



Bid Evaluation and Contracts

E-rate Funding Year 2026

July 1, 2026 – June 30, 2027

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Review of Preceding Steps

- You have posted an FCC Form 470 for new services or equipment and waited 28 days or more to receive bids or you are exempt from having to bid.
- Bidding Exemptions:
 - Multi-year contract that was competitively bid using FCC Form 470 in a prior year
 - Multi-year contract with voluntary extension term that was included in the original contract
 - CABIO - Commercially Available Business Internet Option
 - Libraries' Category 2 purchases that total \$3,600 or less
- If you have a bidding exemption, you can skip the bid evaluation and move directly to the contract preparation stage.
- Consult <https://doe.sd.gov/ofm/documents/Erate-09.pdf> for more information about Vendor Selection, Contracts and Contract Records.

Bidding Exemptions

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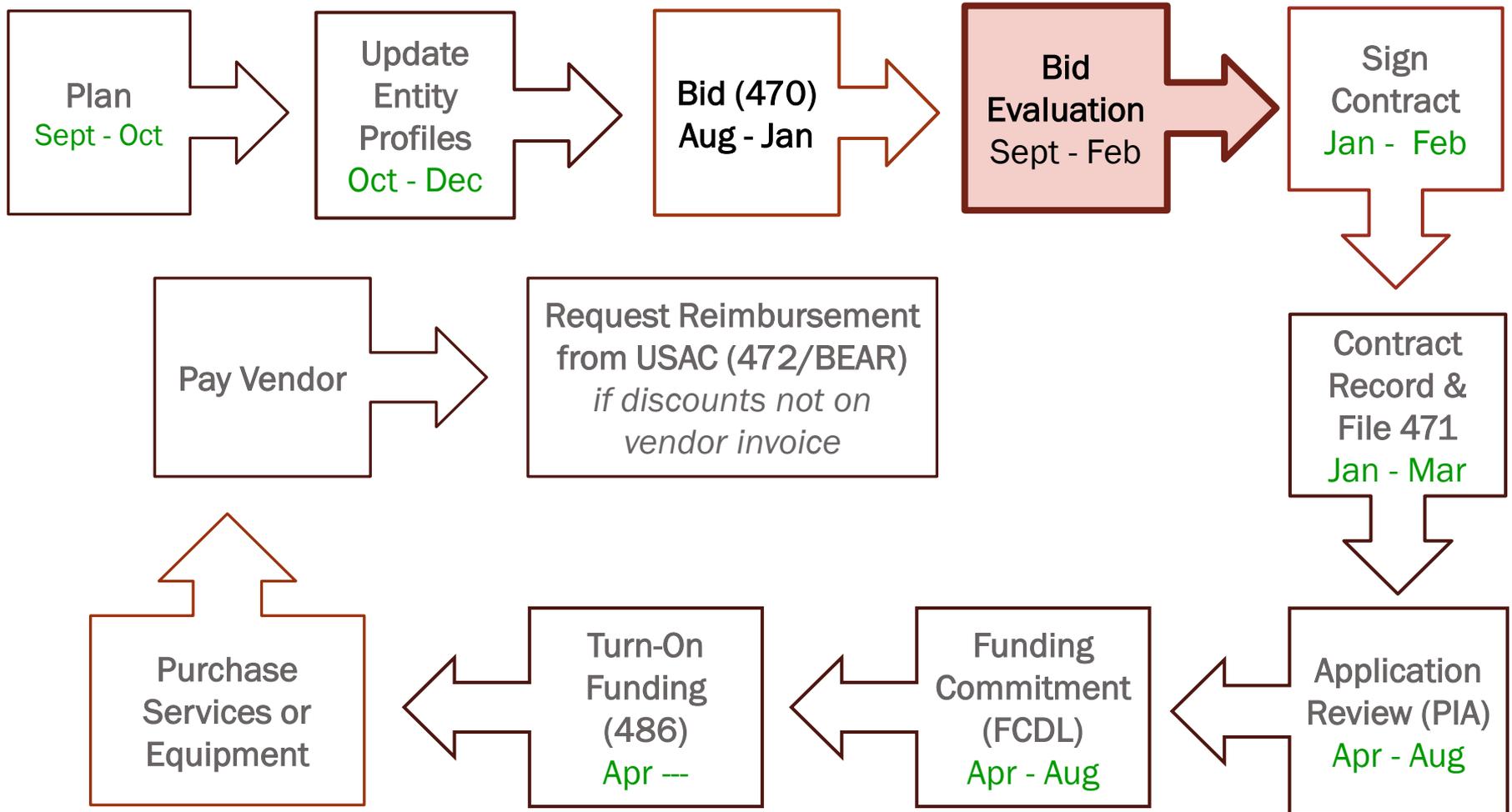
Important Dates - *Estimated*

