





# Overview

# E-rate Basics

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- E-rate is a technology program for affordable **broadband** access.
- Open to all K-12 schools and public libraries.
- Shorthand for “Education Rate” formally known as Universal Service Support Mechanism for Schools and Libraries.
- An annual fund of about \$4 billion, adjusted for inflation yearly.
- A discount funding program for certain technology services and equipment.
- Based on a competitive bid model to set prices for services and equipment.

# 3 E-rate Fundamentals

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## Entity

- K-12 School per State law
- Library eligible for LSTA funding

## Service

- Listed on Eligible Services List
- Delivered to eligible entity

## E-rate Discount

- Based on % of Free/Reduced Students
- Correlate to E-rate Discount Matrix

# 2 Categories of Services & Equipment

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## ➤ Category 1 - Services **TO** buildings

- Internet access service
- Data transmission service

## ➤ Category 2 – Services/equipment **INSIDE** buildings

- Internal Connections equipment/service
- Managed Internal Broadband Services
- Basic Maintenance of Internal Connections

# Category 2 Funding Overview

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- Category 2 funding is for data network equipment and service **inside** buildings needed for broadband connectivity.
- 3 Subcategories
  - Internal Connections
  - Basic Maintenance of Internal Connections
  - Managed Internal Broadband Services

# Internal Connections

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- Access Points in a local area network or wireless local area network
- Antennas, cabling, connectors, and related components used for internal broadband connections
- Caching (method that stores recently accessed information)
- Firewall services and components separate from basic firewall protection provided as a standard component of a vendor's Internet access service
- Switches
- Routers
- Racks
- Uninterruptible Power Supply/Battery Backup
- Wireless controller system
- Software supporting the components on this list (including licenses)
- Functionalities may be virtualized in cloud
- Bundled warranty up to 3 years that integral to component (and not separately priced) also eligible.
- Installation, configuration and basic training also may be included.

# Managed Internal Broadband Services (MIBS)

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- Services provided by a third party for the operation, management, and monitoring of eligible broadband internal connections.
- Services may include:
  - Management and operation of the LAN/WLAN
  - Installation, activation and initial configuration of eligible components
  - On-site training on use of equipment
- Equipment ownership options
  - 3<sup>rd</sup> party manager owns the equipment and leases it to school/library as part of management agreement.
  - Applicant owns equipment and contracts for 3<sup>rd</sup> party management services



# Basic Maintenance of Internal Connections (BMIC)

- Equipment being maintained must be eligible.
- Cost must be based on estimated time and materials.
- Insurance type contracts are not eligible.
- Reimbursements limited to actual time spent on maintenance.
- Extended warranties are not eligible.
- Software updates and basic technical support are eligible. Records of using the service not required for reimbursement.

# Category 2 Budgets

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- Unlike Category 1 services, the price for Category 2 equipment and services is limited by a set budget.
- The budget is set by FCC and adjusted each year for inflation.
- Budget is the total amount of funding – prior to E-rate discount being applied – that is available to each applicant.

# Category 2 Budget Timeline

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- Program began 4 years ago.
- Upcoming funding year (FY 2019) is Year 5.
- FCC must act to extend the program or it sunsets.
- No decision has been made yet.
- If program sunsets, then former rules may take effect.
  - No limit on amount of funding but only may apply 2 out of every 5 years.
  - Less certainty that sufficient funding will be available for all applicants.

# Use or Might Lose C2 Funds

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Because the future rules for Category 2 funding are uncertain, advisable to apply for Category 2 in FY 2019 if you have a need.

# Category 2 Budgets

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- Each **school** is entitled to a **pre-discount cap** of \$156.231951 per student, or a minimum school cap of \$9,582.23 (if the attendance center has less than 62 students) over a rolling five year period that began in FY 2015
- **Library** budget is \$2.395556582 per square foot, \$5.2077317 per square foot for urbanized libraries).
- Money is allocated **per entity number** (not on a shared-district basis), and applicants **cannot** move funding from one entity to another.
  - Separate budget for each attendance center if more than one attendance center in a building.
- Money must be spent during funding year (cannot apply for full budget and spend down over multiple years).
- Not allowed to spend funds first then be reimbursed in a later year.
- Can use school's entire budget all in a single year or can apply over multiple years.
- **Administrative buildings (NIFs)** do not qualify for Category 2 funding
  - o Equipment used to support schools may be located in NIF and paid for from schools' C2 budgets.

# Calculation of C2 Budgets

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- Calculation is done at the school level for schools and libraries:
  - Schools -  $\$156.231951 \times \text{number of students}$ 
    - Minimum floor amount for small schools with less than 62 students = \$9,582.23
  - Most Libraries -  $\$2.395556582 \times \text{total number of square feet}$
  - Libraries with IMLS Locale Codes 11, 12, or 21 -  $\$5.2077317 \times \text{total number of square feet}$

# C2 Budget Example

School	# Students	Budget Multiplier	Prediscount Five (5) Yr. Cap	E-rate Discount Percentage	E-rate Funding Cap	District's Share %	District's Share \$
Eureka Elementary	84	\$156.231951	\$13,123.48	70%	9186.44	30%	\$3,937.05
Eureka Middle School	34	\$156.231951	\$9,582.23*	70%	6707.56	30%	\$2,874.67
Eureka High School	52	\$156.231951	\$9,582.23*	70%	6707.56	30%	\$2,874.67

- The Budget Cap is the **pre-discount price**. E-rate discount % is multiplied by budget cap to compute E-rate funding cap.
- In this example, District would pay 30% share and E-rate would pay the 70% amount.

