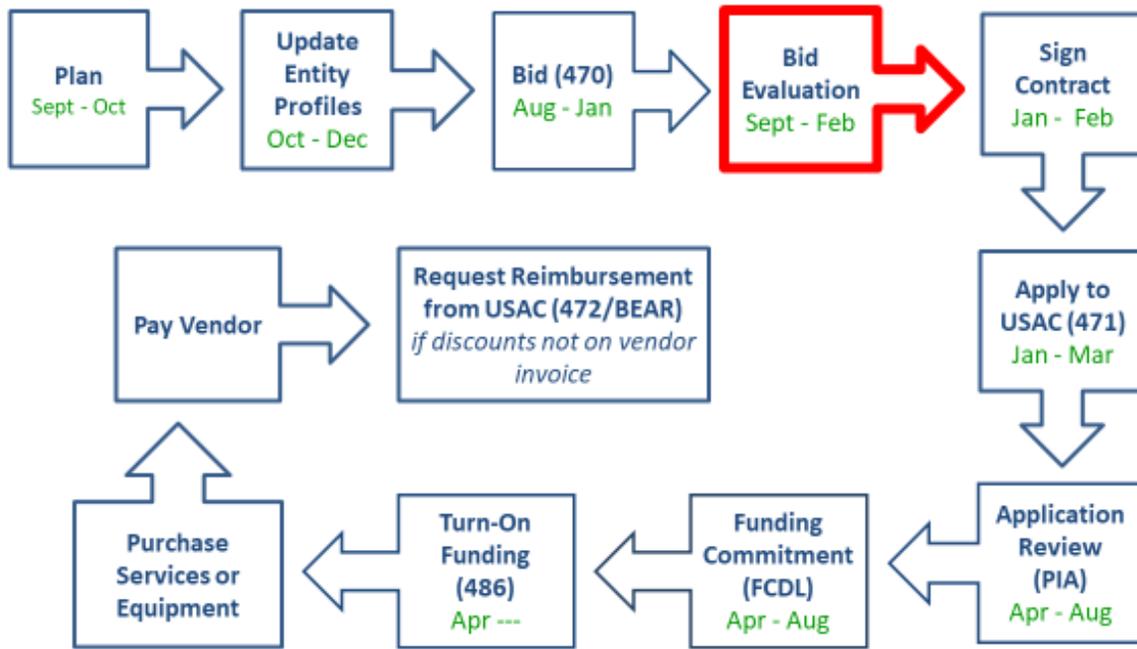


You are **here** in the E-rate process:



2

After you close your competitive bidding process, you will evaluate the bids received and choose the bid that is the most cost-effective. You may consider as many factors in your evaluation as you want, but the price of the eligible products and services must be the primary factor and must be weighted more heavily than any other single factor.

Remember, your Form 470 and your request for proposal (RFP), if you issued one, must both have been publicly available for the same 28-day period before you can close your competitive bidding process.

If you received only one bid, the bid must still comply with the cost-effective requirement. If you receive only one bid and determine that it is cost-effective, you should memorialize that fact with a memo or email for your records.

If you did not receive any bids, you can solicit bids. If you currently receive service from a service provider, you can ask your current provider to submit information in response to your Form 470.

Constructing a Bid Evaluation

To evaluate the bids you receive, you must construct and retain a bid evaluation to show the process you used to select your service provider. You decide what factors you want to consider in your evaluation and how important each factor is to you. You can use as few or as many evaluation factors as you like, and you can assign percentages or points to the factors you use to reflect their relative importance.

However, the price of the eligible products and services must be the most heavily weighted factor in your bid evaluation.

When reviewing and evaluating bids received for eligible services, the applicant must select the most cost-effective bid. This means that the price of eligible products and services must be the primary factor but does not have to be the sole factor. Primary factor means that it must be weighted higher than any other bid evaluation factor.

Other relevant evaluation factors may include, but are not limited to:

- Prior experience including past performance;
- Personnel qualifications including technical excellence;
- Management capability including schedule compliance; and
- Environmental objectives.

NOTE: The price factor cannot include ineligible costs. Ineligible services can be included in the evaluation as long as they are in a separate price factor that is weighted less heavily (see Example 2 below).

Example 1:

The following example meets program guidelines, as the price of the eligible products and services is weighted higher than any other single factor and does not include any ineligible cost factors:

Factor	Weight
Price of the eligible products and services	30%
Prior experience	25%
Personnel qualifications	20%
Management capability	15%
Environmental objectives	10%
Total	100%

Example 2:

This second example includes an evaluation factor that addresses ineligible costs that an applicant might incur as a result of selecting a particular bid. Note that the price of the eligible products and services is still the primary factor, and the ineligible costs are included in a factor that is weighted less heavily.

Factor	Weight
Price of the eligible products and services	30%
Prior experience	25%
Ineligible cost factors	20%
Management capability	15%
Local vendor	10%
Total	100%

You should use the factors you choose for your evaluation to construct a bid evaluation matrix. Your matrix will assist you in your evaluation and also provide documentation of your process.

No Bids Received?

If you do not receive any bids in response to a Form 470, SLD suggests that you keep a written record of this fact. Various review processes, including audits, may occur after your competitive bidding process has ended, and this email or memo may be the only documentation of what happened.

If you do not receive any bids after your 28-day waiting period, you can contact service providers to solicit bids and can then review and evaluate any bids received as a result. However, remember that if you post a new Form 470, issue a new Request for Proposal (RFP), or amend your existing RFP, you must extend your allowable contract date by 28-days to allow all vendors a full 28-day bidding period to compose and submit a valid bid.

Keep in mind that your state and local procurement rules may also require you to take certain actions when this situation occurs. As always, you must be in compliance with all of your state and local rules and regulations as well as Federal Communications Commission (FCC) rules.

One Bid Received?

If you receive only one bid, we suggest that you keep a written record of this fact. This will help to document that you did not just keep only the winning bid.

Bid Disqualification Factors

You can set out specific requirements and disqualify bids that do not meet those requirements as long as you clearly identify the disqualification reasons on your Form 470 and/or your RFP.

Disqualification reasons should be determined prior to any substantive bid evaluation.

