.

For E-rate purposes, it makes much more sense to interpret the word, "bid," as the solicitation documents and not the vendor's response to them. If the applicant includes

both equipment and installation in its bid, everyone in the vendor community knows that the applicant is in the market for both, which is exactly how a fair and open competition is supposed to work. If installation does not appear in the bid, the vendor community is not going to know that the applicant is interested in installation and, therefore, not likely going to include it in their bid responses. Indeed, if an applicant's bid did not include installation, but a vendor's response to that bid included it, one would have to wonder why.

C. USAC's Interpretation of the Rule Cannot be Correct Because it Punishes Applicants for Contracting With the Least Expensive Vendor of Installation Services.

Insofar as E-rate program rules are concerned, what should matter most is whether the applicant competitively bid out and thereafter contracted for "installation" of the eligible equipment. Much less important should be whether the terms and conditions related to the sale and installation of the equipment appeared at the exact same time and in the exact same contract. USAC's attempt at clarification, we submit, creates a *de facto* new rule that not only undercuts well established E-rate competitive bidding policies and "real-world" procurement practices, but also runs counter to common sense. Furthermore, it gives applicants no incentive to use the procurement and contracting process more effectively to drive down the costs associated with installation. In short, whether or not the terms and conditions related to the purchase and installation of eligible equipment appear in a "single" contract is an insignificant clerical matter that USAC should never be permitted to employ as a litmus test for determining whether installation services are eligible for E-rate discounts.

**II. The School District is Entitled to Discounts on Installation Services Because it Included Equipment and Installation in a Formal Bid and Selected its Least Expensive Option for Each.**

A. The Bid for Installation Services Complied With Program Rules

Program rules require applicants to competitively bid out and contract for internal connections. Here, the School District (1) included eligible equipment and installation in a "bid" (i.e., an official solicitation for price quotes on equipment and installation); (2)

selected the least expensive vendors for equipment and installation, respectively; and (3) entered into a contract with each vendor. Thus the School District's solicitation and contract for installation service complied with program rules, making the installation services it contracted for eligible for E-rate discounts.

B. If the Bid did Not Comply With Program Rules, Then the Circumstances Warrant that The Rules be Waived.

The School District reasonably interpreted the rules to require that it contract for E-rate eligible goods and services in the most cost-effective way possible. That is why it signed a separate contract for installation services. If, where the procurement of eligible installation services is concerned, there is a program rule that trumps the E-rate program's mandate that applicants engage in the most cost-effective purchasing possible, then, unwittingly, that is the only rule that the School District broke. In these circumstances, a waiver of the Commission's rules is clearly warranted.<sup>9</sup>

### **CONCLUSION**

Accordingly, for all of the above reasons, the School District respectfully requests that the Commission reverse USAC's decision or waive its rules and instruct USAC to fund the FRN in issue.

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<sup>9</sup> Generally, the Commission's rules may be waived if good cause is shown. 47 C.F.R. § 1.3. The Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest. *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (*Northeast Cellular*). In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis. *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969); *Northeast Cellular*, 897 F.2d at 1166. Waiver of the Commission's rules is appropriate only if both (i) special circumstances warrant a deviation from the general rule, and (ii) such deviation will serve the public interest. *NetworkIP, LLC v. FCC*, 548 F.3d 116, 125-128 (D.C. Cir. 2008); *Northeast Cellular*, 897 F.2d at 1166.

Respectfully submitted  
*on behalf Montgomery County (MD) Public Schools,*

*/s/ Catherine Cruzan*

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Catherine Cruzan  
President  
Funds For Learning, LLC  
2575 Kelley Pointe Parkway – Suite 200  
Edmond, OK 73013  
405-341-4140  
[ccruzan@fundsforlearning.com](mailto:ccruzan@fundsforlearning.com)

cc: Doreen M. Heath  
Montgomery County Public Schools

September 23, 2013

# Exhibit 1



**FUNDING COMMITMENT DECISION LETTER**  
(Funding Year 2012: 07/01/2012 - 06/30/2013)

July 25, 2013

Laurie Walsh  
MONTGOMERY COUNTY SCHOOL DIST  
2096 Gaither Road  
Suite 101  
Rockville, MD 20850-4011

**Re: Form 471 Application Number: 863822**  
**Billed Entity Number (BEN): 126360**  
**Billed Entity FCC RN: 0011820776**  
**Applicant's Form Identifier: M012-47102**

Thank you for your Funding Year 2012 application for Universal Service Support and for any assistance you provided throughout our review. The current status of the funding request(s) in the Form 471 application cited above and featured in the Funding Commitment Report(s) (Report) at the end of this letter is as follows.

- The amount, \$459,904.90 is "Approved."
- The amount, \$1,995,949.17 is "Denied."

Please refer to the Report following this letter for specific funding request decisions and explanations. The Universal Service Administrative Company (USAC) is also sending this information to your service provider(s) so preparations can begin for implementing your approved discount(s) after you file FCC Form 486, Receipt of Service Confirmation Form. A guide that provides a definition for each line of the Report is available in the Reference Area of our website.

**NEXT STEPS**

- Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full
- Review technology planning approval requirements
- Review CIPA requirements
- File Form 486
- Invoice USAC using the Form 474 (service provider) or Form 472 (Billed Entity applicant) - as products and services are being delivered and billed

**TO APPEAL THIS DECISION:**

You have the option of filing an appeal with the SLD or directly with the Federal Communications Commission (FCC).

If you wish to appeal a decision in this letter to USAC, your appeal must be received by USAC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and (if available) email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
  - Appellant name,
  - Applicant name and service provider name, if different from appellant,
  - Applicant BEN and Service Provider Identification Number (SPIN),
  - Form 471 Application Number 863822 as assigned by USAC,

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Schools and Libraries Division - Correspondence Unit  
30 Lanidex Plaza West, PO Box 685, Parsippany, NJ 07054-0685  
Visit us online at: [www.usac.org/sl](http://www.usac.org/sl)

- "Funding Commitment Decision Letter for Funding Year 2012," AND
  - The exact text or the decision that you are appealing.
3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
  4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
  5. Provide an authorized signature on your letter of appeal.

To submit your appeal to USAC by email, email your appeal to [appeals@sl.universalservice.org](mailto:appeals@sl.universalservice.org). USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to USAC by fax, fax your appeal to (973) 599-6542.

To submit your appeal to USAC on paper, send your appeal to:

Letter of Appeal  
Schools and Libraries Division - Correspondence Unit  
30 Lanidex Plaza West  
PO Box 685  
Parsippany, NJ 07054-0685

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted in the Reference Area of our website. 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.

#### OBLIGATION TO PAY NON-DISCOUNT PORTION

Applicants are required to pay the non-discount portion of the cost of the products and/or services to their service provider(s). Service providers are required to bill applicants for the non-discount portion. The FCC stated that requiring applicants to pay their share ensures efficiency and accountability in the program. If USAC is being billed via the FCC Form 474, the service provider must bill the applicant at the same time it bills USAC. If USAC is being billed via the FCC Form 472, the applicant pays the service provider in full (the non-discount plus discount portion) and then seeks reimbursement from USAC. If you are using a trade-in as part of your non-discount portion, please refer to our website for more information.

#### NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. USAC may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by USAC, the applicant, or the service provider. USAC, and other appropriate authorities (including but not limited to the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division  
Universal Service Administrative Company

FUNDING COMMITMENT REPORT  
Billed Entity Name: MONTGOMERY COUNTY SCHOOL DIST  
BEN: 126360  
Funding Year: 2012

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 863822  
Funding Request Number: 2352342  
Funding Status: Not Funded  
Category of Service: Internal Connections  
Form 470 Application Number: 202000000879890  
SPIN: 143022163  
Service Provider Name: DISYS Solutions, Inc  
Contract Number: 7067.4  
Billing Account Number: N/A  
Multiple Billing Account Numbers: N  
Service Start Date: 07/01/2012  
Service End Date: N/A  
Contract Award Date: 02/28/2011  
Contract Expiration Date: 06/30/2013  
Shared Worksheet Number: 1472333  
Number of Months Recurring Service Provided in Funding Year: 12  
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00  
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$2,136,623.96  
Pre-discount Amount: \$2,136,623.96  
Discount Percentage Approved by the USAC: 80%  
Funding Commitment Decision: \$0.00 - Srvc/Discnt will NOT be funded  
Funding Commitment Decision Explanation: DR1: Given Program demand, the funding cap will not provide for Internal Connections and/or Basic Maintenance of Internal Connections at your approved discount level to be funded. Please see <http://www.universalservice.org/sl/> for further details.