- ~ February 25 – last day to post Form 470 and still have time to submit Form 471 on time
- ~ March 25 – Form 471 filing deadline
- Steps to complete –
 - Post Form 470 for new equipment/service or expiring contract
 - Bid evaluation
 - Sign contract
 - Contract Record in EPC
 - File Form 471



Bid Evaluation

Where we are:



Overview

- After waiting 28 days from the Form 470 posting date, 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 select winning bidder, and prepare documentation of the selection process at that time.
- Consultant may make recommendations and provide guidance, but the **Applicant must be responsible** for the evaluation and vendor selection.
- Vendors cannot be involved in any way with the bid evaluation.

Where to Start

- Review proposals to verify compliance with minimum bid requirements.
 - Confirm that the bid is responsive to your service requests on your Form 470.
 - Bids that propose products or services that are not within the scope of your FCC Form 470 are not compliant.
- Disqualify non-compliant proposals.
 - Keep record of disqualification rationale and reasons.
- If Form 470 (or RFP) was silent on bid deadline, consider all bids received until the date you conduct your bid evaluation.
 - Document the date that the bid evaluation began so that later proposals are not required to be considered.

Questions About Bids

- It is common that you may have questions or need clarification of a bid.
- You may opt to talk to the bidder, meet with them or email them with questions.
 - No matter which way you communicate your questions, require written answers to keep with your bid documentation.
- You may pose questions that are specific to a bid or send clarifying questions to all bidders.

Selection of Most Cost-Effective Bid

- Lowest cost bid is not mandatory to be chosen.
- You may consider other non-cost factors to determine the most “cost effective” bid.
- Price of E-rate eligible services and equipment must be most heavily weighted factor.
- Other factors with lower weighting than E-rate eligible price may be evaluated.
- You can use as few or as many evaluation factors as you like, and you can assign points to the factors you use to reflect their relative importance provided that E-rate eligible price is most heavily weighted.
- Examples (not exhaustive) list of other factors:
 - Prior experience including past performance;
 - Personnel qualifications including technical excellence;
 - Management capability including schedule compliance;
 - Technical solution
 - **Ineligible** costs

Construct a Bid Evaluation

- Identify the factors you want to consider with price of E-Rate eligible services/equipment being assigned more potential points than any other category.
- Assign a maximum point value to each factor.
- See example below

Factor	Max # 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

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.
- This is NOT required by E-rate but ensures price is scored fairly.

Description	Max Pts	Vendor A	Vendor B	Vendor C
Total E-rate Eligible Cost	60	\$600	\$800	\$1,200
% to Lowest Bid Cost Low Bid Cost / Bid Cost		100% (600/600)	75% (600/800)	50% (600/1200)
Weighted Cost (% x Max # points)		60	45	30

4 Different Bid Evaluation 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.

#1 - No Bid Received for 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, and then prepare a formal bid evaluation matrix (if there are more than 1 bidder).

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 vendor(s) and review price reasonableness and document process.

Evaluation of 2 or More Bids

- Must create and complete formal bid evaluation matrix.
- Provide notes to explain scoring.
- Ensure you are comparing “like” proposals.
 - If you’re unsure, seek clarification from bidders to make sure you understand their proposals.