Disqualification reasons cannot be scored on a range, but rather are binary – i.e., the service provider either meets the standard or does not meet the standard. In other words, they must be able to be answered in Yes/No format.

The following items are examples of common bid disqualification reasons (but by no means an exhaustive list):

- Service provider must register with the state procurement office.
- Service provider must have a Service Provider Identification Number (SPIN) also known as the service provider's 498 ID.
- Service provider must have a CORES ID (FCC Registration Number).
- Service provider must be bonded.
- Service provider must offer discounted billing.
- Bid not timely received.

If you feature these six requirements as bid disqualification reasons, then bids from service providers that do not meet all of these requirements are disqualified and not evaluated further. The remaining bids must then be evaluated with the price of the eligible products and services as the factor that is weighted most heavily in the bid evaluation.

Mandatory Walkthroughs and Bidders Conference as Disqualification Reasons

You can require that bidders participate in a walkthrough of your facility or attend a bidders' conference in order to submit a bid. As long as you have clearly stated in your Form 470 and/or RFP that not attending these events is a reason for disqualification, you can disqualify bids from service providers that were not present at these events.

However, you must be sure that all bidders had access to this information and have timely notice so that they have a reasonable opportunity to attend.

Multi-tiered Vendor Evaluations

If you use a multi-tiered or multi-round evaluation process, the price of the eligible products and services must be the primary evaluation factor (most heavily weighted) overall. The Best and Final Offer (BAFO) process is considered a multi-tiered evaluation process.

The following is an example of such a process:

In the first round, the applicant uses the following evaluation criteria:

- ***Price of eligible services and products (50 points)***
- Prior experience with the applicant (25 points)
- Reference check (25 points)

Bidders that do not receive at least 70 points in the first round are eliminated and not considered any further.

In the second round, the applicant uses the following evaluation criteria:

- ***Price of the eligible products and services (40 points)***
- Technical solution (35 points)
- Price of any ineligible products and services needed in order to make the solution work (25 points)

Although the applicant did not consider bids that did not meet the 70-point threshold, the first round is not a disqualification because bidders were scored subjectively on references and prior experience with the district. In this example, overall the primary factor was the price of the eligible products and services (90 points). In each round, price of E-rate eligible services was considered and was weighted most heavily, so that price was the primary factor considered.

FAQs for Conducting Bid Evaluations

PREPARING FOR YOUR BID EVALUATION

- **How do you determine your Allowable Contract Date and/or view a copy of your submitted Form 470?**

The Allowable Contract Date (ACD) is the 29th day after you hit submit on your Form 470, and is the first date that you are permitted to hit submit on your Form 471 (29 days include weekends and holidays). To find out your exact ACD, you must log into EPC (<https://portal.usac.org/suite>), scroll to the bottom of your Landing Page to find 'FCC Forms and Post-Commit Requests', select Form 470, Funding Year 2020 and click on the relevant Form 470 #. The search results will show Allowable Contract Date under Application Information. To see a copy of the actual Form 470, click on Generated Documents on the left toolbar. USAC also will e-mail you an automatic reminder when your ACD has arrived.

-- **Important Note:** If you uploaded any RFP addenda to your 470, and they included any new services, entities, or a significant change in services, you must extend your deadline so vendors have a full 28-days to submit bid responses with the new information. Unfortunately, the EPC Allowable Contract Date does not automatically update when an addendum is uploaded, simply because the system has no way of knowing if the information in the addendum has made significant changes to the RFP. This must be a manual calculation. But please don't forget to do this as many applicants have been denied for making RFP changes and not extending the due date. If you are unsure if your changes are significant, please ask me.

- **Are you required to respond to vendors that contact you for the first time after the 28-day waiting period?**

This depends. If you included a due date in your Form 470 or RFP, you are not required to accept bids or respond to vendors who contact you after the due date. But you may do so as long as you afford all vendors the same opportunity, and as long as it is permitted by your local bidding rules. If your 470 or RFP was silent on a bid due date, the new USAC guidance is that you must continue to accept vendor bids until you conduct your bid evaluation.

- **What should you do if you received no bids for a service listed on our 470?**

If you don't receive any bids after your 28-day waiting period, you can: a) contact one or more service providers to solicit a bid(s), or b) if it's an existing service, you can choose to remain with your incumbent provider and use a recent invoice as the bid response. You are not required to seek more than one bid, but if you only get one bid, you must make sure it's cost effective. The only exception to this is for Category 2 equipment which costs between \$11,300 - \$21,000 where the applicant has not released a formal RFP (and is not using PEPPM) in which case PA procurement law requires public school entities to seek 3 telephonic bids (does not apply to services).

CONDUCTING YOUR BID EVALUATION

- **Are you required to select the lowest-cost bid?**

This depends on whether you're bidding equipment or services, and whether you're a public school, nonpublic school or library.

...SERVICES (ALL schools/libraries) and EQUIPMENT for nonpublic schools & libraries: You are NOT required to select the lowest bid. You ARE required to select the most **cost effective proposal** with price of eligible services being the most heavily weighted factor (which means that if you have 3 evaluation criteria, price of eligible services must be at least 34% of the total weight.) Many other factors *besides* price may be considered; for example (this is not an exhaustive list):

- vendor qualifications/experience
- vendor owns facilities or is leasing from a 3rd party
- minority business status
- staff knowledge of equipment manufacturer
- existing relationship with school
- references from other customers
- staff time required to change IP addresses, etc.

...EQUIPMENT for public schools: It depends:

-- IF...you released a **470/RFP**, PA procurement law requires public school entities to select the lowest responsible bidder (basically low-bid). You are not permitted to consider additional bid evaluation criteria as suggested above; however, you are permitted to outline strict bid disqualification criteria in your 470/RFP that vendors must meet in order to be considered a qualified bid. The disqualification criteria must be able to be answered in a Yes/No fashion (such as: do they have a SPIN, is their equipment compatible and interoperable with the District's existing equipment, do they receive good references, do they have E-rate experience, have they been in business for X number of years, have they submitted all of the required documents, etc.).