FCDL Date: 07/25/2013  
Wave Number: 052  
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2014  
Consultant Name: Funds for Learning  
Consultant Number (CRN): 16024808  
Consultant Employer: Funds for Learning

FUNDING COMMITMENT REPORT  
Billed Entity Name: MONTGOMERY COUNTY SCHOOL DIST  
BEN: 126360  
Funding Year: 2012

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 863822  
Funding Request Number: 2352343  
Funding Status: Funded  
Category of Service: Internal Connections  
Form 470 Application Number: 202000000879890  
SPIN: 143022163  
Service Provider Name: DISYS Solutions, Inc  
Contract Number: 7067.4  
Billing Account Number: N/A  
Multiple Billing Account Numbers: N  
Service Start Date: 07/01/2012  
Service End Date: N/A  
Contract Award Date: 02/28/2011  
Contract Expiration Date: 06/30/2013  
Shared Worksheet Number: 1472340  
Number of Months Recurring Service Provided in Funding Year: 12  
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00  
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$511,005.44  
Pre-discount Amount: \$511,005.44  
Discount Percentage Approved by the USAC: 90%  
Funding Commitment Decision: \$459,904.90 - FRN approved as submitted

FCDL Date: 07/25/2013  
Wave Number: 052  
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2014  
Consultant Name: Funds for Learning  
Consultant Number (CRN): 16024808  
Consultant Employer: Funds for Learning

FUNDING COMMITMENT REPORT  
Billed Entity Name: MONTGOMERY COUNTY SCHOOL DIST  
BEN: 126360  
Funding Year: 2012



Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 863822  
Funding Request Number: 2352345  
Funding Status: Not Funded  
Category of Service: Internal Connections  
Form 470 Application Number: 20200000879890  
SPIN: 143006985  
Service Provider Name: Netcom Technologies, Inc.  
Contract Number: N/A  
Billing Account Number: N/A  
Multiple Billing Account Numbers: N  
Service Start Date: 07/01/2012  
Service End Date: N/A  
Contract Award Date: 02/14/2012  
Contract Expiration Date: 06/30/2013  
Shared Worksheet Number: 1472333  
Number of Months Recurring Service Provided in Funding Year: 12  
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00  
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$265,500.00  
Pre-discount Amount: \$265,500.00  
Discount Percentage Approved by the USAC: 80%  
Funding Commitment Decision: \$0.00 - Srvc/Discnt will NOT be funded  
Funding Commitment Decision Explanation: MR1: The establishing FCC Form 470 Application Number was changed at the request of the applicant. <><><><><> MR2: Given Program demand, the funding cap will not provide for Internal Connections and/or Basic Maintenance of Internal Connections at your approved discount level to be funded. Please see <http://www.universalservice.org/sl> for further details.

FCDL Date: 07/25/2013  
Wave Number: 052  
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2014  
Consultant Name: Funds for Learning  
Consultant Number (CRN): 16024808  
Consultant Employer: Funds for Learning

FUNDING COMMITMENT REPORT  
Billed Entity Name: MONTGOMERY COUNTY SCHOOL DIST  
BEN: 126360  
Funding Year: 2012

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 863822  
Funding Request Number: 2352347  
Funding Status: Not Funded  
Category of Service: Internal Connections  
Form 470 Application Number: 202000000879890  
SPIN: 143006985  
Service Provider Name: Netcom Technologies, Inc.  
Contract Number: N/A  
Billing Account Number: N/A  
Multiple Billing Account Numbers: N  
Service Start Date: 07/01/2012  
Service End Date: N/A  
Contract Award Date: 02/14/2012  
Contract Expiration Date: 06/30/2013  
Shared Worksheet Number: 1472340  
Number of Months Recurring Service Provided in Funding Year: 12  
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00  
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$82,500.00  
Pre-discount Amount: \$82,500.00  
Discount Percentage Approved by the USAC: 90%  
Funding Commitment Decision: \$0.00 - Ineligible Services/Products  
Funding Commitment Decision Explanation: MR1: The establishing FCC Form 470 Application Number was changed at the request of the applicant. <><><><><> MR2: The FCC's Eligible Services List states that installation and configuration of products and services is only eligible if it is a part of the contract or bid for those eligible products and services. This funding request is for installation charges that were not part of the contract for the product and services in FRN 2352343 containing the product/service>; therefore funding is denied.

FCDL Date: 07/25/2013  
Wave Number: 052  
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2014  
Consultant Name: Funds for Learning  
Consultant Number (CRN): 16024808  
Consultant Employer: Funds for Learning



Universal Service Administrative Company  
Schools and Libraries Division  
Correspondence Unit  
30 Lanidex Plaza West  
PO Box 685  
Parsippany, NJ 07054-0685



**TIME SENSITIVE MATERIAL**

00021  
Laurie Walsh  
MONTGOMERY COUNTY SCHOOL DIST  
2096 Gaither Road  
Suite 101  
Rockville, MD 20850-4011



USAC  
Central Service Administration  
Schools and Learning Division  
Correspondence Unit  
30 Landon Place West  
PO Box 600  
Fairfax, VA 22030-0600

THIS SENSITIVE MATERIAL

00021  
Laurie Walsh  
MONTGOMERY COUNTY SCHOOL DIST  
3086 Gather Road  
Suite 101  
Rockville, MD 20855-4011

RECEIVED  
JUL 31 2013  
Chief Technology Office

# Exhibit 2



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**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of: )  
 ) CC Docket No. 02-6  
Schools and Libraries Universal Service )  
Support Mechanism ) GN Docket No. 09-51

INITIAL COMMENTS TO  
PUBLIC NOTICE DA 13-1513  
REGARDING DRAFT ELIGIBLE SERVICES LIST  
FOR SCHOOLS AND LIBRARIES UNIVERSAL SERVICE PROGRAM

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The State E-rate Coordinators’ Alliance (SECA) comments focus on three areas concerning the Draft Eligible Services List for FY 2014: Miscellaneous Charges, Installation Charges, Bundled End-User Equipment and Interactive Communications Features and Collaboration Tools.

*Miscellaneous Charges*

The section on Miscellaneous Fees and Charges includes the following statement:

Taxes, surcharges, and other similar, reasonable charges incurred in obtaining an eligible product or service are eligible. This includes customer charges for universal service fees, but does not include additional charges for universal service administration [emphasis added].

This language was introduced several years ago in response to the Commission’s “Truth-in-Billing” proceeding that requires companies to exclude any administrative costs from the Universal Service Fee

line item that some companies choose to itemize on customer bills. Prior to that proceeding, some companies had been adding to the Universal Service Fee line item their administrative costs associated with collecting and remitting the contribution fee to USAC.

Because the administrative costs associated with administering the universal service contribution fee were ruled not to be a valid telecommunications charge, these costs were ruled as ineligible for E-rate support. In all cases of which SECA is aware that these costs are separately itemized, the charges are minimal—certainly far less than 1% of the monthly bills to customers.

Since then, USAC relies on this language to treat any fee labeled as “Administrative” as ineligible, yet many service providers (particularly carriers) regularly include such fees as a surcharge on all customer bills. SECA encourages the FCC to reconsider its approach of deeming ineligible the administrative cost of collecting universal service fund charges for the following reasons:

1) These fees are a minimal amount of the overall monthly bill yet they have become an enormous administrative burden on the program. Schools and libraries are compelled to review every line of every bill, many of which are hundreds of pages each month, to identify which of these small fees must be cost allocated and removed from their BEAR reimbursement or their Form 471 request.

This task is further complicated when the school or library personnel try to decipher which charges are eligible and which are not because there is no consistent naming conventions between carriers and no comprehensive list of which charges are eligible and which are not.

2) PIA and invoice reviewers spend a disproportionate amount of time weeding through Item 21 attachments and invoices, posing follow-up questions, to ensure that none of these rather miniscule

charges are included as part of authorized funding or disbursement. By making these small fees and surcharges E-rate eligible, it will immediately save the program money by reducing PIA reviews, and at the same time will enable the Administrator to release funding commitments and invoices more quickly.

3) There is no statutory imperative underlying the current prohibition against funding these charges. The Commission certainly has the legal discretion to deem these incidental charges to be eligible.

4) Consistent with the efforts proposed and discussed in the recent E-rate 2.0 NPRM to streamline the program administration this one measure would go very far to reducing the administrative burden to the applicants and the Administrator and would have a negligible financial impact on the fund, and likely would be a net cost savings in Administrator personnel costs.

At the very least, and as an alternative to making all administrative fees eligible (including the cost of administering the universal service fee collection), all other administrative fees should be deemed to be “reasonable charges” incurred by schools and libraries in obtaining service and should be eligible. Other than the fact that the charge is itemized as a line item, there is no distinction between these administrative fees and other administrative costs that are included as a component of the prices charged for various E-rate eligible services.

Again, as an alternative only to its strongly preferred position in favor of making all administrative charges eligible for E-rate, SECA encourages the Commission to clarify that only additional “Administrative” fees charges incurred by schools and libraries as a result of their participation in the E-rate program are ineligible. SECA suggests that the above quoted language be changed to read:

Taxes, surcharges, and other similar, reasonable charges incurred in obtaining an eligible product or service are eligible. This includes customer charges for universal service fees, but does not include any additional administrative charges incurred by schools and libraries solely as a result of services received under universal service.

### *Installation Charges*

The first item in the “Miscellaneous Section” of the Draft Eligible Services List, under Installation and Configuration, reads:

Installation, activation, and initial configuration of eligible components are eligible if they are part of a contract or bid for those eligible components. Such eligible services may include basic design and engineering costs and basic project management costs, if these services are provided as an integral component of the installation of the relevant services.

This language seems to imply — at least as is being interpreted by USAC — that installation-related services (including training) are eligible only if they are part of same contract for the purchase of those eligible components.

