

## **Schools & Libraries – State Master Contracts**

### **What is a State Master Contract (SMC)?**

State Master Contracts (SMCs) are competitively bid and put in place by an entity of the state government for use by others. SMCs come in a number of different forms. At their simplest, they provide a single product at a single price. At their most complex, they include a number of different services all provided by a number of different service providers at different prices. Note that SMCs that only set out terms and conditions are not eligible for E-Rate funding.

### **When can I use a State Master Contract?**

If a state entity files a Form 470 on behalf of eligible entities in the state, follows all of the applicable FCC rules and state and local procurement laws and then awards an SMC, you may be able to simply cite that Form 470 and purchase off the contract for those specific products and services in your application without conducting your own competitive bidding. If the state has not filed a Form 470, you can still use the SMC as a bid response to a Form 470 that you have posted yourself. In that case, you will have to compare that bid to any other bids that are received.

### **What if the State Master Contract lists multiple vendors or prices? Can I just pick one?**

No. If the SMC provides a number of vendors to select from or sets a price floor or a price ceiling, then the applicant must conduct a mini-bid to comply with the FCC's competitive bidding rules. Using price as the primary factor, you will need to compare the various solutions and/or vendors to determine which response is the most cost-effective. Remember to always carefully document your competitive bidding process.

### **If I use a State Master Contract, is that my "contract"?**

Yes, it is. The signatures on the SMCs fulfill the FCC contract signature requirements. If you cited your own Form 470, and then purchased off an SMC, it's a good idea to record the purchase in some written form and retain it in your files.

**For additional information, please use the USAC resources listed below:**

**Contract Guidance:** <http://www.usac.org/sl/applicants/step04/contract-guidance.aspx>

**State Master Contracts:** <http://www.usac.org/sl/applicants/step04/state-replacement-contracts.aspx>