-- IF... you released a **PEPPM Mini-Bid** (whereby you do not release a 470/RFP), you are NOT required to select low bid and your evaluation standard is based on the E-rate "most cost effective proposal" standard. You and are permitted to consider additional bid evaluation factors just as you are with services. In addition, you also are permitted to outline strict bid disqualification criteria in your PEPPM Mini-Bid that vendors must meet in order to be considered a qualified bid, as described in the preceding paragraph.

- **Can you consider ineligible costs in the bid evaluation?**

Yes. E-rate rules require the cost of *eligible* services to be the most heavily weighted factor, but you can include a separate bid evaluation factor that considers *ineligible* costs. The evaluation of the ineligible cost component just cannot be weighted more heavily than the eligible cost.

- **Do you have to create a bid evaluation matrix?**

In all E-rate audits, PQA Assessments and SPIN Change Requests, applicants are required to provide the bid evaluation worksheet showing how they selected their vendors (SPIN change procedures require applicants wishing to switch vendors to submit a copy of their bid evaluation worksheet to prove that they have selected the vendor with the next highest score in your Form

bids received which is easy to determine if you have created a good bid evaluation matrix for each procurement.

- **How do you score the cost in a bid evaluation?**

The fairest way to score cost is to calculate a weight based on the difference between a proposal's cost and the lowest proposal's cost. For example, you would divide the second lowest cost by the lowest cost to assign a weight %. Then that weight % would be multiplied by the total available points assigned to cost. Attached is a bid evaluation template which shows how the calculations work. Be sure to fill-in your own evaluation criteria and scoring system. Formula: $(\text{proposal cost}/\text{lowest proposal cost}) * \text{points assigned to cost category}$.

- **Are you required to list disqualified vendors in the bid evaluation matrix?**

This is not a requirement, but it's a good idea to list the vendor name and the reason for disqualification (no need to list the proposal cost).

POST-BID EVALUATION

- **Are you required to keep the losing proposals?**

Yes! You must keep the winning AND losing proposals for a period of 10 years from the last date to receive service, which is basically 11 years.

- **Are you required to notify the losing vendors?**

It's not an E-rate requirement, but is a good idea so vendors know where they stand.

- **Are you required to release information related to your bid evaluation?**

This is not an E-rate requirement, but for public schools, it is considered public information and must be provided if someone submits a formal Right to Know request through the appropriate process.

COMPLETED SAMPLE

Category of Service: 1GB MB Internet Access w/Fiber Transport				
	Possible Points	Vendor A	Vendor B	Vendor C
Total Cost of Eligible Goods/Services		\$600	\$1,000	\$1,200
% to Lowest bid (low bid cost/bid cost)		100%	60%	50%
Weighted Cost (possible points * % to low bid)	70	70	42	35
Ability to Provide Service on July 1	20	15	15	20
Previous Vendor Experience with the District	10	0	0	10
	100	85	57	65



**Cost of eligible goods/services must be have more possible points than another other evaluation factor. Although not required, I recommend that it comprise at least 50% of the total points.*

Winning Vendor:

Bid Evaluation Conducted By (Name, Title):

Bid Evaluation Date:

Vendor A

William Faulkner, District Technology Director

1/5/2022

Tariffed Services and Non-Contract Services

What are tariffed services?

Tariffed services are those data transmission services that have terms and conditions, including pricing, set forth in documents called tariffs that are on file with a state Public Utility Commission (PUC) and/or the Federal Communications Commission (FCC). Tariff service refers only to data transmission telecommunications services, and not Internet access service. Internet access service providers are not regulated by state PUCs and do not file tariffs.

What are non-contract services?

Some telecommunications companies that provide Category 1 data transmission services are not regulated by state public utility commissions and/or do not file tariffs. These companies may offer services on a month-to-month basis and may not require customers to sign a contract. Also, Internet access service providers may offer month-to-month non-contract services. Additionally, some state legislatures may have eliminated the requirement for telecommunications common carriers to file tariffs with the state PUC and these companies may simply provide non-contract services as well.

Under the E-rate program, the SLD does not recognize multi-year tariff arrangements. Multi-year tariff arrangements must be treated as contracts.

Only Category 1 services may be provided as a tariff or month-to-month, non-contractual arrangement.

All Category 2 services and/or equipment purchases must be purchased pursuant to a signed contract. Please refer to the separate document concerning contracts for more information.

How should tariff and non-contract services be handled on my Form 470?

Applicants seeking discounts for services purchased without a contract arrangement – either via a tariff or a price quote from a vendor -- must request bids for these services each year via the Form 470. This 470 posting must be done after the SLD releases the upcoming funding year's version of the Form 470. Usually the Form 470 for the upcoming funding year becomes available sometime on or around July 1. Some applicants simply rely on July 1 as the earliest date for which they can post their Form 470 for the next year in the case of tariffed or month-to-month services. (For example: if you are seeking E-rate discounts for the program year beginning July 1, 2022, you would normally submit the 470 on or after July 1, 2021).

How should I handle tariffed and non-contract services on my Form 471?

After your Form 470 has been posted on the SLD Web Site for 28 days, you must evaluate all bids received and select the most cost-effective bidder. If your current service provider does not submit a bid, you may rely on a recent bill as a bid. If your current service provider offers the most cost effective service, you may continue using this vendor; otherwise, you are required to change vendors to receive service from the most cost effective bidder. Before selecting the most cost-effective vendor, you must consider all proposals received in response to your Form 470.

Memo No Competitive Bids

[APPLICANT LETTERHEAD]

TO: FILE

FROM: _____

DATE: _____

Form 470# _____

Services/Equipment Requested _____

In response to the above-referenced Form 470, the Applicant did not receive any bids or proposals for the above-referenced services/equipment.

Check if applicable.

The Applicant contacted [insert name of service provider] and obtained a proposal for the services and/or equipment. The Applicant determined that the proposal is a cost effective solution for meeting the Applicant's educational and technology plan goals in the marketplace and will procure services from this service provider.

The District decided to continue to receive services from its existing service provider at cost-effective prices.

Contract Tips

Note: The following is informal unofficial guidance based on experience. It is not intended to provide legal advice. Applicants should consult with your solicitor to ensure that your contracts meet your local requirements.