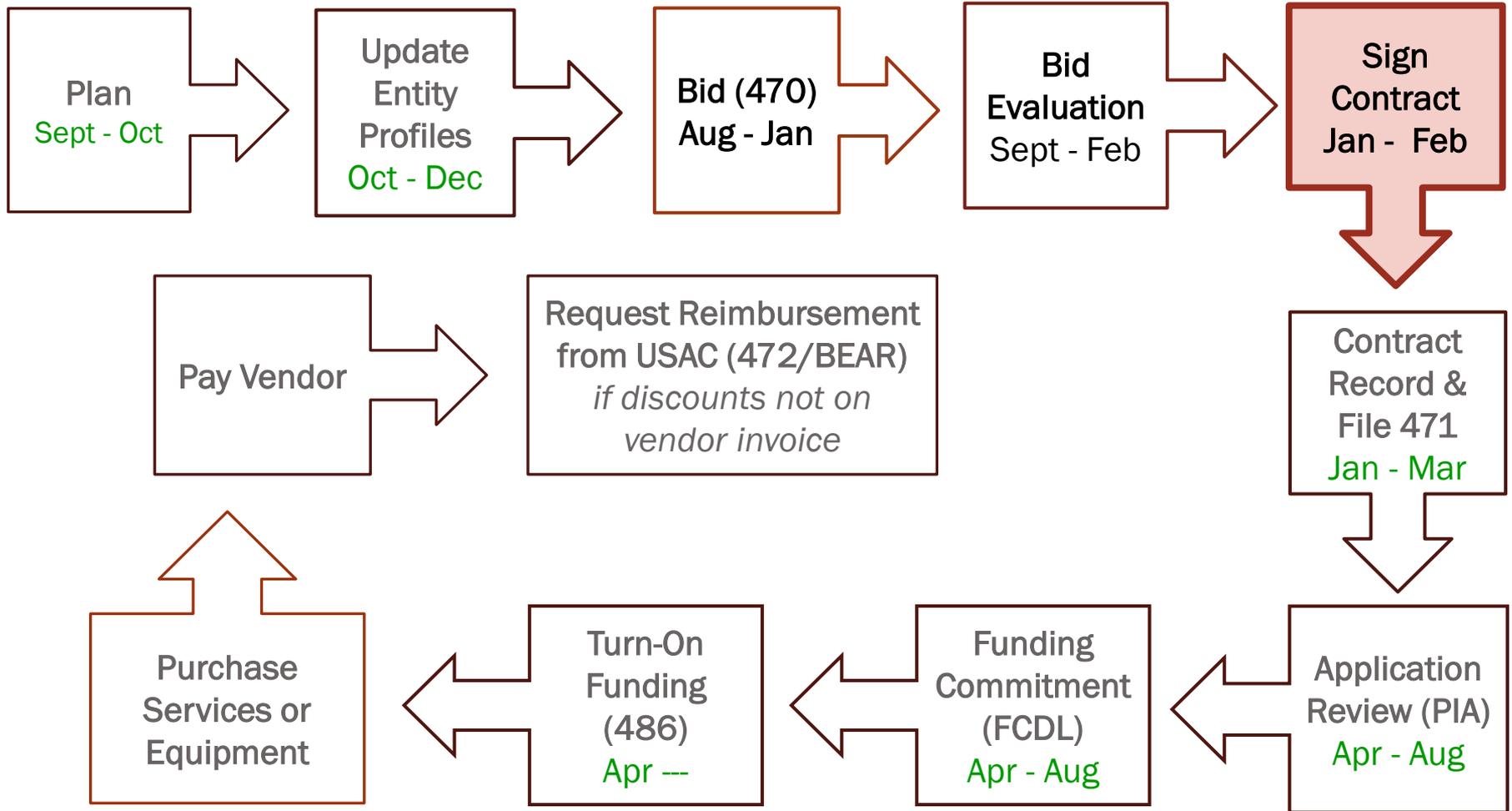
C2 Alternative Manufacturer Bids

- 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.



Contracts

Where we are:



When **C1** Contracts are required

- New Category 1 services that are not MTM.
 - Posted a FY 2026 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 specific # years of 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.

Category 2 Contracts

- **All** new Category 2 equipment and services require a signed contract.
 - Posted a FY 2026 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

Contract Timing & Steps

- **AFTER** 28 days from posting date of Form 470
- **AFTER** completion of bid evaluation and vendor selection
- Applicant Signature **BEFORE** filing 471
- Contract Record created **BEFORE** filing 471

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

Winning Vendor Notification

- Notify the winning bidder that you have *tentatively* identified them as the most cost-effective bidder and specify the terms and conditions.
 - Service/equipment
 - Quantity
 - Unit price
 - Total cost
 - Contract start and end dates
 - Voluntary extension options
 - For C1, option for increasing bandwidth and associated prices
 - Whether discounted billing is required
- Request them to send a draft contract by a specific date.
- Spell out whether the contract will have to go through legal review and/or board approval.
- Identify timetable for next steps.

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 July 1 of the funding year as start date and June 30 of the expiration year.
- Describe service being purchased.
 - Make sure this matches your Form 470 to ensure E-rate discount funding approval.
- Voluntary extension options – must be set # years and not open ended.
- Increases in bandwidth with associated prices.

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.
- Specify optional bandwidth increases and associated prices.
- Itemize service locations – name and address.
- Specify price of the service & whether taxes are extra; if extra obtain email estimate from vendor.
- Specify discounted bills if essential to your school or library.