SECA believes that it was never the Commission’s intent to require applicants to bundle equipment purchases and installation together in a single contract. Indeed, applicants can often achieve greater flexibility and cost efficiencies by negotiating separately for equipment purchases and for installation services. Such separation would permit an applicant to purchase components directly from a manufacturer without incurring markups from an installation company, or even permitting separate installation services (e.g., basic make-ready and final installation services) from different contractors without incurring additional subcontracting charges.

This change is crucial to schools and libraries in rural communities that do not have local or regional equipment manufacturers that sell networking equipment and perform installation. In many cases, the schools and libraries purchase the equipment from the manufacturer or reseller online and have it drop-shipped. Then a local firm will be contracted with to perform the installation. This reality of rural school procurement should not be prohibited under program rules.

In addition, in many cases – for both rural and non-rural schools and libraries – it may be more cost effective to sign separate contracts for equipment and installation services. And because the pre-discount price of will be lower, the E-rate fund will realize savings as well. Schools are required to consider total cost of ownership when making major purchases and requiring a higher priced (or sometimes non-existent) bundle is contrary good financial decision making for both the applicant, and for the E-rate program.

The change in language first occurred between the 2006 and 2007 ESL when the ESL was consolidated from 71 to 49 pages. It appears that during the editing process, several distinct aspects of equipment purchase, installation, network design and engineering, and project management were combined into a single paragraph. The 2006 ESL listed each category under separate headings and specifically required that funding for network design and engineering and project management would only be eligible if they were part of a contract or bid for associated eligible products.

However, the 2006 ESL did not have a similar restriction for the installation of eligible equipment.

Rather, the installation section simply and categorically stated: “Services tied directly to installation and

initial configuration are eligible.” SECA is not aware of any Commission order that would require such a drastic change. Of all comments and reply comments, the change was not highlighted or mentioned. So innocuous was the change, it appears the Administrator did not even begin enforcing the new rule until 2011 with the first funding denial for separate equipment purchase and installation contracts.

SECA asks the Commission to clarify that its current rules do not require the bundling of eligible component purchases and installation. SECA suggests that the above quoted language be changed to read:

Installation, activation, and initial configuration of eligible components are eligible. Such services may include basic design and engineering costs and basic project management costs, if these services are directly related to the purchase and initial implementation of these eligible components and are not duplicative of services provided as a part of the purchase agreement.

#### *Bundled End User Equipment Eligibility*

SECA notes that the issue of whether bundled end user equipment is eligible for E-rate under certain circumstances, or whether it must cost-allocated without exception for “free” equipment, remains unresolved in this draft Eligible Services List. We encourage the FCC to issue a final order in connection with the pending Public Notice DA 13-592 as quickly as possible. We understand that many resources were devoted to the preparation and release of the E-rate 2.0 NPRM and hope that formal guidance will be issued on the bundling issue in order to help applicants navigate this issue during the E-rate FY 2014 procurement and funding application process.

*Interactive Communications Features and Collaboration Tools*

The draft ESL proposes to clarify that interactive communications features that are part of eligible webhosting service do not have to cost allocated, but such services are ineligible as stand-alone offerings. The email service description states that collaboration tools are considered an ineligible feature, and therefore, these charges would need to be cost allocated. It is unclear whether interactive communications features are the same as collaboration tools.

If they are the same, (and from a cursory review of vendors' websites in this space, it appears they are) these clarifications do not seem to be fair or consistent. If interactive communications features do not have to be cost allocated from eligible webhosting service, presumably because they are considered to be ancillary, then collaboration tools should not have to be cost allocated from email service. They serve the same purpose and function. Alternative interactive communications features of webhosting as well as collaboration tools of email service should all be deemed ineligible.

Respectfully Submitted by:

/s/ Gary Rawson

Gary Rawson, Chair  
State E-Rate Coordinators' Alliance

Mississippi Department for Information Technology Services  
3771 Eastwood Drive  
Jackson, Mississippi 39211  
601-432-8113  
[Gary.Rawson@its.ms.gov](mailto:Gary.Rawson@its.ms.gov)

August 2, 2013

# Exhibit 3

**470 Application Number:** 202000000879890 **Retrieved from SLD** **Current status of form:** CERTIFIED  
**site:** 12/23/2010 10:20:07 AM CST

FCC Form

Approval by OMB  
3060-0806**470**

## Schools and Libraries Universal Service Description of Services Requested and Certification Form

Estimated Average Burden Hours Per Response: 4.0 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator website and interested service providers can identify you as a potential customer and compete to serve you.

Please read instructions before beginning this application.

(To be completed by entity that will negotiate with providers.)

### Block 1: Applicant Address and Identifications

Form 470 Application Number: **202000000879890**Applicant's Form Identifier: **MO11-47002**Application Status: **CERTIFIED**Posting Date: **12/23/2010**Allowable Contract Date: **01/20/2011**Certification Received Date: **12/23/2010****1. Name of Applicant:****MONTGOMERY COUNTY SCHOOL DIST****2. Funding Year:****07/01/2011 - 06/30/2012****3. Your Entity Number****126360****4a. Applicant's Street Address, P.O.Box, or Route Number****850 HUNGERFORD DRIVE**

City

**ROCKVILLE**

State

**MD**

Zip Code

**20850-1718****b. Telephone number****(301) 309- 6277****C. Fax number****(301) 926- 1656****5. Type Of Applicant**

- Individual School (individual public or non-public school)
- School District (LEA;public or non-public[e.g., diocesan] local district representing multiple schools)
- Library (including library system, library outlet/branch or library consortium as defined under LSTA)
- Consortium (intermediate service agencies, states, state networks, special consortia of schools and/or libraries)

**6a. Contact Person's Name:** Laurie Walsh

*First, if the Contact Person's Street Address is the same as in **Item 4** above, check this box. If not, please complete the entries for the Street Address below.*

**6b. Street Address, P.O.Box, or Route Number** **2096 Gaither Road**

<b>Suite 101</b>		
City <b>Rockville</b>	State <b>MD</b>	Zip Code <b>20850-4011</b>
Check the box next to your preferred mode of contact and provide your contact information. One box MUST be checked and an entry provided.		
<input type="radio"/>	6c. Telephone Number <b>(240) 632- 7712</b>	
<input type="radio"/>	6d. Fax Number <b>(301) 926- 1656</b>	
<input type="radio"/>	6e. E-mail Address <b><a href="mailto:laurie_walsh@mcpsmd.org">laurie_walsh@mcpsmd.org</a></b>	

**Block 2: Summary Description of Needs or Services Requested**

<b>7 This Form 470 describes (check all that apply):</b>
a. <input type="checkbox"/> Tariffed or month-to-month services to be provided without a written contract. A new Form 470 must be filed for non-contracted tariffed or month-to-month services for each funding year.
b. <input checked="" type="checkbox"/> Services for which a new written contract is sought for the funding year in Item 2. Check if you are seeking <input checked="" type="checkbox"/> a multi-year contract and/or <input checked="" type="checkbox"/> a contract featuring voluntary extensions
c. <input type="checkbox"/> A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous funding year.
<b>NOTE: Services that are covered by a signed, written contract executed pursuant to posting of a Form 470 in a previous funding year OR a contract signed on/before 7/10/97 and previously reported on a Form 470 as an existing contract do NOT require filing of a new Form 470.</b>

**What kinds of service are you seeking: Telecommunications Services, Internet Access, Internal Connections Other than Basic Maintenance, or Basic Maintenance of Internal Connections? Refer to the Eligible Services List at [www.sl.universalservice.org](http://www.sl.universalservice.org) for examples. Check the relevant category or categories (8, 9, 10 and/or 11 below), and answer the questions in each category you select.**

**8  Telecommunications Services**  
**Do you have a Request for Proposal (RFP) that specifies the services you are seeking ? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have and RFP, you risk denial of your funding requests.**

a  **YES**, I have released or intend to release an RFP for these services. It is available or will become available on the Web at at or via (check one):

the Contact Person in Item 6 or  the contact listed in Item 12.

b  **NO**, I have not released and do not intend to release an RFP for these services.

**Whether you check YES or NO, you must list below the Telecommunications Services you seek. Specify each service or function (e.g., local voice service) and quantity and/or capacity (e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at [www.sl.universalservice.org](http://www.sl.universalservice.org) for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.**

c  **Check this box if you prefer discounts on your bill.**  **Check this box if you prefer reimbursement after paying your bill in full.**  **Check this box if you do not have a preference.**

**9  Internet Access**

**Do you have a Request for Proposal (RFP) that specifies the services you are seeking ? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and**

***your RFP is not available to all interested bidders, or if you check NO and you have or intend to have and RFP, you risk denial of your funding requests.***

a  **YES**, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one):

the Contact Person in Item 6 or  the contact listed in Item 12.

b  **NO**, I have not released and do not intend to release an RFP for these services.