Contract Guidance for E-rate Eligible Services/Equipment

Often, the path of least resistance is to sign the vendor's standard contract without seeking modifications. But mid-year or later in the contract, applicants realize that had they included a few key provisions in their contract, they could have avoided costly pitfalls. The following guidance provides items that you may wish to consider including in your vendor contract, broken down into General, Category 1, and Category 2.

GENERAL CONTRACT CONSIDERATIONS

➤ **Specify Discounts or Reimbursements**

Applicants are permitted the final choice whether to receive discounts on bills or whether to pay their bills in full and submit the Form 472 BEAR to the SLD for reimbursement. Wherever possible, this choice should be established in your Form 470/RFP and contract to avoid any confusion.

➤ **Do Not Sign Contract Prior to 28 Days After Form 470 Posting**

Be sure not to sign a contract or select a service provider before the end of the 28-day 470 waiting period. The contract must be signed and the Form 471 must be submitted on or after the Allowable Contract Date which is basically the 29th day after the corresponding 470 is posted on the SLD's Web site. The EPC system will automatically send you an e-mail on the 29th day after the 470 was posted (your personal bid due date may be after this date).

➤ **Payment Schedule**

If you have terms and conditions under which you will make scheduled payments, such arrangements should be included in your contract (for example, if your vendor wishes to be paid on a quarterly basis or if your vendor would like to receive upfront payments for work such as installation of a new network). USAC will reimburse for advanced payments if the terms are included in the contract.

➤ **Legally Binding Agreements – Minimum Requirements**

- All contracts must be signed/dated before submitting the Form 471.
- Under E-rate rules, only the applicant must sign the contract prior to submitting the Form 471.
- A verbal contract is not considered a legally binding agreement (contract) under E-rate rules.
- Month-to-Month (MTM) services, where no contract exists, are eligible, but must be rebid each year.

CATEGORY 1 CONTRACTS

➤ **Contract Term Dates**

Be certain to include both the service start date and the contract expiration date in all contracts. For recurring services, every attempt should be made to have contracts begin July 1 and expire June 30 of whatever year (not expire in the middle of a funding year). Even with multi-year contracts, be certain they end on June 30.

➤ **Contract Extensions**

Applicants are permitted (and I strongly encourage) to include optional contract extensions in their contracts. The extensions must be finite, meaning they are for a set number of years. Open-ended automatic renewals do not meet E-rate requirements for voluntary extensions. Unless the options for extension are set forth in the original contract, no extension may be entered into after the expiration of the contract term. If an applicant wishes to utilize an optional renewal, they do not have to post a Form 470 for that service, assuming the terms remain the same.

For example, an Internet contract that has a 24-month initial term with a one-year extension option is OK while a 24-month contract that automatically renews unless one of the parties cancels the contract is not OK and a new Form 470 would have to be posted.

➤ **Prices During Contract Extension**

If possible, avoid language in contract extensions that include price increases or language such as “current market rates” or adjusted for “CPI.”

➤ **Remember to Cancel Expiring Contracts When Changing Vendors**

Many vendor contracts include language that requires the applicant to notify the vendor X number of days prior to the contract automatically renewing or prior to termination of service. If you have signed a contract with a new vendor, be certain to provide your previous vendor with the required notice so you don't continue receiving invoices after the other vendor's service has started.

➤ **Service Locations/Addresses**

Be certain that the contract includes the exact service address, and the exact service description going to that address.

➤ **Future-Proof Contract Services**

Specify in your contract the option to increase bandwidth during the contract period AND include the exact prices for the expanded service options (these expanded options should have also been included on your establishing Form 470). By doing this, should you wish to increase your bandwidth mid-contract, you may amend the agreement without having to rebid the contract. If the contract does not contain the expanded bandwidth options and prices, applicants can't adjust their bandwidth levels mid-contract and a new Form 470 would be required. For example, if the initial contract provides for service at 1 Gbps, and also specifies that the customer has the option to amend the agreement to increase service to 10 Gbps at X price, the customer may opt to amend the original contract and purchase the increased bandwidth. If, however, the contract was open ended and stated that the customer may choose to purchase additional service and the price will be negotiated, this language would not be E-rate compliant and the additional bandwidth would need to be rebid on a new Form 470.

Note: If you increase bandwidth and the associated prices during the middle of the E-rate funding year, you cannot receive discounts on the increased costs until the next E-rate application cycle. For example, if you opt to increase bandwidth and incur additional costs on February 1, 2022, you would not be eligible to receive E-rate discounts on the new bandwidth and price until July 1, 2022 (assuming it was included on your FY 2022 Form 471).

➤ **Taxes/Fees**

Most contracts do not specify what exact taxes and fees will be included on the invoices. Those charges can be steep but luckily, they're usually E-rate eligible if they're included on the Form 471 as a separate FRN Line Item (in addition to the MRC on the same FRN). For new contracts, it's important to have the vendor spell out – in writing (e-mail is fine) – exactly what taxes, fees and at what rates, will be included on the monthly invoices. PIA will ask for proof of these taxes/fees, so you must get it in writing before submitting the 471. For existing contracts, the current invoices will specify the costs of the taxes/fees so you know how much to include on the FRN line item.

➤ **School Closures**

Unfortunately, when a school closes, many vendors will not allow the district to discontinue paying for service to that school and will continue to bill the monthly charges, or will charge a lump-sum early termination fee for that building (equal to the remaining months on the contract). To avoid this predicament, it's a good idea to include language in the contract that states that there will be no early termination charges assessed if any school building is closed by the school board.

CATEGORY 2 CONTRACTS

➤ **Contract Term Dates**

Category 2 contracts for equipment and installation often do not have "terms" but I recommend including them before signing. The term should be April 1 through September 30 of the following year (a full 18 months) to align with the expanded funding year that's provided for applicants to purchase equipment three months before and three months after the actual E-rate funding year. For example, for FY 2022, the term would be listed as 4/1/2022 – 9/30/2023.

Category 2 contracts for maintenance are considered recurring services, and the term of those contracts must fall within the exact funding year: July 1 – June 30.