*\*Minimum floor amount was invoked because each school has less than 62 students.*

# Enrollment Fluctuations

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- Increases in enrollments from year to year result in increased budgets.
- Decreases in enrollments result in smaller budgets for **existing** schools.
  - If funding was committed in prior year based on higher # of students, no requirement to refund money.
- **New** schools may estimate # of students
  - If number of actual # of students is lower than estimated #, must refund excess funds.
- Students attending multiple schools may be counted for both schools.



# Tracking C2 Budgets

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<https://sltools.universalservice.org/portal-external/budgetLookup/>

## Schools and Libraries (E-rate)

### Category 2 Budget Lookup Tool

Note that C2 budgets are pre-discount. Only approved pre-discount amounts are charged against an entity's C2 budget. Individual schools and libraries have C2 budgets.

School districts, library systems, consortia, and non-instructional facilities (NIFs) do not. [\(more...\)](#)

Entity Number

Enter up to 100 entity numbers separated by commas.

66241,66242,66243

Lookup C2 Budget Status

Clear

# C2 Budget Lookup Tool

## Category 2 Budget Status

Understanding the search results [\(more...\)](#)

All dollars are PRE-Discount #s

Funding Year 2018 ▾

Entity #	Entity Name		\$\$ approved in prior years	
66241	EUREKA ELEMENTARY SCHOOL			
+ FY2018	C2 Budget \$13,123.48	Based on SLD approved FY 2018 Enrollment	Approved Pre-Discount \$10,848.38	Remaining Balance \$2,275.10
66242	EUREKA HIGH SCHOOL			
+ FY2018	C2 Budget \$9,582.23		Approved Pre-Discount \$9,582.23	Remaining Balance \$0.00
66243	EUREKA MIDDLE SCHOOL			
+ FY2018	C2 Budget \$9,582.23		Approved Pre-Discount \$9,582.23	Remaining Balance \$0.00

Calculate your C2 budget with most current enrollment data and then use the approved prediscount amount to calculate your current remaining budget.

# Tracking C2 Budgets

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- Funds committed are automatically deducted when committed.
- If you don't use all committed funds, then be sure to return them to receive credit.
- Use Form 500 to return funds.
- The C2 budget tool may not reflect pending Form 500s.

# C2 for Non-Instructional Buildings

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- NIFs do not qualify for C2 funding.
- If the NIF is your network hub where network equipment is located that supports school buildings, use the schools' C2 budgets to pay for the equipment.

# Category 2 Discount Matrix

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- Maximum Category 2 discount is 85%.
- All other discount bands will remain the same as for Category 1.

NSLP Eligibility	Urban	Rural
Less than 1%	20%	25%
1 – 19%	40%	50%
20 – 34%	50%	60%
35 – 49%	60%	70%
50 – 74%	80%	80%
75 – 100%	85%	85%



# Applying for Category 2 E-rate

# E-rate Procurement Process

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1. Set up your E-rate online filing portal called EPC.
2. Determine what equipment/service you want to request bids for.
3. Decide whether you want to issue an RFP.
4. Post online FCC Form 470 request for bids.
5. Actively monitor your Form 470 during the 28-day bidding period.
6. On or after the 29<sup>th</sup> day from the posting of your Form 470, evaluate bids and select most cost-effective bidder.
7. Prepare and sign contract to purchase equipment/service.
8. Create record in EPC of each contract.
9. File Form 471 application for funding by deadline.