**Whether you check YES or NO**, you must list below the Internet Access Services you seek. Specify each **service or function** (e.g., monthly Internet service) and quantity and/or capacity (e.g., for 500 users). See the Eligible Services List at [www.sl.universalservice.org](http://www.sl.universalservice.org) for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.

c <input type="radio"/> <b>Check this box if you prefer discounts on your bill.</b>	<input type="radio"/> <b>Check this box if you prefer reimbursement after paying your bill in full.</b>	<input type="radio"/> <b>Check this box if you do not have a preference.</b>
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**10  Internal Connections Other than Basic Maintenance**

***Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have and RFP, you risk denial of your funding requests.***

a  **YES**, I have released or intend to release an RFP for these services. It is available or will become available on the Web at <https://ebidmarketplace.com/> or via (check one):

the Contact Person in Item 6 or  the contact listed in Item 12.

b  **NO**, I have not released and do not intend to release an RFP for these services.

**Whether you check YES or NO**, you must list below the Internal Connections Services you seek. Specify each **service or function** (e.g., a router, hub and cabling) and quantity and/or capacity (e.g., connecting 1 classroom of 30 students). See the Eligible Services List at [www.sl.universalservice.org](http://www.sl.universalservice.org) for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.

c <input type="radio"/> <b>Check this box if you prefer discounts on your bill.</b>	<input type="radio"/> <b>Check this box if you prefer reimbursement after paying your bill in full.</b>	<input type="radio"/> <b>Check this box if you do not have a preference.</b>
-------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------

Service or Function:	Quantity and/or Capacity:
Installation and Configuration of eligible network electronics, software and related components	Approximately 200+ sites
Local Area Network and Telephony Equipment including but not limited to switches, routers, wireless, security devices and related components	Approximately 200+ sites

**11  Basic Maintenance of Internal Connections**

***Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have and RFP, you risk denial of your funding requests.***

a  **YES**, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one):

the Contact Person in Item 6 or  the contact listed in Item 12.

<input type="radio"/> <b>NO</b> , I have not released and do not intend to release an RFP for these services.		
<b>Whether you check YES or NO</b> , you must list below the Basic Maintenance Services you seek. Specify each <b>service or function</b> (e.g., basic maintenance of routers) and quantity and/or capacity (e.g., for 10 routers). See the Eligible Services List at <a href="http://www.sl.universalservice.org">www.sl.universalservice.org</a> for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.		
<input type="radio"/> <b>Check this box if you prefer discounts on your bill.</b>	<input type="radio"/> <b>Check this box if you prefer reimbursement after paying your bill in full.</b>	<input type="radio"/> <b>Check this box if you do not have a preference.</b>

**12** (Optional) Please name the person on your staff or project who can provide additional technical details or answer specific questions from service providers about the services you are seeking. This need not be the contact person listed in Item 6 nor the Authorized Person who signs this form.

Name: <b>Barbara Regalia</b>	Title: <b>Senior Buyer</b>
Telephone number <b>(301) 279 - 3172</b>	
Fax number <b>(301) 279 - 3173</b>	
E-mail Address <b>barbara_regalia@mcpsmd.org</b>	

**13a.**  Check this box if there are any restrictions imposed by state or local laws or regulations on how or when service providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures, and/or a Web address where they are posted and provide a contact name and telephone number.

**Please obtain a copy of the District's Invitation to Bid #7067.4, Computer Network Equipment, Software and Services from the eMaryland Marketplace website <https://ebidmarketplace.com/> then accessing bid opportunities. Montgomery County Public Schools Agency abbreviation is MPS. Changes and addenda to a solicitation may occur prior to the solicitation opening date and time. It is the sole responsibility of the vendor to check the "Event Calendar" on the MCPS website <http://www.montgomeryschoolsmd.org/departments/procurement/> or contact Barbara Regalia, CPPB, Senior Buyer in the Division of Procurement by telephone at 301-279-3172, or by email, [barbara\\_regalia@mcpsmd.org](mailto:barbara_regalia@mcpsmd.org), to verify whether addenda/errata have been issued. Failure to provide the signed acknowledgment of the addenda/errata may result in the bid being deemed non-responsive. Inquiries regarding this solicitation must be submitted in writing, to Barbara Regalia, CPPB, Senior Buyer, Montgomery County Public Schools Division of Procurement, 850 Hungerford Drive, Room 162, Rockville, Maryland 20850, fax number 301-279-3173. Questions shall be received no later than four business days prior to bid opening in order for the bidder to receive a reply prior to submitting its bid.**

Check this box if no state and local procurement/competitive bidding requirements apply to the procurement of services sought on this Form 470.

**13b.** If you have plans to purchase additional services in future years, or expect to seek new contracts for existing services, you may summarize below (including the likely timeframes). If you are requesting services for a funding year for which a Form 470 cannot yet be filed online, include that information here.

**The district will consider a multi-year contract or contract with one or more renewal options.**

### Block 3: Technology Resources

**14.**  **Basic telephone service only:** If your application is for basic telephone service and voice mail only, check this box and skip to Item 16. Basic telephone service is defined as wireline or wireless single line

voice service (local, cellular/PCS, and/or long distance) and mandatory fees associated with such service (e.g., federal and state taxes and universal service fees).

**15.** Although the following services and facilities are ineligible for support, they are usually necessary to make effective use of the eligible services requested in this application. Unless you indicated in Item 14 that your application is ONLY for basic telephone service, you must check at least one box in (a) through (e). You may provide details for purchases being sought.

**a.** Desktop software: Software required  has been purchased; and/or  is being sought.

**b.** Electrical systems:  adequate electrical capacity is in place or has already been arranged; and/or  upgrading for additional electrical capacity is being sought.

**c.** Computers: a sufficient quantity of computers  has been purchased; and/or  is being sought.

**d.** Computer hardware maintenance: adequate arrangements  have been made; and/or  are being sought.

**e.** Staff development:  all staff have had an appropriate level of training /additional training has already been scheduled; and/or  training is being sought.

**f.** Additional details: Use this space to provide additional details to help providers to identify the services you desire.

**Block 4: Recipients of Service**

**16. Eligible Entities That Will Receive Services:**

Check the ONE choice (Item 16a, 16b or 16c) that best describes this application and the eligible entities that will receive the services described in this application. You will then list in Item 17 the entity/entities that will pay the bills for these services.

**a.**  Individual school or single-site library.

**b.**  Statewide application for (enter 2-letter state code) representing (check all that apply):

- All public schools/districts in the state:
- All non-public schools in the state:
- All libraries in the state:

If your statewide application includes INELIGIBLE entities, check here.  **If checked, complete Item 18.**

**c.**  School district, library system, or consortium application to serve multiple eligible entities:

<b>Number of eligible sites</b>	<b>236</b>
<i>For these eligible sites, please provide the following</i>	
<b>Area Codes (list each unique area code)</b>	<b>Prefixes associated with each area code (first 3 digits of phone number) separate with commas, leave no spaces</b>
<b>240</b>	271, 277, 281, 299, 314, 332, 372, 375, 383, 388, <span style="font-size: small;">⌵</span>

<b>301</b>	204, 208, 212, 219, 221, 229, 230, 246, 247, 251, <span style="float: right;">⌵</span>
<b>792</b>	520 <span style="float: right;">⌵</span>
<b>800</b>	334, 335, 341 <span style="float: right;">⌵</span>
<b>866</b>	276 <span style="float: right;">⌵</span>

**17. Billed Entities**

17. Billed Entities: List the entity/entities that will be paying the bills directly to the provider for the services requested in this application. These are known as Billed Entities. At least one line of this item must be completed. If a Billed Entity cited on your Form 471 is not listed below, funding may be denied for the funding requests associated with this Form 470.

Entity	Entity Number
<b>MONTGOMERY COUNTY SCHOOL DIST</b>	<b>126360</b>

**18. Ineligible Participating Entities**

List the names of any entity/entities here for whom services are requested that are not eligible for the Universal Service Program.

Ineligible Participating Entity	Area Code	Prefix

**Block 5: Certification and Signature**

**19.  I certify that the applicant includes:(Check one or both.)**

- a.  schools under the statutory definitions of elementary and secondary schools found in the **No Child Left Behind Act of 2001, 20 U.S.C.Secs.7081(18) and (38)**, that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million; and/or
- b.  libraries or library consortia eligible for assistance from a State library administrative agency under the Library Services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any school (including, but not limited to elementary and secondary schools, colleges and universities).

**20.  I certify that all of the individual schools, libraries, and library consortia receiving services under this application are covered by technology plans that are written, that cover all 12 months of the funding year, and that have been or will be approved by a state or other authorized body, an SLD-certified technology plan approver, prior to the commencement of service. The plans were written at the following level(s):**

- a.  individual technology plans for using the services requested in the application, and/or
- b.  higher-level technology plans for using the services requested in the application, or
- c.  no technology plan needed; application requests basic local, cellular, PCS, and/or long distance telephone service and/or voice mail only

**21.  I certify that I will post my Form 470 and (if applicable) make my RFP available for at least 28 days before considering all bids received and selecting a service provider. I certify that all bids submitted will be carefully considered and the bid selected will be for the most cost-effective service or equipment offering, with price being the primary factor, and will be the most cost-effective means of meeting educational needs and technology plan goals. I certify that I will retain required documents for a period of at least five years after**

the last day of service delivered. I certify that I will retain all documents necessary to demonstrate compliance with the status and Commission rules regarding the application for, receipt of, and delivery of services receiving schools and libraries discounts. I acknowledge that I may be audited pursuant to participation in the schools and libraries program.