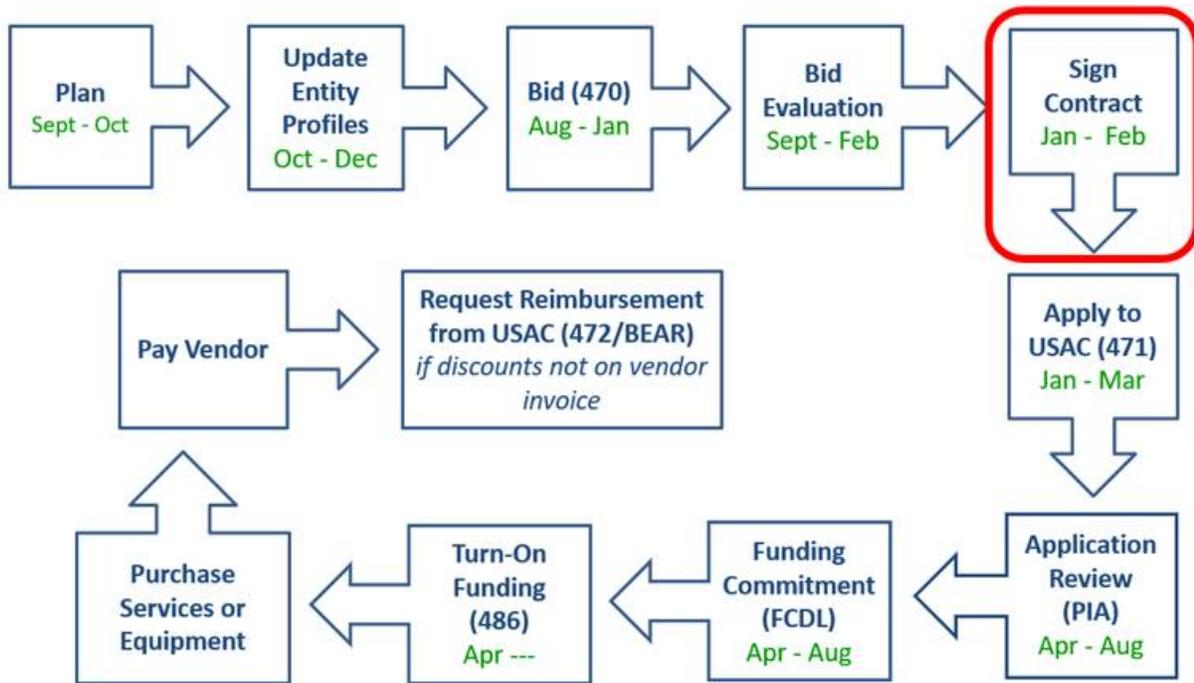
➤ **Single-Priced Structured Cabling Contracts**

When bidding and contracting for projects involving structured cabling contracts, try to have vendors bid a single price by school building instead listing a breakdown of costs for every single jhook, connector, splice tray, etc. This way, the contract can be a single priced contract by building and will enable you to file a single cabling FRN Line Item for each building. Of course, if the project involves the purchase of other E-rate eligible equipment, such as wireless access points or switches, those costs will have to be broken out into separate wireless or switching FRN Line Items.

➤ **E-rate Contingency Clauses**

If you do not want to purchase the equipment without E-rate funding, you may wish to include language in your vendor contract that states, "This contract is contingent upon successful receipt of E-rate funding commitment letter and board budget approval." Remember, if you

purchase the equipment prior to receiving your E-rate FCDL, you are assuming 100% of the risk that funding won't be approved.





E-rate FY 2022

Overview of Bidding Requirements

Vendor Selection

Contracts & Documentation

(7/1/2022 - 6/30/2023)

Debra Kriete, Esq.
South Dakota State E-rate Coordinator
November 1, 2021



FCC Form 470 Bidding

Competitive Bidding Online Form



Purpose of Form 470

- Online form to notify vendors of services and equipment for which you are seeking proposals
- All equipment/services for which you will seek funding on the Form 471 must be posted on a Form 470 (either for FY 2022 or a prior year – when there is a multi-year contract)
- Vendors are invited to submit bids/price quotes for 28 days from the date of certifying your Form 470
- Day 1 = date of Form 470 submission
- Day 29 = earliest date for bid evaluation & vendor selection
- Vendor proposals are sent directly to the applicant
- You are NOT obliged to purchase any service/equipment listed on Form 470
- See the presentation from October 27 for more details

Form 470 is required for:

- New service or equipment
- Existing service under contract that will expire before June 30, 2023
- Month to month non-contract existing service

Important Bidding Info for 470

- Set deadline for accepting bids that is at least 28 days from the date of posting of Form 470
- State that you reserve the right to reject late bids
- Specify what information must be included in the bid
 - Example
 - Price quote for specific equipment/service listed on Form 470
 - Firm quote with no contingencies such as site survey
 - Vendor must provide SPIN
 - If bidder is submitting on behalf of Vendor, bidder must provide documentation to verify Vendor has authorized and will honor bid
 - Vendor's standard terms and conditions
 - Proof of equivalency of alternative manufacturer's equipment
- Itemize any disqualification factors
 - Does Vendor need to be located nearby?
 - If requesting installation, must Vendor be willing and able to provide these services?
 - Must Vendor provide discounted bills {Is applicant willing to wait for FCDL?}

Important Bidding Info for 470 (continued)

- Specify who and how vendors should contact you with any questions.
 - Who will be responsible for answering questions?
 - Do you want the vendor to email you or call you?
 - **Consideration** – If you are assisted by a consultant, require questions and bids to be sent to both an employee with the applicant and the consultant and require consultant to copy you on responses and other communications with vendors
 - This ensures you will have a record of all communications
 - This ensures that you will receive all bids and be able to retain them in compliance with E-rate record retention



Ultimately the responsibility for complying with bidding requirements and record retention falls to the Applicant.