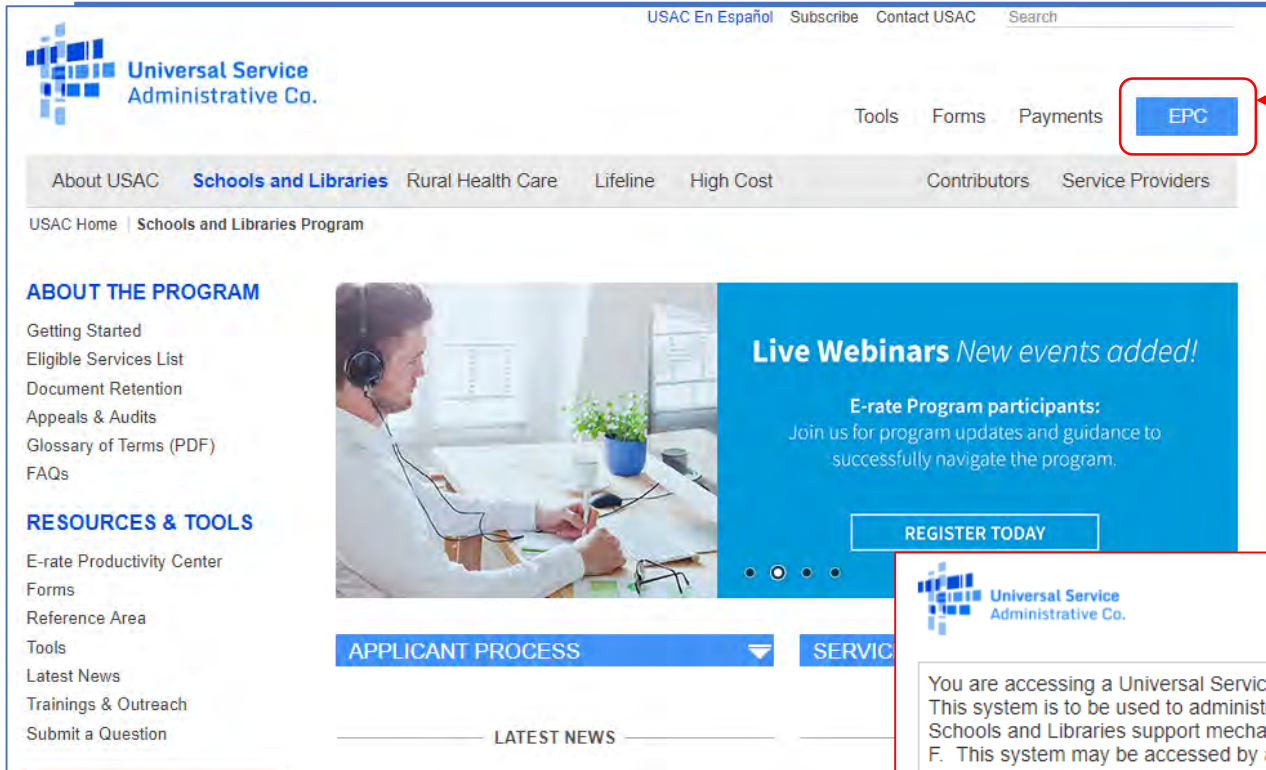


# E-rate Productivity Center

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- E-rate forms must be submitted inside a personalized account portal nicknamed EPC.
- Each district, independent school, library or consortium needs have an EPC account.
- FY 2016 was the first year that EPC was introduced.
- Call Client Service Bureau at 888-203-8100 if you don't know whether your EPC portal has been set up.

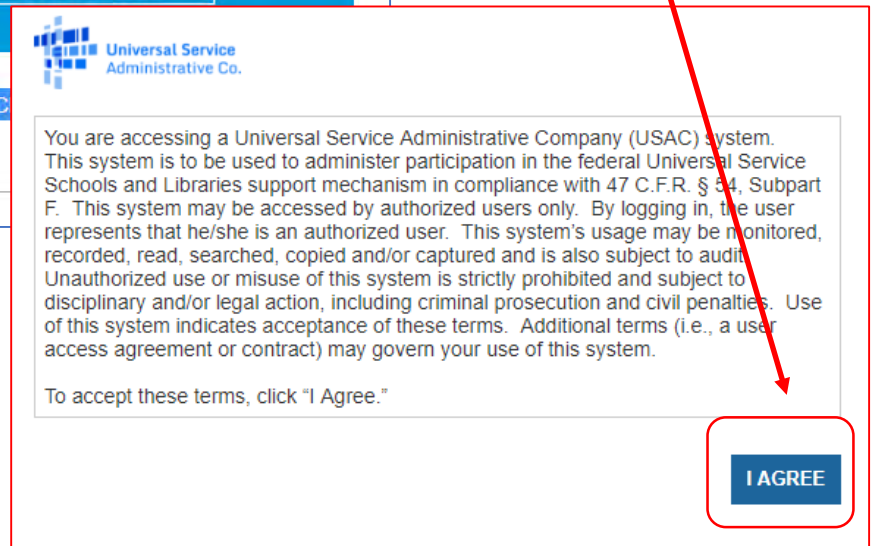
# How to Log-In to EPC



The screenshot shows the top navigation bar of the Universal Service Administrative Co. website. The logo is on the left, and the navigation menu includes 'Tools', 'Forms', 'Payments', and 'EPC'. The 'EPC' button is highlighted with a red box. Below the navigation bar, there are links for 'About USAC', 'Schools and Libraries', 'Rural Health Care', 'Lifeline', 'High Cost', 'Contributors', and 'Service Providers'. The main content area features a banner for 'Live Webinars' and a 'REGISTER TODAY' button. A sidebar on the left contains links for 'ABOUT THE PROGRAM' and 'RESOURCES & TOOLS'.

Step 1: Go to [www.usac.org/sl](http://www.usac.org/sl) and click EPC

Step 2: Click "I Agree"

