E-Rate Program
You Did WHAT?

2017 Spring MASBO
True Story

- Seven districts part of a consortium
  - Share services, such as, internet access and technology support
  - Vendor completed network assessments
  - Vendor told districts what to order (created their “wish list”)
  - Whistleblower alert was submitted on vendor
    - All districts that selected that vendor had a bidding compliance review
True Story  (continued)

- Compliance Review
  - USAC reviews everything related to the FRN and questions your relation with the vendor
    - RFP documents (if applicable)
    - Emails and notes from any other communication
    - All bids received
    - Scoring rubric

We reached out to E-Rate Central for additional guidance.
True Story (continued)

- Outcome
  - All seven districts cancelled their funding year 2016 (fiscal year 2017) Category 2 form 471 applications
  - No C2 money for FY17!
Step 1 – Competitive Bidding

- Form 470
  - Review the eligible services list (ESL)
  - Determine your “wish list”
  - Must be posted for at least 28 days
  - Service providers/vendors will review your request and respond
Step 1 – Do’s and Don’ts

- **DO**
  - Allow at least 28 days for service providers to respond
  - Post a formal RFP if request is estimated to cost $100,000
    - Be sure to include “or equivalent” within the RFP
    - MN Statute 471.345
  - **Ensure that the competitive bidding process is open and fair!**
    - Treat all bidders the same
    - Create your own wish list
    - Must list disqualification factors on form 470
    - Share questions from service providers with all service providers
      - Recommendation: Post a Q & A section link on your district’s website. Have all SP’s submit questions in writing and respond to all questions at once. Be sure to provide a date and location for the SP’s to find the answers
Step 1 – Do’s and Don’ts (continued)

› DO
  ◦ If you are struggling with determining your district’s needs, have an open house for service providers to provide “technical” information so you can develop your 470 wish list
  • Invite many service providers

USAC recommendation at the 11/1/16 E-Rate training in Minneapolis.
Step 1 – Do’s and Don’ts
(continued)

DON'T

- Allow service providers to tell you what your needs
- Accept gifts from service providers
- Sign a contract prior to the 28th day of the competitive bidding process

Doing so would violate E-Rate rules!
Step 1 – Do’s and Don’ts (continued)

- Number of bids received?
  - If you received one bid, and it’s cost-effective, keep a written record of this fact (memo or email to self)
  - If you didn’t receive any bids, you can solicit bids
  - If you currently receive service from a service provider, you can ask your current provider to submit a response to your form 470
Step 2 – Selecting Service Providers

- Evaluate Bids/Select Service Provider
  - Must select the most cost-effective bid/quote
  - Price must be the highest weighted category

<table>
<thead>
<tr>
<th>FACTOR</th>
<th>POINTS AVAILABLE</th>
<th>VENDOR 1</th>
<th>VENDOR 2</th>
<th>VENDOR 3</th>
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<tbody>
<tr>
<td>Price of the eligible products and services</td>
<td>30*</td>
<td>15</td>
<td>30</td>
<td>25</td>
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<tr>
<td>Prior experience with the vendor</td>
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<td>20</td>
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<tr>
<td>Prices for ineligible services, products, and fees</td>
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<td>20</td>
<td>15</td>
<td>25</td>
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<tr>
<td>Flexible invoicing: FCC Form 472 or FCC Form 474</td>
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<td>15</td>
<td>15</td>
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<tr>
<td>Local or in-state vendor</td>
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<td>10</td>
<td>8</td>
<td>7</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100</strong></td>
<td><strong>65</strong></td>
<td><strong>68</strong></td>
<td><strong>92</strong></td>
</tr>
</tbody>
</table>

List of Disqualified Bidders:
- **Vendor 1**
  - Reason for disqualification: All interested bidders received two weeks’ notice of a required pre-bid conference. Vendor 1 did not attend this conference and did not provide a reason for their absence.
Step 2 – Do’s and Don’ts

Evaluation/selecting service provider
- What are your evaluation factors? You can have as many or few as you want
  - Prior experience, ineligible cost factors, local vendor, etc...
- Cost of eligible products and services MUST be included as your most heavily weighted factor!
- Do you have any disqualification factors? MUST be posted within form 470 posting
  - Service provider must have a SPIN, mandatory walkthrough required (with reasonable notice), etc...
Questions?