All bids, winning and losing and all vendor communications must be retained for 10 years from the end of the service delivery period. {September 30, 2033}

Open and Fair Bidding Required

- **Open** means no secrets.
 - Share same information with **all** prospective bidders
 - This is reason for RFP upload requirement
 - No bidder should have access to 'inside' information that provides one bidder with an unfair advantage over other bidders
 - Pre-bidding discussions must be neutral & not taint bidding process
- **Fair** means bidders are treated the same
 - No bidder has advance knowledge of the project information

Importance of Open & Fair Bidding

- Careful review by SLD to ensure compliance
 - Non-compliant bidding → funding denials
 - If detected after funding approval → Rescission & repayment required
- Disgruntled bidder may become a whistleblower
 - All allegations of unfair bidding practices are investigated thoroughly
 - Form 471 applications are subjected to heightened scrutiny
 - Delay in processing Form 471 and receiving funding approval
 - Payment of BEAR reimbursements or SPIs are held until investigation is completed

Vendor Communications

- Applicants may reach out to E-rate vendors and notify them of the Form 470 during 28-day bidding period in a neutral manner
- Detailed conversations with vendors about their products and services should not occur during bidding period
- Vendors are permitted to contact applicants for more information about the pending Form 470
- When contacted by a vendor, you must indicate your willingness to receive a proposal for services listed on Form 470
- *You CANNOT say you are just going to stay with your current vendor – this is a competitive bidding violation and could lead to denial of your funding application!*

Answering Vendor Inquiries

- General rules
 - Keep all emails received to and from vendors
 - If you rely on phone calls, keep log of phone calls and information discussed
- Require vendors to follow instructions set forth on the Form 470 to ask questions
- Ask vendors to send questions via email and answer via email to keep a record
- If another vendor contacts you with questions, be sure to email the answers to all vendors that have contacted you previously
- If question is already addressed in your Form 470/RFP, direct the vendor to the information
- If question seems off-topic, ask vendor about relevance of information and then determine whether to answer
- If question asks for information not available to you, explain this and ask whether there is some other information that could be provided to answer the vendor's inquiry

Vendor Meetings

- Prior to posting Form 470
 - OK, but no sharing of ‘inside information’
 - Learning about products and services is fine
 - Careful about obtaining equipment lists that find their way onto the Form 470
 - Be mindful of appearances to other potential bidders
- During Form 470 bidding period
 - Not required and IMO not a good idea
 - Suggestion – decline request, explain intent is to ensure open and fair process, after reviewing bids, if you have questions, you will then contact the bidder



Remember – you want to avoid any appearance of favoring one vendor over another

Handling Auto-Bids

- Some vendors will generate a standard bid response – an ‘auto-bid’ without regard for specific requirements or information on the Form 470
- Change in guidance from prior years: You should consider these bids and not automatically reject them
 - Review for compliance with minimum bid requirements
 - If bid fails minimum bid requirements, disqualify
 - Keep record of areas where bid does not comply with Form 470 minimum bid requirements

?? about Open & Fair Bidding

- If you have any concerns that your bidding process to date does not adhere to the open & fair bidding standard --
 - Start over and post new Form 470 – provided your new Form 470 is posted in time to meet 28-day minimum bidding period.
 - Your existing Form 470 cannot be canceled officially or taken down off the web site
 - However, you can modify the nickname of the 470 and write the word “cancelled” as part of the new description
 - Notify vendors that have contacted you that you are starting over & email the new Form 470 to them
- Starting early with posting your Form 470 allows you to have time to start over if you need to

Bid Evaluation

Overview

- After 470 is posted for at least 28 days, it's time to evaluate bids.
 - Rely on the deadline set forth in your Form 470 if it was later than the minimum 28 day waiting period
- Applicants must perform bid evaluation and make vendor selection.
 - Consultant may make recommendations and provide guidance, but it is ultimately the Applicant's decision
- Review proposals to verify compliance with minimum bid requirements.
 - Keep record of reasons for disqualification of any non-compliant bids
- If late bids were submitted, verify Form 470 minimum bid requirements mandated hard deadline for bids
 - If so, you can disqualify late bids
 - If you prefer, you may consider these proposals, but you must consider all late bids up to when you begin your bid evaluation.
 - If Form 470 (or RFP) was silent, consider all bids received until the date you begin your bid evaluation

4 Different Scenarios

1. No proposal received for **existing** service
2. No proposal received for a **new** service or equipment request
3. **One proposal** received for a service request
4. **Two or more proposals** received for same service request

No Bid Received – Existing Service

- Verify existing vendor will continue to provide the service
- Document the vendor selection by creating a “No Bid” memo or email
- Necessary to ensure documentation is clear on your decision-making process for selecting the vendor
- If existing vendor will not offer same service next year, proceed to next scenario

No Bid – New Service/Equipment

- Form 470 requested new service or equipment, and no vendor submitted a bid
- Applicant should contact one or more E-rate vendors and request a bid/proposal

Single Bid Received

- Must ensure the proposal is reasonably priced and therefore cost-effective
- Conduct independent price research online and save documentation
- If price is reasonable, then prepare memo to the file explaining your decision-making process
- If price is not reasonable, solicit bid from other E-rate vendor(s) and review price reasonableness and document process

Evaluation of 2 or More Bids

- Must create and complete formal bid evaluation matrix
- E-rate rules require the selection of the most cost-effective bidder
- Price of E-rate eligible services or equipment must be the most heavily weighted factor
- **Cost-effective** does not necessarily mean lowest price
- Non-cost factors may also be evaluated
- Ineligible costs may also be considered but not as heavily weighted as eligible costs

C2 Alternative Manufacturer Bids

- 470s that stated a specific manufacturer preference are required to consider proposals for other manufacturers' equipment/service
- Review documentation submitted by vendor and determine -
 - Initially, was the required information submitted and met minimum bid qualifications?
 - Is equipment comparable?
 - Is equipment interoperable with existing equipment?
 - Document your review, analysis and conclusions
 - These considerations may be reflected in the bid evaluation

Bid Evaluation Matrix

- E-rate **eligible price** must be the most heavily weighted factor
- **Price of ineligible items** may be a separate category
- Other factors could include –
 - Prior experience including past performance
 - Personnel qualifications including technical excellence
 - Management capability including schedule compliance
 - Local vendor
 - Technical solution

Sample Evaluation – Ex. 1

Factor	Maximum # Points
Price of the eligible products and services	50
Technical solution <i>(Equivalence, compatibility and interoperability of equipment with existing equipment)</i>	20
Ineligible cost factors <i>(Additional costs not paid by E-rate to implement solution)</i>	20
Management capability <i>(Personnel qualifications, prior experience)</i>	10
Total Available Points	100

Sample Evaluation – Ex. 2

Factor	Maximum # Points
Price of the eligible products and services	50
Management capability <i>(Personnel qualifications, prior experience)</i>	25
Technical solution <i>(Equivalence, compatibility and interoperability of equipment with existing equipment)</i>	10
Local Vendor	15
Total Available Points	100

Also write notes in evaluation document to explain scoring, strengths and weaknesses of each proposal.