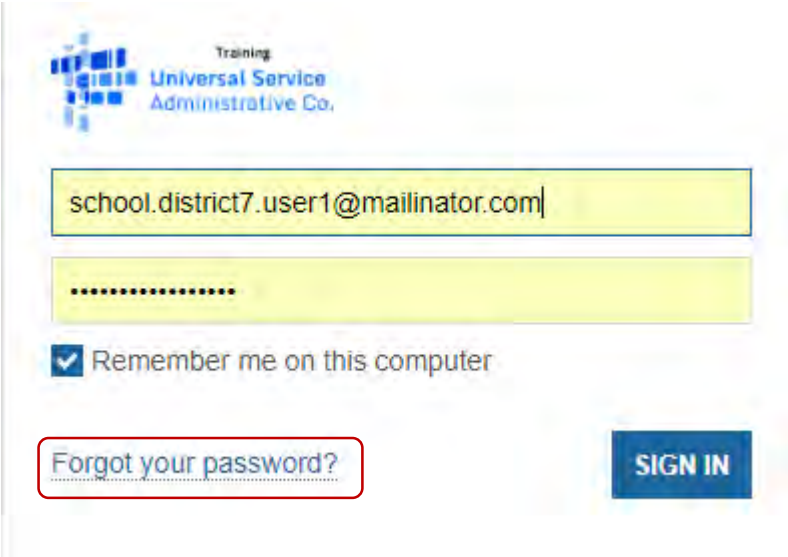


The screenshot shows a dialog box with the Universal Service Administrative Co. logo at the top. The text inside the dialog box reads: "You are accessing a Universal Service Administrative Company (USAC) system. This system is to be used to administer participation in the federal Universal Service Schools and Libraries support mechanism in compliance with 47 C.F.R. § 34, Subpart F. This system may be accessed by authorized users only. By logging in, the user represents that he/she is an authorized user. This system's usage may be monitored, recorded, read, searched, copied and/or captured and is also subject to audit. Unauthorized use or misuse of this system is strictly prohibited and subject to disciplinary and/or legal action, including criminal prosecution and civil penalties. Use of this system indicates acceptance of these terms. Additional terms (i.e., a user access agreement or contract) may govern your use of this system. To accept these terms, click "I Agree."". A red box highlights the "I AGREE" button at the bottom right of the dialog box.

# How to Log-In to EPC

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- The username is the e-mail address of the User and is always **lowercase**.
- Passwords must be changed every 60 days.
- If you received this link as a New User, enter your username and click “Forgot your password” to create your password.



Training  
Universal Service  
Administrative Co.

school.district7.user1@mailinator.com

.....

Remember me on this computer

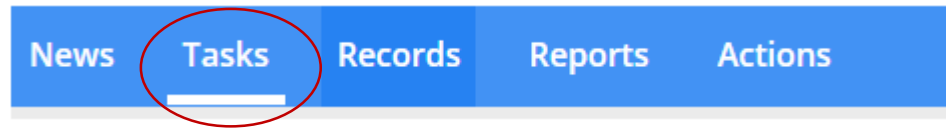
[Forgot your password?](#)

**SIGN IN**

# Accept Terms & Conditions in EPC

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- Once you set your user name and password, you must log into EPC and accept their terms and conditions.
- Look for a Task in your News Feed:



- Once you accept the Terms and Conditions, you should be able to prepare a Form 470.
  - If you are unable to, then your “permissions” (authority to perform certain tasks) must be adjusted.
  - If you are the first person to set up your portal, call the Client Service Bureau at 888 203 8100 for help.
  - If your Account Administrator is available, ask them to change your permissions in EPC to allow you to file and certify forms.

# Updates to School Information

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- Only schools and districts are required to update their enrollment and NSLP numbers in EPC, each year.
- Prior to the Form 471 filing window opening, there is an “Administrative Window” for updating this information.
- A separate guide will be emailed to the listserv on how to update your EPC entity profiles.
- Use Fall 2018 data reported to the State Department of Education.
- Deadline for updates is January 7, 2018.
  - **You can post your Form 470 before updating your school info!**
- After January 7th, the entity profiles are locked and the information cannot be changed.
- Corrections can be submitted later when you submit your funding application (Form 471).

# Library Updates in EPC

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- Ensure that your EPC profile has your current address.
- Make sure your library is linked to the correct associated school district.
- Verify your library square footage
  - Include public areas as well as non-public areas.
- These updates can be done ***after*** submitting Form 470!



## Step 2 – Equipment & Service List

# Prepare Equipment & Service List

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## ➤ Questions to consider to help prepare your list:

- What equipment do you want for each school or library?
  - Do you know what you need, or, do you want vendors to provide turnkey solution?
- Do you plan to replace all existing equipment or integrate new and existing equipment?
- Do you have a preferred manufacturer?
- Do you plan to contract with vendor for installation and configuration or do it yourself?
- Do you have the resources to manage your own network or do you want to contract with a vendor?
- Do you want to own or lease equipment?
- Will the equipment be used by one school/library or multiple schools/libraries?



# Sample Worksheet for Equipment List

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- This approach works when you know what you want.
- Use E-rate “Function” for Function of Equipment.
- Create a separate row for each different component.
- This chart will help you create your Form 470.

Function of Equipment	Preferred Manufacturer Name	Model #	Total Estimated Quantity	# Entities Served	Request bids for Installation, Activation & Initial Configuration? Yes/No	Need License or Operating System? Yes/No	Need Software Patches and/or Technical Assistance ? Yes/No

# Form 470 C2 Equipment Functions

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Function	Quantity Measurement on Form 470
Cabling	# feet of cabling
Caching (Server or Cloud Service)	# units
Firewall Service and Components	# units
Racks	# units
Router	# units
Switches	# units
UPS/Battery Backup	# units
WAP (Wireless Access Point)	# units
Wireless Controller	# units
Antennas, Connectors and Related Components	# units



## Step 3 – Decide on RFP

# Should You Prepare Request for Proposal?

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- E-rate refers to any separate document or information shared with vendors in conjunction with posting Form 470 as a “Request for Proposal.”
- State law and E-rate law do not require an RFP.
  - But you may find an RFP to be useful in describing your needs and the scope of your project.
  - Wiring projects may be easier to explain in an RFP.

