



Lowest Cost Reasonable Qualifying Bid

OUSF
Training
Slides



OUSF Funding



- The OUSF will fund eligible bandwidth, inclusive of all eligible monthly recurring and non-recurring charges less federal funding support, for either:
 - the **Lowest Cost Reasonable Qualifying Bid (LCRQB)**,
or
 - a bid that is no more than 25% above the **LCRQB**¹.
- If the selected bid is more than 25% above the **LCRQB**, the OUSF will calculate funding using the **LCRQB** plus the 25%.
- In order to maximize OUSF funding, you may provide an explanation and additional information supporting your selection of a bid greater than 25% of the **LCRQB**.

1) 17 O.S. § 139.109.1(B)(6)



The **LCRQB** is the bid that meets **all** the following requirements²:

- Represents the lowest total cost, including non-recurring and monthly recurring charges, for eligible services.
- Is reasonable to meet the needs of the Beneficiary as listed in the request for bids.
- Is submitted during the same competitive bidding period as the awarded bid.
- Is for a bandwidth within the range requested for bid and selected by the Beneficiary (bids for both the selected bandwidth and higher bandwidths are reviewed to determine **LCRQB**).
- Is for the same contract term as the bid that was selected by the Beneficiary.
- Meets the requirements specified by the Beneficiary in the Request for Proposal (RFP) and/or FCC Form 470, 461 or 465.
- Is the result of a fair and open competitive bidding process as defined in the OK Telecom Act³.

2) *See* 17 O.S. § 139.109.1(B)(7)

3) *See* 17 O.S. § 139.109.1(B)(5)



25% of LCRQB Calculation

- To calculate 25% of the LCRQB, multiply the LCRQB (include annual cost of eligible monthly recurring charges and eligible nonrecurring charges) by 0.25.

Example:

\$1,000 (Installation fee) + \$9,000 (annual cost of service) = \$10,000

$\$10,000 \times 0.25 = \$2,500$

Add \$2,500 to the LCRQB amount for a total of \$12,500

- Alternatively, you can multiply the LCRQB by 125%.

Example:

$\$10,000 \times 1.25 = \$12,500$





LCRQB Example:

- Beneficiary receives bids for monthly recurring service of \$1,000, \$1,200, and \$1,400 with no installation or ineligible taxes or fees:

\$1,000

OUSF Administrator determines \$1,000 to be **LCRQB**.

\$1,000

Beneficiary provides compelling reason on Affidavit to disqualify the \$1,000 for **LCRQB**.

\$1,200

Beneficiary chooses \$1,200: No out-of-pocket since selected bid is no more than 25% over the determined **LCRQB**.

\$1,200

OUSF Administrator determines \$1,200 to be **LCRQB**.

\$1,400

If Beneficiary chooses \$1,400: Beneficiary pays the OUSF portion of the difference between \$1,250 and \$1,400.

\$1,400

Beneficiary chooses \$1,400: no out of pocket since selected bid is no more than 25% over the determined **LCRQB**.



Additional Considerations:

Reasonable Bid - The lowest price may not be a *reasonable* selection. For example,

- the bid may be generic, incomplete, or otherwise not meet the specifications listed in the bid request.

Please note: if the Beneficiary selects a bid that does not meet the specifications, other similar bids cannot be disqualified.

- if there are recent service or billing issues with an eligible provider for the selected service, another bid may be more reasonable. In this case, detailed documentation in support of the selection should be provided.



Additional Considerations:

Special Construction - The OUSF will fund eligible and reasonable installation and special construction charges⁴. These charges shall be evaluated for purposes of the OUSF Administrator's analysis of the Beneficiary's **LCRQB** selection as part of the overall bid pricing and funding evaluation, and will be amortized as follows:

- (1) For schools and libraries, over a one (1) year period, unless the bid allocates the construction over multiple years and is approved pursuant to state or federal law.
- (2) For telemedicine, over the lifetime of the contract, not to exceed five (5) years.
- (3) Cost effectiveness evaluation for projects with special construction costs may extend up to five (5) years.

4) OAC 165:59-7-21(a)

Additional Considerations:

The OUSF Administrator is required to review the bid evaluation criteria for any projects involving Special Construction costs⁵. This should be completed prior to posting for bids (FCC Form 470, 461 or 465). Requests for review including a copy of the RFP, if used, should be submitted to OUSF@occ.ok.gov.

Preapproval - Requests for Preapproval should be submitted when Special Construction is involved for the Beneficiary to receive an additional 10% E-rate or RHC funding through the State Match program.

Training slides for the Preapproval process are available on our website [here](#).

5) OAC 169:59-7-21(c)

OUSF Training Slides

If you have questions regarding the Oklahoma Universal Service Fund (OUSF) funding process, please contact us.

The Email address for OUSF Submissions, On-Site Training, Pre-Approval, or Questions is OUSF@occ.ok.gov.

Thank you!