Sample Evaluation – Ex. 3

Factor	Maximum # Points
Price of the eligible products and services	30
Prior experience	25
Personnel qualifications	20
Management capability	15
Local Vendor	10
Total Available Points	100

Price Formula Recommendation

- Calculate a weight (percentage) based on the difference between a proposal's cost and the lowest proposal's cost.
- Then multiply the percentage by total number of points for price.

Description	Possible Points	Vendor A	Vendor B	Vendor C
Total E-rate Eligible Cost		\$600	\$800	1200
% to Lowest Bid Cost Low Bid Cost / Bid Cost		100% (600/600)	75% (600/800)	50% (600/1200)
Weighted Cost	60	60	45	30

Bid Evaluation Matrix Example

Applicant Name	Lawrence School District			
Form 470 #	210000092			
Service/Equipment Description	Category 2 Wireless Equipment			
Description	Possible Points	Vendor A	Vendor B	Vendor C
Total Cost of Eligible Goods/Services		\$600	\$800	\$1,200
% to Lowest bid (low bid cost/bid cost)		100%	75%	50%
Weighted Cost (possible points * % to low bid)	50	50	38	25
Technical Solution	15	15	5	15
Vendor qualifications and references	10	0	10	10
Ineligible Costs	15	15	0	15
Prior experience with Applicant	10	0	10	10
Totals	100	80	62.5	75

•Price was scored using the formula set forth above.

•Technical Solution: Vendors A and C quoted preferred manufacturer and received the maximum points. Vendor B offered a different manufacturer's solution that was not as robust.

•Qualifications and references: Vendor A received 0 points because Applicant did not know of the vendor and the vendor failed to provide references as requested by the Applicant in the Form 470. Vendors B and C are familiar to Applicant and also provided the required references.

•Ineligible costs: No costs incurred with Vendor A's and C's solution because Applicant already has training. Applicant will incur training costs to be able to use Vendor B's proposed solution.

•Prior experience: Vendor A has not worked for the Applicant and therefore has no experience, and Vendors B and C received 10 points because each had performed satisfactory work for the Applicant previously.

Contracts

When **C1** Contracts are required

- New Category 1 services that are not MTM
 - Posted a FY 2022 Form 470
- Amending existing Category 1 contract to add additional service quantity or extend term
 - Original contract must allow for the amendment
 - Language was included on Form 470 and in contract for additional service and/or voluntary extensions
 - Amendment should be in writing and signed by Applicant prior to completing Form 471
 - If time does not allow, send email to Vendor with information for amendment or extension