# Requests for Proposals

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- Decide **before** you post Form 470 whether you plan to share supplemental information with vendors.
- Prepare the RFP **before** you start your Form 470.
- You **must upload** the RFP when you post your Form 470.
  - You cannot decide later to issue an RFP after posting Form 470. This invalidates your Form 470 and will result in denial of funding.
- Templates are available upon request for RFPs.

# More about RFPs

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- If you issue supplements or additional information about the RFP, you must upload those materials in the EPC portal also.
- If you make significant changes to your RFP, you need to either post a new Form 470 or extend the due date for responses to be 28 days from the date of issuance of the changes/additional information.
  - Significant changes requiring extension or starting over:
    - Change/additional services
    - Change/additional locations



# Step 4 – File Form 470 Online

# Post Form 470 Online

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- Opens the competitive bidding process.
- Notifies potential bidders that you are seeking proposals for the listed services and/or equipment.
- Descriptions may state manufacturer preference but **MUST** also state “or equivalent.”
- Responses from vendors must be accepted for 28 days from the date of posting of the Form 470 and on the 29th day you can select vendors.



# Who Files and When?

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- Filed by entity that will be negotiating with vendors – usually district, library or school.
- Must be filed online inside EPC portal.
- All Form 470s are available for vendors to view at the SLD website.
- Usual time frame to post Form 470 is between July 1 and December 31.
- Recommended to submit Form 470 by no later than December 31.

# Describing Services & Equipment

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- Form 470 has drop down service/equipment menu for selections.
- Manufacturer Preference “or equivalent”
  - May require other manufacturer equipment to be interoperable with existing equipment.
  - Require vendors to submit documentation to establish their equipment is comparable to your preferred manufacturer’s equipment.
- Use your Equipment & Service Worksheet to prepare Form 470.
- Remember to upload RFPs.

# Other Information for Form 470

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- Form asks for # of entities (schools/libraries) served for each type of equipment/service.
- Form asks whether you are seeking bids for Installation, Activation and Initial Configuration for this service? Yes/No
- Narrative text box information to include:
  - Model #s of equipment if you have them.
  - Do you need vendors to visit your building to review the facility before they prepare a bid?
  - Do you need licenses/operating software for the components?
  - List existing equipment that new equipment must be compatible with or interoperable with.
  - Ask vendors to provide their Service Provider ID #.
  - Ask vendors to describe the bundled warranty that comes with the price of the equipment.

# Additional Form 470 Suggestions

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- Post for internal connections, MIBS and maintenance.
  - Some vendors classify their licenses to operate equipment as maintenance and others classify the licenses as part of internal connections.
- Require vendors to indicate in their quotes which items are classified as internal connections, which are maintenance or MIBS.
- Require vendors to describe bundled warranty that is included in the cost of the equipment.
- Be leery of time and materials maintenance proposals.
  - E-rate will only reimburse you for the actual costs incurred for maintenance.
- Include any minimum requirements/grounds for disqualification.
- Specify the Applicant's contact person and method of contact for Vendor questions.
  - *Recommended to use email so that you have a record of all questions and answers.*
- Ask Vendor to submit proposed terms and conditions/contract.

# Grounds for Disqualification

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- All grounds for disqualification must be stated in Form 470.
- Examples to consider including on Form 470:
  - Vendor must be authorized to do business in South Dakota
  - Vendor must have office within x miles of school/district/library
  - Reserve the right to reject proposals that are submitted after the 470 allowable contract date.
  - For vendors quoting equipment from a different manufacturer from your stated preference, Vendor must submit documentation to establish equipment is equivalent and/or interoperable with existing equipment.
  - If you must have discounted bills to be able to purchase the equipment, indicate that Vendor must provide discounted bills and other vendors who don't offer this option are disqualified.

# Consultants

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- Applicants may hire an E-rate consultant to file forms and for E-rate compliance assistance.
- Consultants have specific requirements and restrictions.
  - Need a signed Letter of Agency from an authorized representative of the Applicant prior to submitting any forms.
  - Consultant must have a Consultant Registration Number.
  - Consultant must be linked to Applicant's EPC profile.
  - Consultant may not be the EPC Account Administrator.
  - Consultant must be completely independent of any service provider that may participate in the Applicant's procurement.
  - A consultant's relationship with a participating service provider can tarnish and invalidate the procurement, and lead to denial of funding for the Applicant.