**22.**  I certify that the services the applicant purchases at discounts provided by 47 U.S.C. Sec. 254 will be used solely for educational purposes and will not be sold, resold, or transferred in consideration for money or any other thing of value, except as permitted by the Commission's rules at 47 C.F.R. Sec. 54.500(k). Additionally, I certify that the entity or entities listed on this application have not received anything of value or a promise of anything of value, other than the services and equipment sought by means of this form, from the service provider, or any representative or agent thereof or any consultant in connection with this request for services.

**23.**  I acknowledge that support under this support mechanism is conditional upon the school(s) and/or library(ies) I represent securing access, separately or through this program, to all of the resources, including computers, training, software, internal connections, maintenance, and electrical capacity necessary to use the services purchased effectively. I recognize that some of the aforementioned resources are not eligible for support.

**24.**  I certify that I am authorized to order telecommunications and other supported services for the eligible entity(ies). I certify that I am authorized to submit this request on behalf of the eligible entity(ies) listed on this application, that I have examined this request, and to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

**25.**  I certify that I have reviewed all applicable state and local procurement/competitive bidding requirements and that I have complied with them. I acknowledge that persons willfully making false statements on this form can be punished by fine or forfeiture, under the Commissions Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

**26.**  I acknowledge that FCC rules provide that persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the schools and libraries support mechanism are subject to suspension and debarment from the program.

**27.** Signature of authorized person:

**28.** Date (mm/dd/yyyy): **12/23/2010**

**29.** Printed name of authorized person: **Sherwin Collette**

**30.** Title or position of authorized person: **Chief Technology Officer**

**31a.** Address of authorized person: **850 Hungerford Dr.  
Suite 147  
City: **Rockville** State: **MD** Zip: **20850-1718****

**31b.** Telephone number of authorized person: **(301) 279 - 3581**

**31c.** Fax number of authorized person: **(240) 6326999**

**31d.** E-mail address number of authorized person: **sherwin\_collette@mcpsmd.org**

**31e.** Name of authorized person's employer: **Montgomery County Public Schools**

**Service provider involvement with preparation or certification of a Form 470 can taint the competitive bidding process and result in the denial of funding requests. For more information, refer to the SLD web site at [www.sl.universalservice.org](http://www.sl.universalservice.org) or call the Client Service Bureau at 1-888-203-8100.**

**NOTICE:** Section 54.504 of the Federal Communications Commission's rules requires all schools and libraries ordering services that are eligible for and seeking universal service discounts to file this Description of Services Requested and Certification Form (FCC Form 470) with the Universal Service Administrator. 47 C.F.R. § 54.504. The collection of information stems from the Commission's authority under Section 254 of the Communications Act of 1934, as amended. 47 U.S.C. § 254. The data in the report will be used to ensure that schools and libraries comply with the competitive bidding requirement contained in 47 C.F.R. § 54.504. All schools and libraries planning to order services eligible for universal service discounts must file this form themselves or as part of a consortium.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. We will use the information you provide to determine whether approving this application is in the public interest. If we believe there may be a violation or a potential violation of any applicable statute, regulation, rule or order, your application may be referred to the Federal, state, or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your application may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government is a party of a proceeding before the body or has an interest in the proceeding. In addition, information provided in or submitted with this form or in response to subsequent inquiries may also be subject to disclosure consistent with the Communications Act of 1934, FCC regulations, the Freedom of Information Act, 5 U.S.C. § 552, or other applicable law.

If you owe a past due debt to the federal government, the information you provide may also be disclosed to the Department of the Treasury Financial Management Service, other Federal agencies and/or your employer to offset your salary, IRS tax refund or other payments to collect that debt. The FCC may also provide the information to these agencies through the matching of computer records when authorized.

If you do not provide the information we request on the form, the FCC may delay processing of your application or may return your application without action.

The foregoing Notice is required by the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. § 3501, et seq.

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, DC 20554.

Please submit this form to:

**SLD-Form 470  
P.O. Box 7026  
Lawrence, Kansas 66044-7026  
1-888-203-8100**

For express delivery services or U.S. Postal Service, Return Receipt Requested, mail this form to:

**SLD Forms  
ATTN: SLD Form 470  
3833 Greenway Drive  
Lawrence, Kansas 66046  
1-888-203-8100**

FCC Form 470  
November 2004

# Exhibit 4



Date: May 23, 2013

Laurie Walsh  
MONTGOMERY COUNTY SD  
(240) 632-7712  
Application Number(s): 863822

**Response Due Date: June 8, 2013**

The Program Integrity Assurance (PIA) team is in the process of reviewing all Funding Year 2012 FCC Form 471 Applications to ensure that they are in compliance with the rules of the Universal Service program. We are currently in the process of reviewing your Funding Year 2012 FCC Form 471 Application. To complete our review, we need some additional information. The information needed to complete the review is listed below.

**I. FRNS 2352347 and 2352343**

Based on our review of your FY2012 FCC Form 471 863822 for FRN(s) 2352343 and 2352347, the documentation you have provided indicates more than one service provider is supplying the requested product/service and associated installation. The FCC's Eligible Services List states that installation, activation, and initial configuration of eligible components are eligible only if they are part of a single contract or bid for those eligible components. In order to assist in completing the review of your FCC Form 471 application, please answer the following questions:

1. Is Netcom Technologies, Inc. the correct service provider installing the eligible product/service purchase in FRN 2352343? \_\_\_ Yes \_\_\_ No
  - a. If Yes, provide:
    - i. a copy of the single contract or single bid response that includes both the product/service as well as the installation, activation, and/or initial configuration charges but the services are being delivered by more than one service provider; or
  - b. If No, please provide the correct SPIN that is delivering the installation services.
    - i. If the correct SPIN is not the same provider as in FRN 2352343, please provide a copy of the single contract or single bid response that includes both the product/service as well as the installation, activation, and/or initial configuration charges or single contract or single bid response that included both the eligible components as well as the installation, activation, and/or initial configuration charges.

Please fax or email the requested information to my attention. If you have any questions or if you require a further explanation of this request, please feel free to contact me.

It is important that we receive all of the information requested **within 15 calendar days** so we can complete our review. **Failure to respond may result in a reduction or denial of funding. If you need additional time to prepare your response, please let me know as soon as possible.**

Should you wish to cancel your FCC Form 471 application(s), or any of your individual funding requests, please clearly indicate in your response that it is your intention to cancel an application or funding request(s). Include in any cancellation request the FCC Form 471 application number(s) and/or funding request number(s), and the complete name, title and signature of the authorized individual.

Thank you for your cooperation and continued support of the Universal Service Program.

**Carla Yates**

**Associate Manager, PIA Reviewer**

30 Lanidex Plaza West | Parsippany, NJ 07054

T: 973.581.7682 | F: 973.599.6513

[cyates@sl.universalservice.org](mailto:cyates@sl.universalservice.org)

# Exhibit 5

# Program Integrity Assurance Response

## Funding Year 2012

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Applicant Name: **Montgomery County School District**

Billed Entity Number: **126360**

Form 471 Application Number: **863822**

Date Submitted: **June 6, 2013**

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**Item 1****FRNS 2352347 and 2352343**

Based on our review of your FY2012 FCC Form 471 863822 for FRN(s) 2352343 and 2352347, the documentation you have provided indicates more than one service provider is supplying the requested product/service and associated installation. The FCC's Eligible Services List states that installation, activation, and initial configuration of eligible components are eligible only if they are part of a single contract or bid for those eligible components. In order to assist in completing the review of your FCC Form 471 application, please answer the following questions:

1. Is Netcom Technologies, Inc. the correct service provider installing the eligible product/service purchase in FRN 2352343?  Yes  No
  - a. If Yes, provide:
    - i. a copy of the single contract or single bid response that includes both the product/service as well as the installation, activation, and/or initial configuration charges but the services are being delivered by more than one service provider; or
  - b. If No, please provide the correct SPIN that is delivering the installation services.
    - i. If the correct SPIN is not the same provider as in FRN 2352343, please provide a copy of the single contract or single bid response that includes both the product/service as well as the installation, activation, and/or initial configuration charges or single contract or single bid response that included both the eligible components as well as the installation, activation, and/or initial configuration charges.

**Item 1 Response**

Per your request, please find attached Form 470 20200000879890. This is the single bid document that MCPS posted in which it requested quotes on the purchase and installation of E-rate eligible equipment.

To guarantee the lowest price possible on this project, MCPS selected two vendors: (1) the vendor that quoted the lowest price for the equipment; and (2) the vendor that quoted the lowest price to install it. MCPS awarded the equipment contract to DISYS (143006985) and the installation contract to Netcom (143006985) under the federal GSA contract.

This single bid resulted in two, simultaneous, complementary contract awards, one for purchase and the other for installation. Both contracts are multi-year agreements. Please also find attached the contract extension for the installation contract.

To be eligible for E-rate support, FCC rules state:

“Installation, activation, and initial configuration of eligible components are eligible if they are part of a contract or bid for those eligible components.”

