

Received & Inspected

JUL 14 2014

FCC Mail Room

FCC
Office of the Secretary
445 12th Street SW
Washington, DC 20544

Letter of Appeal - CC Docket No. 02-06

Dear Sir/Madam,

The Universal Service Administrative Company (USAC) Internal Audit Division (IAD) performed an audit (USAC Audit No. SL2013BE001) of Escambia County School District (Beneficiary), Billed Entity Number (BEN) 128138, for compliance with the regulations and orders governing the Schools and Libraries Support Mechanism, set forth in 47 C.F.R. Part 54, as well as other program requirements.

As a result of this audit there were two findings with a monetary impact. I am writing this letter as a formal appeal to one of those findings (Finding #1).

Finding #1

Failure to Comply With Competitive Bidding Requirements

Criteria

1. "Except as provided in [47 C.F.R.] §54.511(c), an eligible, school, library, or consortium that includes an eligible school or library shall seek competitive bids, pursuant to the requirements established in this subpart, for all services eligible for support under [47 C.F.R.] §§ 54.502 and 54.503. These competitive bid requirements apply in addition to state and local competitive bid requirements and are not intended to preempt such state or local requirements." 47 CFR § 54.504(a) (2009).
2. "[The] FCC Form 471 shall be signed by the person authorized to order telecommunications and other supported services for the eligible school, library, or consortium and shall include that person's certification under oath that:... The entities listed on the FCC Form 471 application have complied with all applicable state and local laws regarding procurement of services for which support is being sought." 47 C.F.R. § 54.504(c)(1)(vi)(2009).
3. "All proposed purchases in excess of fifteen thousand dollars (\$15,000) shall be advertised by posting notice thereof on a bulletin board maintained outside the purchasing office and in any other manner and for any length of time as may be determined." Ala. Code § 41-16-54(a)(2009).

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4. "When the Administrator [USAC], or any independent auditor hired by the Administrator, conducts audits of the beneficiaries of the Universal Service Fund, contributors to the Universal Service Fund, or any other providers of services under the universal service support mechanisms, such audits shall be conducted in accordance with generally accepted government auditing standards." 47 C.F.R. § 54.702(n) (2009).
5. "Auditors must obtain sufficient, appropriate evidence to provide a reasonable basis for their findings and conclusions." Government Auditing Standards, GAO-12-331G, ¶ 6.56 (2011 revision).

Condition

IAD obtained and examined documentation to determine whether the competitive bidding process that the Beneficiary used to select the service provider for FRN 2069109 complied with state and local competitive bid requirements, as well as FCC requirements, as required by the Rules (criteria 1 and 2). The total undiscounted cost of services received for the services requested on the FCC Form 470 for FRN 2069109 was \$28,188, which is greater than the \$15,000 threshold designated in Section 41-16-54(a) of the Alabama Code. Thus, the Beneficiary was required to comply with the requirement to publish advertisements for bids on a bulletin board located outside of the purchasing office (criterion 3). The Beneficiary informed IAD that, in the normal course of business, it posts its Requests for Proposals (RFPs) on the bulletin board located outside of the purchasing office; however, an RFP was not issued for FRN 2069109. The Beneficiary did not post a notice for bids on a bulletin board; and therefore, did not comply with the applicable state competitive bid requirement.

IAD is required to conduct audits in accordance with GAGAS, which require auditors to obtain sufficient, appropriate evidence to substantiate audit findings and conclusions (criteria 4 and 5). Because the Beneficiary did not maintain or provide sufficient documentation that advertisements for bids were posted on a bulletin board maintained outside the purchasing office for FRN 2069109, IAD is unable to conclude that the Beneficiary properly advertised its competitive bidding process, as required by the Rules (criteria 1 to 3)

Cause

The Beneficiary did not demonstrate sufficient knowledge of the state competitive bid requirements or the Rules.

Effect

The monetary effect of this finding is \$24,241. This amount represents the total amount disbursed for FRN 2069109

Recommendation

IAD recommends USAC management seek recovery of \$24,241. IAD also recommends the Beneficiary implement controls and procedures to demonstrate compliance with all applicable state and local competitive bid requirements, as required by the Rules.

Beneficiary Response

In error Escambia County Schools filed a FCC Form 470 for cellular phone service. We intended to use the state master contract that covered these services. Instead of filing a FCC Form 470, I should have only referenced the FCC Form 470 application number from the state master contract when I filed my FCC Form 471 for services. To protect from such an error in the future additional technology team members have been trained and are now involved in the application preparation process. USAC applications will now be a collaborative effort and will be checked, and signed off on, for accuracy by all team members before they are filed.