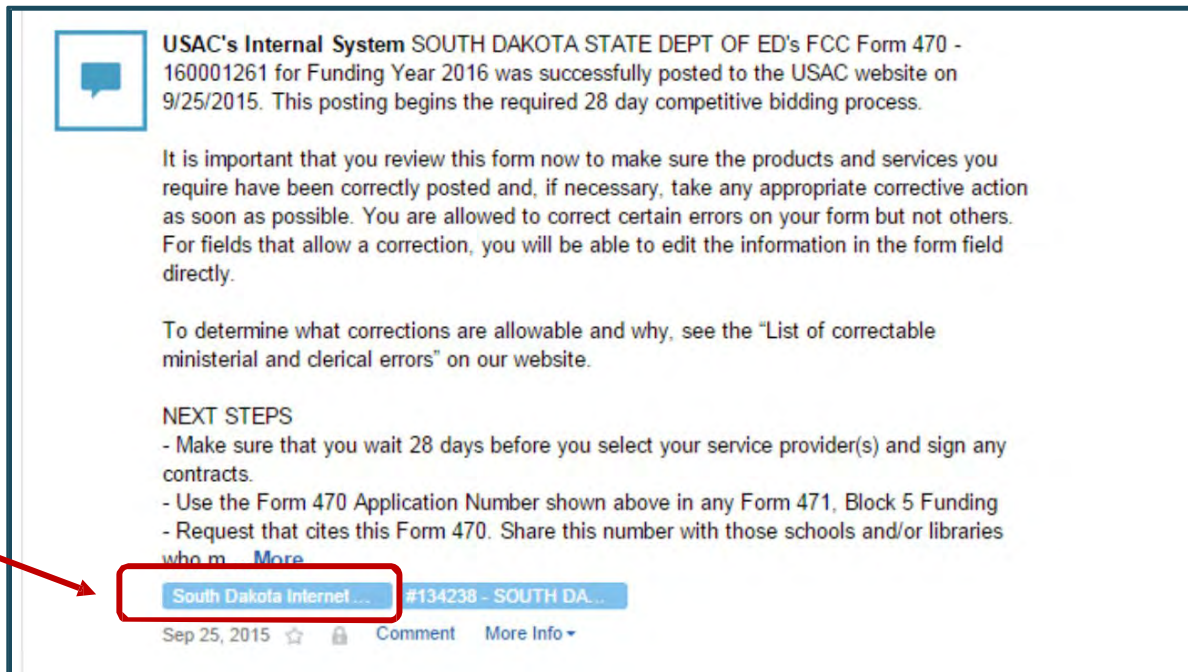
# Step 5 – Actively Monitor Form 470


# Form 470 Summary

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470 Receipt Notification Letter is electronic and delivered in EPC in your Newsfeed.

Click on this icon to download 470



 **USAC's Internal System** SOUTH DAKOTA STATE DEPT OF ED's FCC Form 470 - 160001261 for Funding Year 2016 was successfully posted to the USAC website on 9/25/2015. This posting begins the required 28 day competitive bidding process.

It is important that you review this form now to make sure the products and services you require have been correctly posted and, if necessary, take any appropriate corrective action as soon as possible. You are allowed to correct certain errors on your form but not others. For fields that allow a correction, you will be able to edit the information in the form field directly.

To determine what corrections are allowable and why, see the "List of correctable ministerial and clerical errors" on our website.

**NEXT STEPS**

- Make sure that you wait 28 days before you select your service provider(s) and sign any contracts.
- Use the Form 470 Application Number shown above in any Form 471, Block 5 Funding
- Request that cites this Form 470. Share this number with those schools and/or libraries who m... [More](#)

[South Dakota Internet ...](#) #134238 - SOUTH DA...

Sep 25, 2015 ☆ 🔒 Comment More Info ▾



# Proactive Contact to Vendors about Pending Form 470

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- While the Forms 470 are available online, you may wish to reach out to vendors and inform them of your posted Form 470.
  - Not all E-rate vendors know how to navigate SLD website to see Form 470s.
- By sharing your Form 470 with them when it's posted, you may increase the chances of receiving bids.
- An E-rate vendor distribution list and sample email is available for you to use.
  - Email any posted RFP documents along with the Form 470 to prospective bidders to notify them of the bidding opportunity.
  - All vendors with a South Dakota address or that have provided service/equipment to an applicant in the state in the current year are included on the list.

# Competitive Bidding

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- The process must be open and fair to all vendors so they are on an equal playing field.
- After the Form 470 has been posted online, Vendors may submit proposals to the school or library.
- Proposals must be accepted for a minimum of 28 calendar days, but Applicants may accept proposals after this date.
- Vendors may contact you if they need additional information.
- Answer **legitimate** questions to the best of your ability.
- If you email your Form 470 to an email list, send answers to questions to all vendors on the list.

# What's a **Legitimate** Vendor Question?

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- *Note: These are my recommendations and not official USAC/SLD Guidance.*
- A question that asks for additional information that the Vendor needs to prepare a bid in response to the Form 470.
- A question that asks for specific information that is not publicly available.
  - If info is publicly available, say so to the vendor.
  - You have access to the information and can answer the question.
  - If you don't have the information, explain this to the Vendor.

# What About These Types of Vendor Inquiries?

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Vendor Inquiry	Recommended Course of Action
Your Form 470 states that Vendors should email you and a Vendor calls you.	Contact Vendor and tell them to communicate with you per your instructions.
Vendor asks you to call them to discuss your Form 470 but does not ask a specific question.	Contact Vendor and explain that you will only answer specific questions by email.
Vendor sends a generic email that looks like Spam and does not raise a specific question.	You may choose to ignore the email, or you may contact Vendor and explain that you will only answer specific questions by email.
Vendor emails you about different products or services not listed on your Form 470.	You may choose to ignore the email, or you may contact Vendor and explain that you will only answer specific questions about the equipment and services listed in your Form 470, by email.

# Competitive Bidding Rules

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## ➤ You are allowed to....