As we explained above, MCPS issued a single, consolidated bid for both equipment and installation, namely, FCC Form 470 20200000879890. Therefore, the installation charges were “part of a single bid” for that equipment and thus eligible for E-rate support.

Please note though that MCPS mistakenly referenced the wrong Form 470 on its Form 471 application for FY 2012, which may be responsible for part of the confusion surrounding this FRN. We respectfully request, therefore, that the Form 470 be corrected to reference the original single bid Form 470 20200000879890.

In addition and as we also explained above, MCPS entered into a contract with Netcom to install the equipment, which means that installation was “part of a contract” for that equipment. Under FCC rules, installation of equipment is eligible if it is “part of a contract” for that equipment. Therefore, the installation charges that you are asking about are eligible for that reason too.

#### Definition of “Bid”

The decision whether to fund this request for installation charges must be based on what the FCC’s rule says and not on USAC’s interpretation of it. Which is why we were so surprised to see that USAC had decided to radically change the meaning and intent of the FCC’s eligible installation rule by adding the word “single” before the word “bid” and adding the word “response” after it. Consequently, rather than the FCC’s rule stating that Installation of eligible equipment is eligible if it is “part of a contract or bid” for that equipment, now, pursuant to USAC’s modification, it reads that installation is eligible if it is “part of a *single contract or bid response*.” “A single contract or bid response” is USAC’s term, not the FCC’s, and not, we submit, what the FCC meant by the term “part of a contract or bid” or, more importantly for our purposes here, the word “bid.”

We are quite certain that the FCC is using the word “bid” in this context to refer to competitive solicitations, such as an RFP and/or a Form 470. That makes much more sense, especially since procurement professionals virtually everywhere refer to their solicitations as their “bids” -- e.g., “we are in the process of preparing our ‘bid’ for a wireless LAN, and we are hoping to get our ‘bid’ out on the street next week.” If the FCC had intended to refer instead to the quotes, proposals, and other kinds of “bid responses,” which service providers and vendors provide in response to the “bids” that schools and libraries prepare and put out on the street, we are confident that the FCC would have made that distinction – but it did not.

#### Request for Official Guidance From the FCC If Necessary

Under USAC’s interpretation of the rule, the separate installation contract that MCPS went to the time and expense to procure to help ensure receipt of the most cost-effective installation services possible might be ineligible for E-rate discounts. That would not make any sense. Therefore, if USAC insists on defining “a bid” incorrectly as “a single bid response,” and intends to deny this FRN for that or any other reasons related to its own interpretation of the rule, MCPS hereby requests that USAC (1) elevate this matter to the FCC, and (2) hold this matter in abeyance pending receipt of formal guidance. This matter’s implications extend, as you know, far beyond this one particular PIA Review.

**Attachment 1:**

**Form 470 Application**

**#202000000879890**

FCC Form

Approval by OMB  
 3060-0806

**470**

**Schools and Libraries Universal Service  
 Description of Services Requested  
 and Certification Form**

Estimated Average Burden Hours Per Response: 4.0 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator website and interested service providers can identify you as a potential customer and compete to serve you.

Please read instructions before beginning this application.

(To be completed by entity that will negotiate with providers.)

**Block 1: Applicant Address and Identifications**

Form 470 Application Number: **202000000879890**

Applicant's Form Identifier: **MO11-47002**

Application Status: **CERTIFIED**

Posting Date: **12/23/2010**

Allowable Contract Date: **01/20/2011**

Certification Received Date: **12/23/2010**

1. Name of Applicant:

**MONTGOMERY COUNTY SCHOOL DIST**

2. Funding Year:

**07/01/2011 - 06/30/2012**

3. Your Entity Number

**126360**

4a. Applicant's Street Address, P.O.Box, or Route Number

**850 HUNGERFORD DRIVE**

City

**ROCKVILLE**

State

**MD**

Zip Code

**20850-1718**

b. Telephone number

**(301) 309- 6277**

c. Fax number

**(301) 926- 1656**

5. Type Of Applicant

- Individual School (individual public or non-public school)
- School District (LEA;public or non-public[e.g., diocesan] local district representing multiple schools)
- Library (including library system, library outlet/branch or library consortium as defined under LSTA)
- Consortium (intermediate service agencies, states, state networks, special consortia of schools and/or libraries)

6a. Contact Person's Name: **Laurie Walsh**

*First, if the Contact Person's Street Address is the same as in Item 4 above, check this box. If not, please complete the entries for the Street Address below.*

6b. Street Address, P.O.Box, or Route Number

**2096 Gaither Road**

<b>Suite 101</b>		
City <b>Rockville</b>	State <b>MD</b>	Zip Code <b>20850-4011</b>
Check the box next to your preferred mode of contact and provide your contact information. One box MUST be checked and an entry provided.		
<input type="radio"/>	6c. Telephone Number <b>(240) 632- 7712</b>	
<input type="radio"/>	6d. Fax Number <b>(301) 926- 1656</b>	
<input type="radio"/>	6e. E-mail Address <b><a href="mailto:laurie_walsh@mcpsmd.org">laurie_walsh@mcpsmd.org</a></b>	

**Block 2: Summary Description of Needs or Services Requested**

<b>7 This Form 470 describes (check all that apply):</b>
a. <input type="checkbox"/> Tariffed or month-to-month services to be provided without a written contract. A new Form 470 must be filed for non-contracted tariffed or month-to-month services for each funding year.
b. <input checked="" type="checkbox"/> Services for which a new written contract is sought for the funding year in Item 2. Check if you are seeking <input checked="" type="checkbox"/> a multi-year contract and/or <input checked="" type="checkbox"/> a contract featuring voluntary extensions
c. <input type="checkbox"/> A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous funding year.
<b>NOTE: Services that are covered by a signed, written contract executed pursuant to posting of a Form 470 in a previous funding year OR a contract signed on/before 7/10/97 and previously reported on a Form 470 as an existing contract do NOT require filing of a new Form 470.</b>

**What kinds of service are you seeking: Telecommunications Services, Internet Access, Internal Connections Other than Basic Maintenance, or Basic Maintenance of Internal Connections? Refer to the Eligible Services List at [www.sl.universalservice.org](http://www.sl.universalservice.org) for examples. Check the relevant category or categories (8, 9, 10 and/or 11 below), and answer the questions in each category you select.**

**8  Telecommunications Services**  
*Do you have a Request for Proposal (RFP) that specifies the services you are seeking ? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have and RFP, you risk denial of your funding requests.*

a  **YES**, I have released or intend to release an RFP for these services. It is available or will become available on the Web at at or via (check one):  
 the Contact Person in Item 6 or  the contact listed in Item 12.

b  **NO**, I have not released and do not intend to release an RFP for these services.

**Whether you check YES or NO, you must list below the Telecommunications Services you seek. Specify each service or function (e.g., local voice service) and quantity and/or capacity (e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at [www.sl.universalservice.org](http://www.sl.universalservice.org) for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.**

c  **Check this box if you prefer discounts on your bill.**       **Check this box if you prefer reimbursement after paying your bill in full.**       **Check this box if you do not have a preference.**

**9  Internet Access**  
*Do you have a Request for Proposal (RFP) that specifies the services you are seeking ? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and*

***your RFP is not available to all interested bidders, or if you check NO and you have or intend to have and RFP, you risk denial of your funding requests.***

a  **YES**, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one):

the Contact Person in Item 6 or  the contact listed in Item 12.

b  **NO**, I have not released and do not intend to release an RFP for these services.

**Whether you check YES or NO**, you must list below the Internet Access Services you seek. Specify each **service or function** (e.g., monthly Internet service) and quantity and/or capacity (e.g., for 500 users). See the Eligible Services List at [www.sl.universalservice.org](http://www.sl.universalservice.org) for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.

c  Check this box if you prefer discounts on your bill.

Check this box if you prefer reimbursement after paying your bill in full.

Check this box if you do not have a preference.

**10  Internal Connections Other than Basic Maintenance**

***Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have and RFP, you risk denial of your funding requests.***

a  **YES**, I have released or intend to release an RFP for these services. It is available or will become available on the Web at <https://ebidmarketplace.com/> or via (check one):

the Contact Person in Item 6 or  the contact listed in Item 12.

b  **NO**, I have not released and do not intend to release an RFP for these services.

**Whether you check YES or NO**, you must list below the Internal Connections Services you seek. Specify each **service or function** (e.g., a router, hub and cabling) and quantity and/or capacity (e.g., connecting 1 classroom of 30 students). See the Eligible Services List at [www.sl.universalservice.org](http://www.sl.universalservice.org) for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.

c  Check this box if you prefer discounts on your bill.

Check this box if you prefer reimbursement after paying your bill in full.

Check this box if you do not have a preference.

Service or Function:	Quantity and/or Capacity:
Installation and Configuration of eligible network electronics, software and related components	Approximately 200+ sites
Local Area Network and Telephony Equipment including but not limited to switches, routers, wireless, security devices and related components	Approximately 200+ sites

**11  Basic Maintenance of Internal Connections**

***Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have and RFP, you risk denial of your funding requests.***

a  **YES**, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one):

the Contact Person in Item 6 or  the contact listed in Item 12.