Escambia County Schools would respectfully seek to appeal the recommendation of IAD for a monetary recovery of \$24,241 for the following reasons:

1. Although a FCC Form 470 was mistakenly filed, it was never our intent to do anything other than to purchase from the state master contract. This is why an RFP was never produced, was never posted on the bulletin board in the lobby of the business office, and was not made publicly available on the FCC Form 470.
2. Although a FCC Form 470 was filed, no vendor contacted Escambia County Schools in any way to respond to the FCC Form 470.
3. The service requested was for cell phone service with push to talk capabilities. There are only two vendors with push to talk service capabilities in Escambia County. Only one of those vendors has push to talk service that will perform at the required level to meet the needs and requirements of Escambia County Schools. As a result there would be only one vendor capable of providing the requested service to Escambia County Schools.
4. Although we did mistakenly file a FCC Form 470 for this service, services were procured from a state master contract.
5. The error was the mistake of a first time application preparer. Formal E-Rate training has since been provided for the Technology Coordinator and for Technology Department staff that will be involved in the application preparation and filing. Training on the proper procedures for the application process has been conducted and will be continued in the future.

All of the prior reasons demonstrate the honest intent of Escambia County Schools to follow all rules of the State of Alabama as well as USAC. Although a mistake was made there was no resulting fiscal impact the Escambia County School District or any service provider. Furthermore, no service provider was denied consideration or opportunity

to apply. This application was for cellular service. Because we are located in rural south Alabama, the very nature of the service limits the number of vendors that can provide services to the District. All of the available service providers for our area had responded to the RFP released by the Alabama Department of Education and were listed on the state master contract. We acknowledge the mistakes that were made, and we would request that USAC carefully consider the above arguments when deciding not to recover \$24,241 from the Escambia County Schools District.

Thank you for your careful consideration in this matter,



Jamie Burkett
Technology Coordinator
Escambia County Board of Education
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BEN:128138

JUL 14 2014

Your submission has been accepted

FCC Mail Room

**ECFS Filing Receipt -
Confirmation number:
201473315148**

Proceeding

Name	Subject
02-6	In the Matter of Schools and Libraries Universal Service Support Mechanism

Contact Info

Name of Filer: Escambia County Board of Education
Email Address: jamie.burkett@escoschools.net

Address

Address Line 1: PO Box 307
Address Line 2: 301 Belleville Ave.
City: Brewton
State: ALABAMA
Zip: 36426

Details

Type of Filing: APPEAL

Document(s)

File Name	Custom Description	Size
FCC appeal - Google Docs.pdf	Appeal of Audit Finding	227 KB

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<http://apps.fcc.gov/ecfs/comment/confirm.action?confirmation=201473315148>

For any problems please contact the Help Desk at 202-418-0193.

Jamie Burkett
Escambia County Board of Education
301 Belleville Ave.
Brewton, AL 36426

Billed Entity Number: 128138
Form 471 Application Number: 765519
Form 486 Application Number:



USAC

Universal Service Administrative Company

Schools and Libraries Division

Date: July 3, 2014
To: Jamie Bukett
Fax #: 251-867-6252
Case #: 22-653299

If you have any further questions, please feel free to contact our Schools and Libraries Helpline at 1-888-203-8100 and make reference to the case number indicated above. Please remember to visit our website for updates <http://www.usac.org/sl>

Thank you,
Schools and Libraries Division
Universal Service Administrative Company

Cathy Carley
Client Service Bureau
Schools and Libraries Division
Help Line: 888-203-8100
Fax #: 888-276-8736



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2010-2011

Date

Jamie Burkett
Escambia County Board of Education
301 Belleville Ave.
Brewton, AL 36426

Re: Applicant Name: ESCAMBIA COUNTY SCHOOL DIST
Billed Entity Number: 128138
Form 471 Application Number: 765519
Funding Request Number(s): 2069109
Your Correspondence Received: June 23, 2014

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

Funding Request Number(s): 2069109
Decision on Appeal: **Dismissed**
Explanation:

- During the Appeal review, USAC thoroughly assessed the facts presented in the appeal letter, the relevant documentation on file, and the FCC Rules and Procedures before making its determination on the appeal. The record shows that your appeal is being made on a Form 471 for which a Commitment Adjustment Decision Letter (CAL) was issued on March 14, 2014 which had determined that you failed to comply with all FCC, state and local procurement/competitive bidding requirements. Procedures for filing an appeal are explained in your CAL and on our website at www.usac.org/sl. You had sixty (60) days to appeal USAC's decision, which was identified in the CAL. After the sixty days, the first Demand Payment Letter was issued on May 15, 2014 and a second Demand Payment Letter was subsequently issued on June 17, 2014. Therefore, your appeal is being dismissed.

- FCC rules provide that all schools, libraries, and service providers shall be subject to audits and other investigations to evaluate their compliance with the statutory and regulatory requirements for the Schools and Libraries Universal Service Support Mechanism, including those requirements pertaining to what services and products are purchased, what services and products are delivered, and how services and products are being used. 47 C.F.R. sec. 54.516(c).

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

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

Schools and Libraries Division
Universal Service Administrative Company

DRAFT