- change your mind and not purchase a service that is listed on Form 470.
- have pre-Form 470 discussions with vendors as long as you don't share "inside" information with some but not all vendors.
- attend product demonstrations.
- encourage and seek vendors to bid.
- do research to determine what cost-effective solutions are available.

## ➤ You are not allowed to...

- have a relationship with Service Providers that would unfairly influence the outcome of the competition.
- furnish some Service Providers with inside competitive information.
- have ownership interest in a Service Provider's company competing for services.
- have a Vendor or Vendor's consultant involved in preparing the Form 470 or evaluating bids.
- violate gift rules.
- Ignore or refuse to answer legitimate questions from potential bidders.

# Bidding Restrictions On Vendors

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- Cannot help prepare the Form 470.
- Cannot write or provide an RFP to Applicant.
- Cannot be the contact person on Form 470.
- Cannot involved with bid evaluation in any way.
- Cannot provide funding for or waive the Applicant's non-discount portion.
- Cannot give gifts that violate E-rate rules.
- Cannot have any business association with an Applicant's consultant.

# Gift Rule Restrictions

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- All gifts from service providers to applicants are prohibited except for:
  - Modest refreshments that are not offered as part of meal (e.g., coffee and donuts provided at a meeting) and items with little intrinsic value intended for presentation (e.g., certificates and plaques); and
  - Items that are worth \$20 or less (e.g., pencils, pens, hats, t-shirts, and other items worth less than \$20, including meals), as long as those items do not exceed \$50 per employee from any one source per funding year.

# What Is A Gift?

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- Gratuity, favor, entertainment, loan, discount, hospitality or any other thing of monetary value.
- Includes services as well as gifts of training, transportation, local travel, lodgings and meals, whether provided in-kind by purchase of a ticket, payment in advance or reimbursement after the expense was incurred.



# Who Must Comply With Gift Rules?

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- The following positions in a school or library should comply:
  - Anyone involved with preparing E-rate applications.
  - Anyone involved with procuring E-rate services or equipment.
  - Anyone involved with paying bills for E-rate services/equipment.
  - Anyone who approves contracts or make decisions to select winning vendors.



## Step 6 – Evaluate Bids and Select Winning Bidder

# Bid Evaluation

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- After 470 is posted for at least 28 days, billed entity must review all bids received from all vendors for all services and equipment and may select vendors.
- 3 Possible Scenarios for Category 2
  1. No proposals received
  2. 1 proposal received
  3. More than 1 proposal received

# What To Do?

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- If you did not receive any proposals, you must contact Vendors to request at least one proposal.
  - You must review proposal and confirm the price is reasonable.
    - Conduct Internet research and save the documentation to show that the quoted price falls within the range of prices shown online.
    - If your research indicates the price is excessive, contact another Vendor for a bid.
- If you received more than one proposal, conduct a bid evaluation.

# Bid Evaluation

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- Must create and complete formal bid evaluation matrix
- E-rate rules require selection of most cost-effective bidder.
- This means that the price of E-rate eligible services/equipment must be the most heavily weighted factor.
- Non-cost factors may be considered such as:
  - Vendor reputation and prior experience
  - Local presence
  - Technical soundness of proposed solution
  - Ineligible costs such as cost of training and purchase of any new equipment that is needed to implement vendor's proposed solution
- Sample bid evaluation worksheets are available.

# Manufacturer Comparison

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- Applicants must evaluate proposals for equivalent equipment made by other manufacturers.
- Review documentation submitted by vendor and determine:
  - Is equipment comparable?
  - Is equipment interoperable with existing equipment?
  - Document your review, analysis and conclusions.
- These considerations may be reflected in the scoring of technical solution bid evaluation factor.

# Bid Evaluation Matrix Example

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Criteria	Max Points	Vendor 1	Vendor 2	Vendor 3
Price of Eligible Service/Products	40	15	40	30
Technical Solution	20	20	5	20
Vendor reputation/prior experience	10	10	0	10
Flexible Invoicing	10	0	10	10
Ineligible Costs - Training, Purchase of other ineligible equipment required for solution (lower costs receive more points)	20	20	0	20
<b>Total</b>	<b>100</b>	<b>65</b>	<b>55</b>	<b>90</b>

## Notes

- **Price:** Vendor 2 was lowest cost, Vendor 3 was 2<sup>nd</sup> lowest cost and Vendor 1 was highest cost.
- **Technical Solution:** Vendors 1 and 3 quoted preferred manufacturer and received the maximum points. Vendor 2 offered a different manufacturer's solution that was not as robust, resulting in lower score.
- **Reputation/Prior Experience:** Vendor 2 received 0 points because applicant did not know the vendor and vendor did not provide K-12 references as required on Form 470. Vendors 1 and 3 were familiar to applicant and provided K12 references.
- **Flexible Invoicing:** Vendors 2 and 3 offered discounted billing but Vendor 1 did not.
- **Ineligible costs:** No costs incurred with Vendor 1 and 3 solution because applicant already has training. District would incur training costs to be able to use Vendor 2's proposed solution.

# Vendor Selection Documentation

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- Retain documentation of criteria used to select vendor.
- Retain all winning and losing bids.
- Retain bid evaluation matrix.
- Retain all correspondence with all vendors (winning and losing).
- Independent research regarding prices.