**NO**, I have not released and do not intend to release an RFP for these services.

**Whether you check YES or NO**, you must list below the Basic Maintenance Services you seek. Specify each **service or function** (e.g., basic maintenance of routers) and quantity and/or capacity (e.g., for 10 routers). See the Eligible Services List at [www.sl.universalservice.org](http://www.sl.universalservice.org) for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.

<input type="radio"/> <b>Check this box if you prefer discounts on your bill.</b>	<input type="radio"/> <b>Check this box if you prefer reimbursement after paying your bill in full.</b>	<input type="radio"/> <b>Check this box if you do not have a preference.</b>
-----------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------

**12** (Optional) Please name the person on your staff or project who can provide additional technical details or answer specific questions from service providers about the services you are seeking. This need not be the contact person listed in Item 6 nor the Authorized Person who signs this form.

Name: <b>Barbara Regalia</b>	Title: <b>Senior Buyer</b>
Telephone number <b>(301) 279 - 3172</b>	
Fax number <b>(301) 279 - 3173</b>	
E-mail Address <b>barbara_regalia@mcpsmd.org</b>	

**13a.**  Check this box if there are any restrictions imposed by state or local laws or regulations on how or when service providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures, and/or a Web address where they are posted and provide a contact name and telephone number.

**Please obtain a copy of the District's Invitation to Bid #7067.4, Computer Network Equipment, Software and Services from the eMaryland Marketplace website <https://ebidmarketplace.com/> then accessing bid opportunities. Montgomery County Public Schools Agency abbreviation is MPS. Changes and addenda to a solicitation may occur prior to the solicitation opening date and time. It is the sole responsibility of the vendor to check the "Event Calendar" on the MCPS website <http://www.montgomeryschoolsmd.org/departments/procurement/> or contact Barbara Regalia, CPPB, Senior Buyer in the Division of Procurement by telephone at 301-279-3172, or by email, [barbara\\_regalia@mcpsmd.org](mailto:barbara_regalia@mcpsmd.org), to verify whether addenda/errata have been issued. Failure to provide the signed acknowledgment of the addenda/errata may result in the bid being deemed non-responsive. Inquiries regarding this solicitation must be submitted in writing, to Barbara Regalia, CPPB, Senior Buyer, Montgomery County Public Schools Division of Procurement, 850 Hungerford Drive, Room 162, Rockville, Maryland 20850, fax number 301-279-3173. Questions shall be received no later than four business days prior to bid opening in order for the bidder to receive a reply prior to submitting its bid.**

Check this box if no state and local procurement/competitive bidding requirements apply to the procurement of services sought on this Form 470.

**13b.** If you have plans to purchase additional services in future years, or expect to seek new contracts for existing services, you may summarize below (including the likely timeframes). If you are requesting services for a funding year for which a Form 470 cannot yet be filed online, include that information here.

**The district will consider a multi-year contract or contract with one or more renewal options.**

**Block 3: Technology Resources**

**14.**  **Basic telephone service only:** If your application is for basic telephone service and voice mail only, check this box and skip to Item 16. Basic telephone service is defined as wireline or wireless single line

voice service (local, cellular/PCS, and/or long distance) and mandatory fees associated with such service (e.g., federal and state taxes and universal service fees).

**15.** Although the following services and facilities are ineligible for support, they are usually necessary to make effective use of the eligible services requested in this application. Unless you indicated in Item 14 that your application is ONLY for basic telephone service, you must check at least one box in (a) through (e). You may provide details for purchases being sought.

**a.** Desktop software: Software required  has been purchased; and/or  is being sought.

**b.** Electrical systems:  adequate electrical capacity is in place or has already been arranged; and/or  upgrading for additional electrical capacity is being sought.

**c.** Computers: a sufficient quantity of computers  has been purchased; and/or  is being sought.

**d.** Computer hardware maintenance: adequate arrangements  have been made; and/or  are being sought.

**e.** Staff development:  all staff have had an appropriate level of training /additional training has already been scheduled; and/or  training is being sought.

**f.** Additional details: Use this space to provide additional details to help providers to identify the services you desire.

#### Block 4: Recipients of Service

#### 16. Eligible Entities That Will Receive Services:

Check the ONE choice (Item 16a, 16b or 16c) that best describes this application and the eligible entities that will receive the services described in this application. You will then list in Item 17 the entity/entities that will pay the bills for these services.

**a.**  Individual school or single-site library.

**b.**  Statewide application for (enter 2-letter state code) representing (check all that apply):

- All public schools/districts in the state:
- All non-public schools in the state:
- All libraries in the state:

If your statewide application includes INELIGIBLE entities, check here.  If checked, complete Item 18.

**c.**  School district, library system, or consortium application to serve multiple eligible entities:

Number of eligible sites	236
<i>For these eligible sites, please provide the following</i>	
Area Codes (list each unique area code)	Prefixes associated with each area code (first 3 digits of phone number) separate with commas, leave no spaces
240	271, 277, 281, 299, 314, 332, 372, 375, 383, 388,

<b>301</b>	204, 208, 212, 219, 221, 229, 230, 246, 247, 251,
<b>792</b>	520
<b>800</b>	334, 335, 341
<b>866</b>	276

**17. Billed Entities**

17. Billed Entities: List the entity/entities that will be paying the bills directly to the provider for the services requested in this application. These are known as Billed Entities. At least one line of this item must be completed. If a Billed Entity cited on your Form 471 is not listed below, funding may be denied for the funding requests associated with this Form 470.

Entity	Entity Number
<b>MONTGOMERY COUNTY SCHOOL DIST</b>	<b>126360</b>

**18. Ineligible Participating Entities**

List the names of any entity/entities here for whom services are requested that are not eligible for the Universal Service Program.

Ineligible Participating Entity	Area Code	Prefix

**Block 5: Certification and Signature**

**19.  I certify that the applicant includes:(Check one or both.)**

- a.  schools under the statutory definitions of elementary and secondary schools found in the **No Child Left Behind Act of 2001, 20 U.S.C.Secs.7081(18) and (38)**, that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million; and/or
- b.  libraries or library consortia eligible for assistance from a State library administrative agency under the Library Services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any school (including, but not limited to elementary and secondary schools, colleges and universities).

**20.  I certify that all of the individual schools, libraries, and library consortia receiving services under this application are covered by technology plans that are written, that cover all 12 months of the funding year, and that have been or will be approved by a state or other authorized body, an SLD-certified technology plan approver, prior to the commencement of service. The plans were written at the following level(s):**

- a.  individual technology plans for using the services requested in the application, and/or
- b.  higher-level technology plans for using the services requested in the application, or
- c.  no technology plan needed; application requests basic local, cellular, PCS, and/or long distance telephone service and/or voice mail only

**21.  I certify that I will post my Form 470 and (if applicable) make my RFP available for at least 28 days before considering all bids received and selecting a service provider. I certify that all bids submitted will be carefully considered and the bid selected will be for the most cost-effective service or equipment offering, with price being the primary factor, and will be the most cost-effective means of meeting educational needs and technology plan goals. I certify that I will retain required documents for a period of at least five years after**

the last day of service delivered. I certify that I will retain all documents necessary to demonstrate compliance with the status and Commission rules regarding the application for, receipt of, and delivery of services receiving schools and libraries discounts. I acknowledge that I may be audited pursuant to participation in the schools and libraries program.

22.  I certify that the services the applicant purchases at discounts provided by 47 U.S.C. Sec. 254 will be used solely for educational purposes and will not be sold, resold, or transferred in consideration for money or any other thing of value, except as permitted by the Commission's rules at 47 C.F.R. Sec. 54.500(k). Additionally, I certify that the entity or entities listed on this application have not received anything of value or a promise of anything of value, other than the services and equipment sought by means of this form, from the service provider, or any representative or agent thereof or any consultant in connection with this request for services.

23.  I acknowledge that support under this support mechanism is conditional upon the school(s) and/or library(ies) I represent securing access, separately or through this program, to all of the resources, including computers, training, software, internal connections, maintenance, and electrical capacity necessary to use the services purchased effectively. I recognize that some of the aforementioned resources are not eligible for support.

24.  I certify that I am authorized to order telecommunications and other supported services for the eligible entity(ies). I certify that I am authorized to submit this request on behalf of the eligible entity(ies) listed on this application, that I have examined this request, and to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

25.  I certify that I have reviewed all applicable state and local procurement/competitive bidding requirements and that I have complied with them. I acknowledge that persons willfully making false statements on this form can be punished by fine or forfeiture, under the Commissions Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

26.  I acknowledge that FCC rules provide that persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the schools and libraries support mechanism are subject to suspension and debarment from the program.