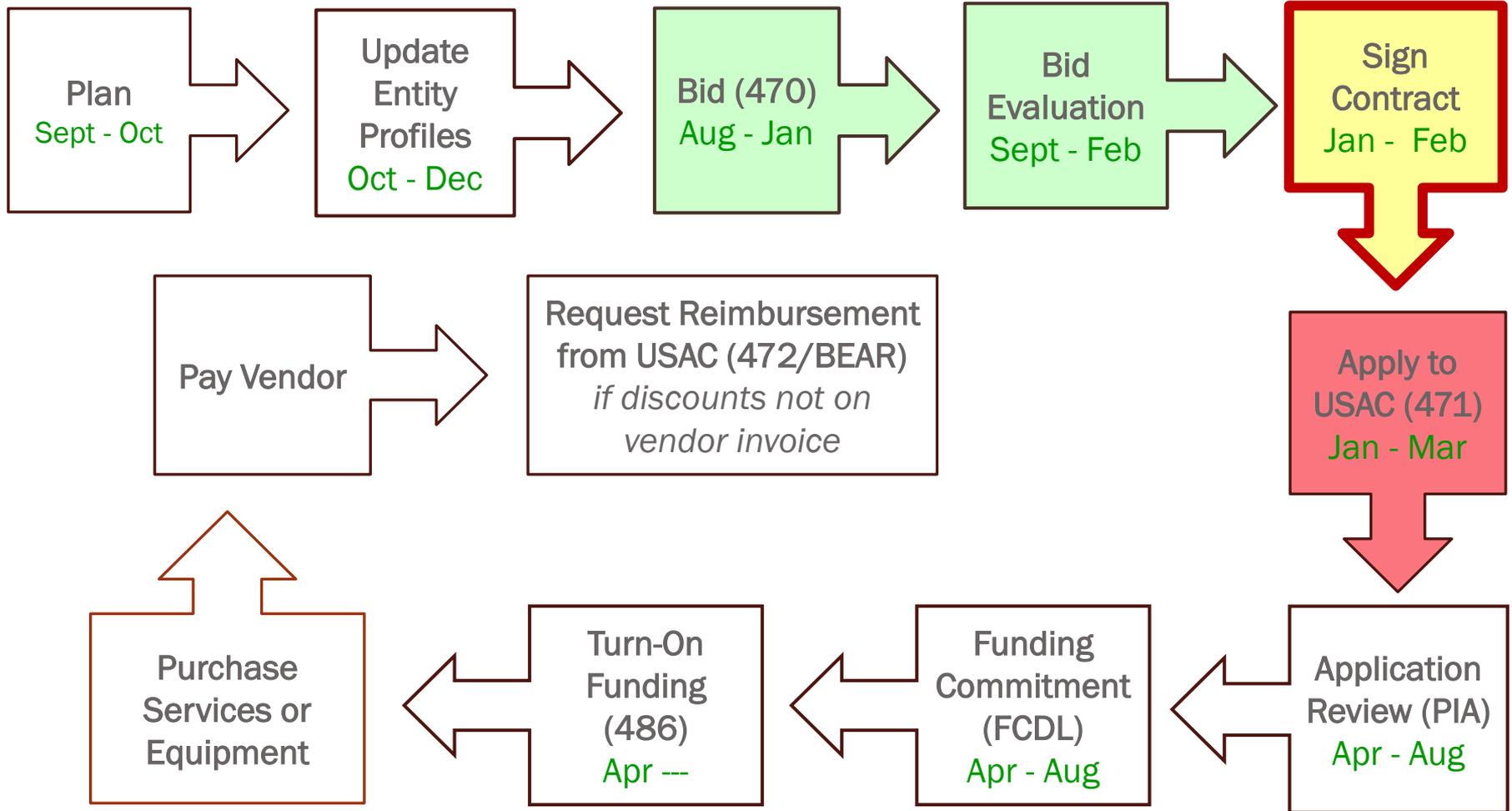
When **C2** Contracts are required

- All new Category 2 equipment and services require a signed contract
 - Posted a FY 2022 Form 470
 - One-time equipment purchases (Internal Connections)
 - Basic Maintenance of Internal Connections
 - Managed Internal Broadband Services
- Rarely seen, but it's possible to amend BMIC and MIBS to extend term
 - Language must have been included on Form 470 and in original contract for voluntary extensions

Timing of Contract Preparation

- **AFTER** 28 days from posting date of Form 470
- **AFTER** completion of bid evaluation and vendor selection
- **BEFORE** starting Form 471

Remember the Sequence of Steps



Planning Considerations

- Contract language draft
 - From vendor?
 - From you?
- Do you need internal approvals before signing the contract(s)?
 - Legal review?
 - Board approval?
 - Incorporate step(s) into your timeline

Step by Step

- Bid evaluation completed
 - Does bid evaluation need internal approval?
- Notify winning and losing bidders
 - Can be done via email
 - Ask winning bidder to provide a contract or quote that is suitable for signing OR
 - Provide your own draft contract

C1 Recurring Services Contracts – Minimum Requirements

- Vendor Name – verify the name matches the vendor’s SPIN
 - Some vendors use a “D/B/A” (doing business as) name that is different from legal name.
- Applicant Name
- Contract initial term – use 7/1/2022 as start date and 6/30 of the expiration year.
- Describe service being purchased.
 - Make sure this matches your Form 470 to ensure E-rate discount funding approval.

C1 Recurring Services Contracts – Other Info to Include

- Include contract extension options
 - Do not agree to auto-renewals because they are not E-rate compliant
 - Need to have a specific number of years of voluntary extension options
 - “Applicant has the option to voluntarily extend the term of the contract for up to two consecutive years”
 - Specify price during extension period will be same or “current market rates” or “adjusted for inflation
- Specify optional bandwidth increases and associated prices
 - If not included, you must rebid higher bandwidth on new Form 470
- Itemize service locations – name and address
 - Make sure this information matches the SLD entity data base
- If inaccurate in SLD entity data base, submit a RAL correction after filing Form 471 to make correction
- Specify price of the service
 - State whether taxes and fees are add-on surcharges
 - If so, obtain an email or other documentation from vendor of the amount of the taxes and surcharges so you can include these dollars on your Form 471
- Specify discounted bills if essential to your school or library
- School closures not subject to early termination fees

C1 Recurring Services Contracts

- If you are also going to pay special construction charges to build out facilities to serve the school or library
 - Specify payment schedule for upfront payments of construction
- Signature/date of school/library official required prior to submitting Form 471
 - If time permits insist on vendor signature before 471 submission to ensure no last-minute changes

C2 Equipment Contracts

- Vendor Name – verify the name matches the vendor’s SPIN
 - Some vendors use a “D/B/A” (doing business as) name that is different from legal name
- Applicant Name
- Contract initial term – use 4/1/2022 as start date and 9/30/2023 for expiration
- Itemize make, model, quantity, unit cost and extended cost being purchased
 - Make sure this matches your Form 470 to ensure E-rate discount funding approval

C2 Equipment Contracts

- Include contract extension option
 - “Applicant has the option to voluntarily extend the term of the contract for one year to align with E-rate funding approval
- Itemize any taxes and surcharges
- Itemize shipping charges if applicable
- Specify discounted bills if essential to your school or library
- Signature of school/library official required prior to submitting Form 471
 - If time permits insist on vendor signature before 471 submission to ensure no last-minute changes

C2 Equipment Contracts

- E-rate approval contingency
 - If you don't want to purchase the equipment unless E-rate funding is approved, include contingency
 - "This contract is contingent upon successful receipt of E-rate funding commitment letter, board budget approval and a written notice to proceed from the customer. Customer may choose to waive the E-rate funding approval contingency in which Customer will be responsible for paying the full cost and will submit for E-rate reimbursement upon receipt of E-rate funding commitment letter."

C2 BMIC & MIBS Contracts

- BMIC – Basic Maintenance of Internal Connections
- MIBS – Managed Internal Broadband Services
- Both types of services are recurring services
 - Contract term should begin 7/1 and end 6/30 of the year in which initial term ends

BMIC & MIBS Contracts

- List covered equipment
 - Make and model number, quantity
 - Must separate out any ineligible equipment and associated service costs
- BMIC E-rate compliant scope of services
 - Repair and upkeep of eligible hardware
 - Wire and cable maintenance
 - Configuration changes
 - Basic technical support including online and telephone-based technical support
 - Software upgrades and patches including bug fixes and security patches

MIBS Scope of Services

- Operation, management, and monitoring of eligible broadband internal connections
- Management and operation of the LAN/WLAN, including installation, activation, and initial configuration of eligible components and on-site training on the use of eligible equipment
- Specify equipment that is being leased from MIBS vendor (if any)

Contract Award Date

- EPC will ask for contract award date
 - Rely on date that applicant signed contract
- Signature/date of school/library official required prior to submitting Form 471
 - If time permits insist on vendor signature before 471 submission to ensure no last-minute changes

Questions

- Unmute your microphone
- Put question in chat
- Email me at dmkriete@comcast.net or call 888 232 0241