# Step 7 – Contract Preparation

# Contract Preparation and Signature

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- All C2 services and equipment must have a signed contract.
- Contract must be signed after the 470 28-day waiting period and before completing Form 471.
- May be contingent on E-rate funding approval since you're required to sign before knowing whether funding will be approved.
- Must build in time for school board approval of contracts prior to signing contract and submitting Form 471.

# Category 2 Time Line Example

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- Assumptions:
- E-rate deadline for Form 471 funding application is March 22, 2018 (do not know date yet).
- School board approval of contract for Category 2 equipment is required before signing.
- School board meets on the fourth Tuesday of each month: January 22, 2019, February 26, 2019 and March 26, 2019
- Last school board meeting prior to E-rate deadline is February 27
- Board materials must be ready two weeks before meeting or by February 13.
- At least 2 weeks are needed to review and evaluate proposals, conduct bid evaluation and prepare contract.
- **Proposals must be due by January 30.**
- Post Form 470 no later than January 2.
  - **Better yet: Post Form 470 by December 21<sup>st</sup> before holiday break.**

# Contract Preparation

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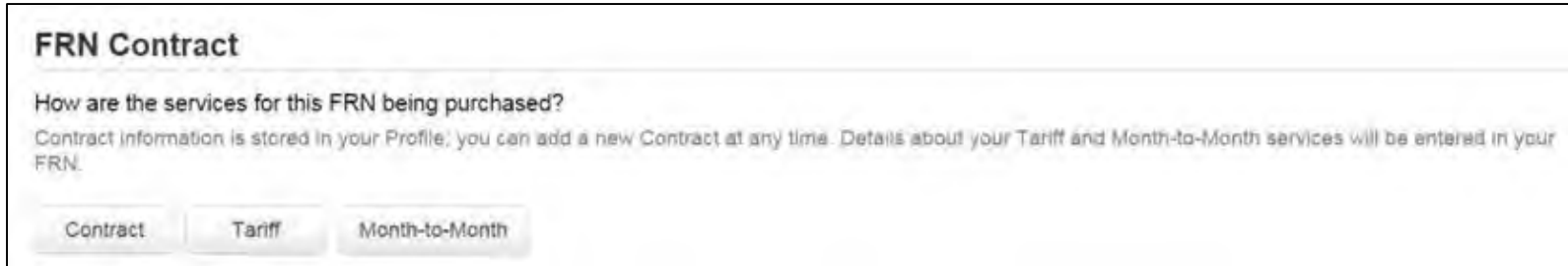
- Itemize equipment & service, by make and model number and quantity.
- Include Vendor's E-rate Service Provider ID # (called SPIN).
- Include contingency language – contract may be canceled if E-rate funding is denied.
- Specify whether Vendor must provide discounted bills.
- Have an effective start date of April 1, 2019 and end date of September 30, 2020.
- Provide for option to extend end date of contract to September 30, 2021 to align with E-rate funding dates.



# Purpose of Contracts Module

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- During the creation of a Form 471, each FRN requires you to indicate how you will be purchasing the requested services – either via a contract, tariff or Month-to-Month (MTM):



The screenshot shows a web interface titled "FRN Contract". Below the title is a question: "How are the services for this FRN being purchased?". A sub-note reads: "Contract information is stored in your Profile; you can add a new Contract at any time. Details about your Tariff and Month-to-Month services will be entered in your FRN." At the bottom, there are three buttons: "Contract", "Tariff", and "Month-to-Month".

- Instead of entering the bidding/contract information as part of the Form 471 application, this information is entered in EPC as a Contract Record (CR)
  - A single Contract Record is created each time a new contract is signed
  - That Contract Record is then referenced to the applicable FRN
- Create Contract Records in the Contracts Module before starting the Form 471.
- See separate Guide for Creating Contract Records in EPC.



# Step 9 – File Form 471 Funding Application

# Form 471 Application

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- Must be filed after contract(s) signed and prior to 471 deadline.
  - Deadline has not yet been announced but is expected to be around March 22, 2019.
- Quantify funding and identify service providers.
- A separate Guide and webinar will be scheduled in January to review how to file.





# Other Important Things to Know and Do

# CIPA: Original Requirements

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- Any school or library receiving Category 2 funding (or Internet access funding) must:
- Filter all Internet access.
- Have an Internet Safety Policy that addresses required elements.
- Policy must have been adopted after public hearing.

# CIPA Requirements Effective 7/1/12

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- Schools' (not libraries) Internet Safety Policies must include "...
  - educating minors about appropriate online behavior, including interacting with other individuals on social networking websites and in chat rooms and cyberbullying awareness and response."
- This means that schools are required to teach online safety to students as a prerequisite to receiving E-rate funding.
- Local boards determine delivery of online safety & cyberbullying education.
- Schools establish policy, should follow policy and should document implementation.

# CIPA Documentation

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- Notice of public hearing or public meeting (such as school board meeting) where CIPA policy was considered.
- Agenda for meeting – show opportunity for public input/comment before adoption of CIPA policy.
- Other documentation for opportunity for public comment.
- Filtering records, purchase order
- Schools should also save documentation of cyberbullying and appropriate online behavior education for all minors.



# Questions?

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