27. Signature of authorized person:

28. Date (mm/dd/yyyy): **12/23/2010**

29. Printed name of authorized person: **Sherwin Collette**

30. Title or position of authorized person: **Chief Technology Officer**

31a. Address of authorized person: **850 Hungerford Dr.  
Suite 147**

City: **Rockville** State: **MD** Zip: **20850-1718**

31b. Telephone number of authorized person: **(301) 279 - 3581**

31c. Fax number of authorized person: **(240) 6326999**

31d. E-mail address number of authorized person: **sherwin\_collette@mcpsmd.org**

31e. Name of authorized person's employer: **Montgomery County Public Schools**

**Service provider involvement with preparation or certification of a Form 470 can taint the competitive bidding process and result in the denial of funding requests. For more information, refer to the SLD web site at [www.sl.universalservice.org](http://www.sl.universalservice.org) or call the Client Service Bureau at 1-888-203-8100.**

**NOTICE:** Section 54.504 of the Federal Communications Commission's rules requires all schools and libraries ordering services that are eligible for and seeking universal service discounts to file this Description of Services Requested and Certification Form (FCC Form 470) with the Universal Service Administrator. 47 C.F.R. § 54.504. The collection of information stems from the Commission's authority under Section 254 of the Communications Act of 1934, as amended. 47 U.S.C. § 254. The data in the report will be used to ensure that schools and libraries comply with the competitive bidding requirement contained in 47 C.F.R. § 54.504. All schools and libraries planning to order services eligible for universal service discounts must file this form themselves or as part of a consortium.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. We will use the information you provide to determine whether approving this application is in the public interest. If we believe there may be a violation or a potential violation of any applicable statute, regulation, rule or order, your application may be referred to the Federal, state, or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your application may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government is a party of a proceeding before the body or has an interest in the proceeding. In addition, information provided in or submitted with this form or in response to subsequent inquiries may also be subject to disclosure consistent with the Communications Act of 1934, FCC regulations, the Freedom of Information Act, 5 U.S.C. § 552, or other applicable law.

If you owe a past due debt to the federal government, the information you provide may also be disclosed to the Department of the Treasury Financial Management Service, other Federal agencies and/or your employer to offset your salary, IRS tax refund or other payments to collect that debt. The FCC may also provide the information to these agencies through the matching of computer records when authorized.

If you do not provide the information we request on the form, the FCC may delay processing of your application or may return your application without action.

The foregoing Notice is required by the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. § 3501, et seq.

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, DC 20554.

Please submit this form to:

**SLD-Form 470  
P.O. Box 7026  
Lawrence, Kansas 66044-7026  
1-888-203-8100**

For express delivery services or U.S. Postal Service, Return Receipt Requested, mail this form to:

**SLD Forms  
ATTN: SLD Form 470  
3833 Greenway Drive  
Lawrence, Kansas 66046  
1-888-203-8100**

FCC Form 470  
November 2004

**Attachment 2:  
Bridge Contract  
GS-35-F-0765R**



**MONTGOMERY COUNTY PUBLIC SCHOOLS**  
MARYLAND  
www.montgomeryschoolsmd.org

301-279-3172

January 24, 2011

Netcom Technologies, Inc.  
Attn: Roy Rea  
7423 Lindbergh Drive  
Gaithersburg, MD 20879

Dear Rea:

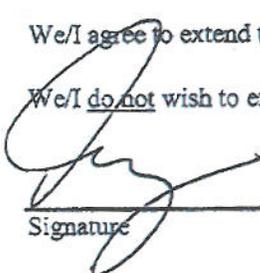
Subject: GS-35F-0765R, Network Wiring Installation and Integration

Montgomery County Public Schools (MCPS) would like Netcom Technologies, Inc. to extend the above-mentioned contract with GSA Federal Supply services to our school district. MCPS understands that the GSA contract period ends July 28, 2011 but extensions may be executed. Please indicate whether or not you agree to allow MCPS to bridge this contract. MCPS is preparing their e-Rate application for our FY12, July 1, 2011 through June 30, 2012. As a result of your agreement to enter into a bridge contract, you shall provide MCPS with materially the same products and services provided the GSA Federal Supply Service's contract through June 30, 2012.

Please indicate below your approval or disapproval and return the original to this office signed by an official authorized to enter into contracts with MCPS. Additionally, please include a duplicate copy of your awarded contract.

We/I agree to extend the contract

We/I do not wish to extend the contract

	<i>President</i>	<i>1-24-2011</i>
Signature	Title	Date

Sincerely,

*Barbara Regalia*  
Barbara Regalia, CPPB, Senior Buyer  
Division of Procurement

BR

Copy to:  
Bid File

**Attachment 3:  
Contract Extension  
Approval  
GS-35-F-0765R**

# APPROVED BY BOARD

ACTION  
4.1.3

Office of the Superintendent of Schools  
MONTGOMERY COUNTY PUBLIC SCHOOLS  
Rockville, Maryland

February 14, 2012

*P. J. McLaughlin Jr.*

## MEMORANDUM

To: Members of the Board of Education

From: Joshua P. Starr, Superintendent of Schools *J. Starr*

Subject: Contract Approval for Bid No. GS-35F-0765R, Network Wiring, Installation, and Integration—Extension

This is the extension of the contract for network wiring, installation, and integration for Montgomery County Public Schools (MCPS). MCPS is using the United States General Services Administration contract and recommends the Board of Education extends this contract for a one-year period.

WHEREAS, Funds have been budgeted for the purchase of equipment, supplies, and contractual services; now therefore be it

Resolved, That having been issued by the United States General Services Administration under full and open competition, the following contract will be awarded to the low bidder meeting specifications as shown below:

GS-35F- Network Wiring Installation and Integration—Extension  
0765R

GSA

Awardee

Netcom Technologies, Inc.

\$1,234,500

JPS:LAB:KCL:PJM:sh

FEB 01 2012



MONTGOMERY COUNTY PUBLIC SCHOOLS MARYLAND

www.montgomeryschoolsmd.org

(301) 279-3172

January 23, 2012

Netcom Technologies, Inc.
Attn: Roy Rea
7423 Lindbergh Drive
Gaithersburg, MD 20879



Dear Mr. Rea:

Subject: GS-35F-0765R, Network Wiring Installation and Integration

Montgomery County Public Schools (MCPS) would like Netcom Technologies, Inc. to extend the above-mentioned contract with GSA Federal Supply Services to our school district. Please indicate whether or not you agree to allow MCPS to bridge this contract. MCPS is preparing their e-Rate application for FY 12 July 1, 2012 through June 30, 2013. As a result of your agreement to enter into a bridge contract, you shall provide MCPS with materially the same products and services provided on the GSA Federal Supply Service's contract through June 30, 2013.

Please indicate below your approval or disapproval and return the original to this office signed by an official authorized to enter into contracts with MCPS.

It has been a pleasure doing business with you and we look forward to another successful year.

We/I agree to extend the contract [checked box]

We/I do not wish to extend the contract [unchecked box]

Handwritten signature, Title: President, Date: 2-3-2012

Sincerely,

Handwritten signature: Barbara Regalia
Barbara Regalia, CPPB, Senior Buyer
Division of Procurement

BR

Copy to: Bid File

Division of Procurement



**AUTHORIZED FEDERAL SUPPLY SERVICE**

**INFORMATION TECHNOLOGY SCHEDULE PRICELIST**

**GENERAL PURPOSE COMMERCIAL INFORMATION TECHNOLOGY  
EQUIPMENT, SOFTWARE AND SERVICES**

*NETCOM Technologies, Inc. is a full service provider supporting users application systems and data communication networks through analysis, system migration, networking and cable plant installations.*

**Special Item No. 132-8 PURCHASE OF NEW EQUIPMENT**

**FSC CLASS 7025 - Input/Output And Storage  
Devices**

Network Equipment  
Other Communications Equipment  
Storage Devices including Magnetic Storage,  
Magnetic Tape Storage and Optical Disk  
Storage

**FSC CLASS 7035 - ADP Support Equipment**  
ADP Support Equipment

**FSC CLASS 5995 - Cable, Cord, And Wire  
Assemblies: Communications Equipment**  
Communications Equipment Cables

**FSC CLASS 6015 - Fiber Optic Cables**  
Fiber Optic Cables

**FSC CLASS 6020 - Fiber Optic Cable Assembles  
And Harnesses**  
Fiber Optic Cable Assemblies & Harnesses

**FSC Class 5805 - Telephone And Telegraph  
Equipment**

Telephone Equipment  
Audio and Video Teleconferencing  
Equipment

**FSC CLASS 5895 - Miscellaneous  
Communication Equipment**

- Installation (FPDS Code N070) for Equipment  
Offered

- Deinstallation (FPDS N070)

- Reinstallation (FPDS N070)

NOTE: Installation must be incidental to, in conjunction with and in direct support of the products sold under SIN 132-8 of this contract and cannot be purchased separately. If the construction, alteration or repair is segregable and exceeds \$2,000, then the requirements of the Davis-Bacon Act apply. In applying the Davis-Bacon Act, ordering activities are required to incorporate wage rate determinations into orders, as applicable.

NETCOM Technologies, Inc.  
7423 Lindbergh Drive  
Gaithersburg, MD 20879  
301-670-0486  
Toll-Free 800-224-0744  
301-670-0082 facsimile  
<http://www.netcomtec.com>

Contract Number: GS-35F-0765R

Period Covered by Contract: July 29, 2010 through July 28, 2015

**General Services Administration Federal Supply Service Pricelist current through:  
Modification # PO-0006, dated 07/29/2010**

**Products and ordering information in this Authorized Information Technology Schedule Pricelist are also available on the GSA Advantage! System (<http://www.gsadvantage.gov>).**