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 4/1/2026 as start date and 9/30/2027 for expiration
- Itemize make, model, quantity, unit cost and extended cost being purchased & any services such as installation or BMIC/MIBS scope
 - 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 of funding year, 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)

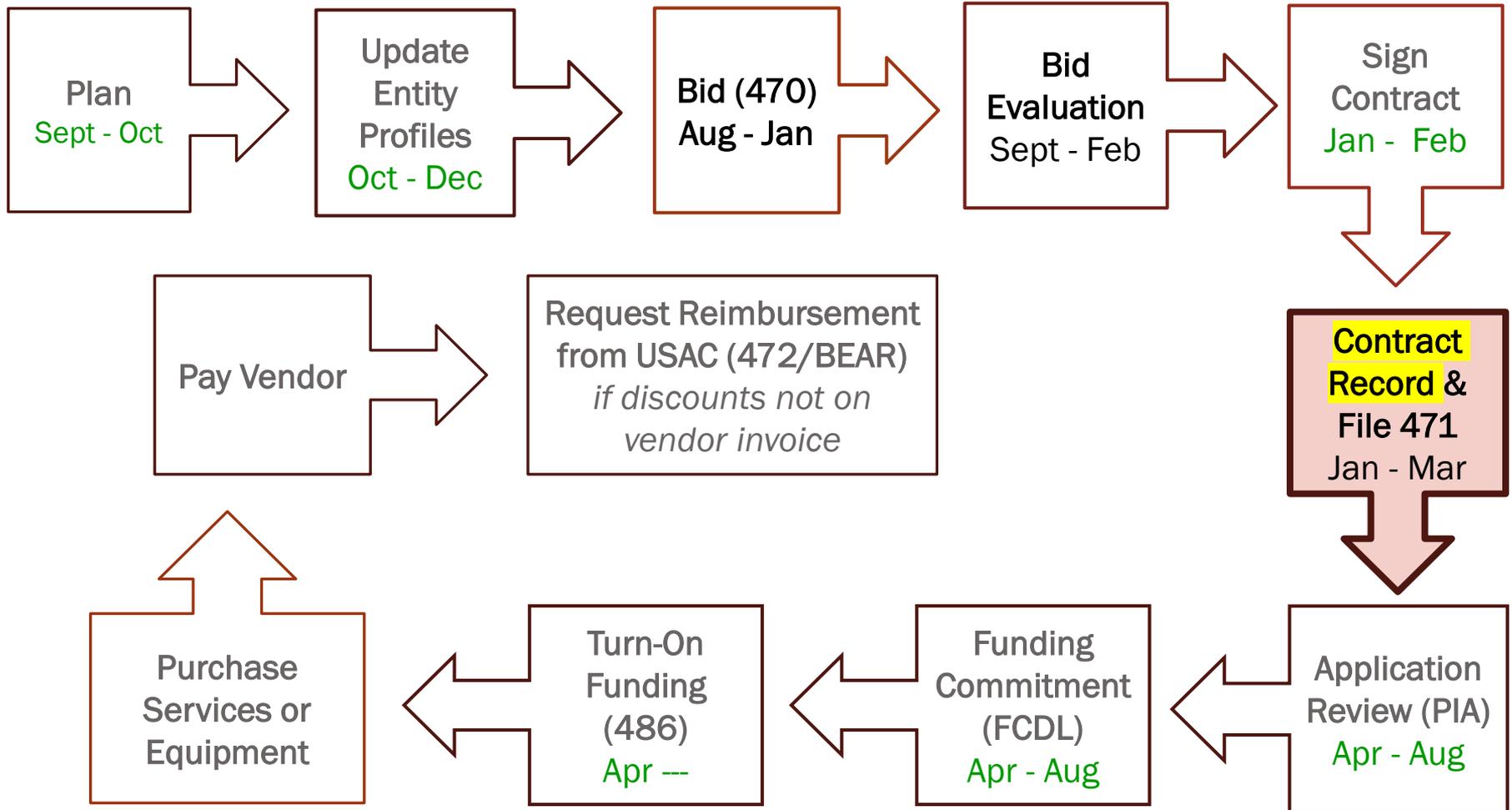
Contract Award Date

- 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



Creating Contract Record in EPC

Where we are:



Create Contract Record in EPC

- Enter information about new contracts inside EPC before starting form 471.
- Create new record if you discover an error on a previous EPC contract record that was created and will be listed on the FY 2026 form 471.
- Do NOT create a new contract record for an extension of a contract that already has its own contract record.
- Detailed instructions on creating a contract record are in Tab 9 of the Fall 2025 E-rate Resource Manual for E-Rate Funding Year 2026
- <https://doe.sd.gov/ofm/documents/Erate-09.pdf>
- Beginning at electronic page 22.



Questions?

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