

# E-rate Bidding: Rules and Best Practices



## College and Career Ready

### That's our goal.

The Department of Public Instruction is the state agency that advances public education and libraries in Wisconsin. Our goal is to ensure **every child** graduates ready for further education and the workplace.

**Ed Snow**

**Bill Herman**

**Bob Bocher**

**Wisconsin DPI**



WISCONSIN DEPARTMENT OF  
**PUBLIC INSTRUCTION**

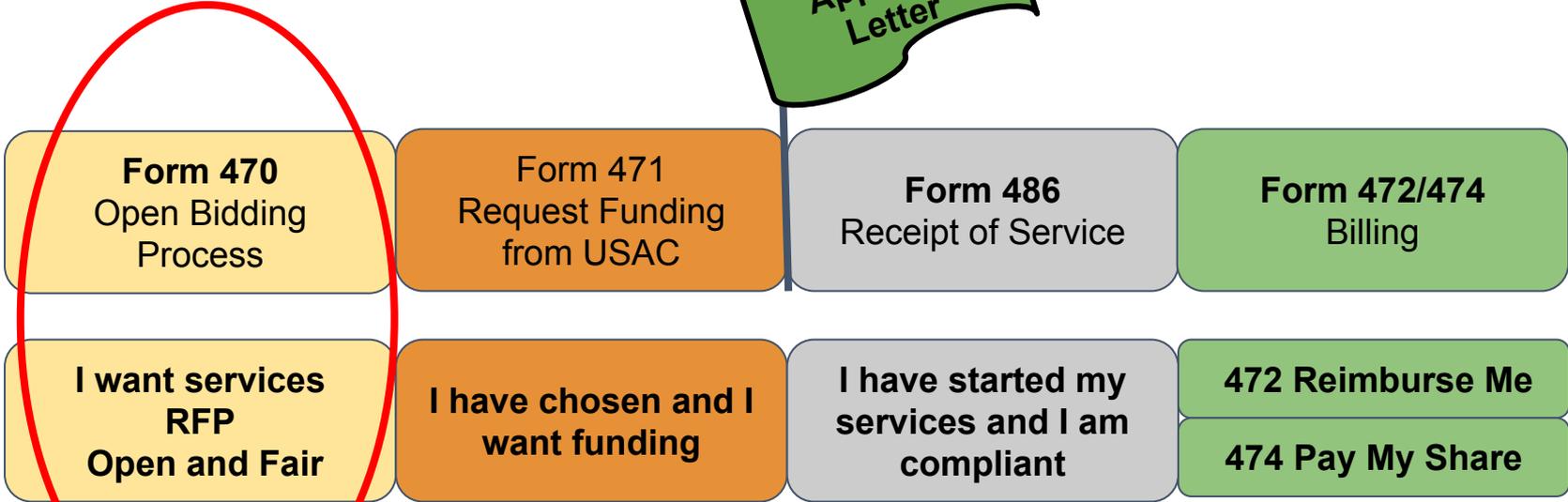
Tony Evers, PhD, State Superintendent

# Webinars

- Last week's Webinar: E-rate for the beginner
- **Goal for today: Bidding Process and Best Practices**
- Next Webinar “Filing the Form 470” webinar on October 29th



# Recap



# Agenda

- What is a bid / bidding basics
- Preparing your bid
- Releasing your bid
- Good to know



# What is a Bid?

- In the E-rate world, a  is usually just a request for quotations.
- It is a description of equipment and services requested.

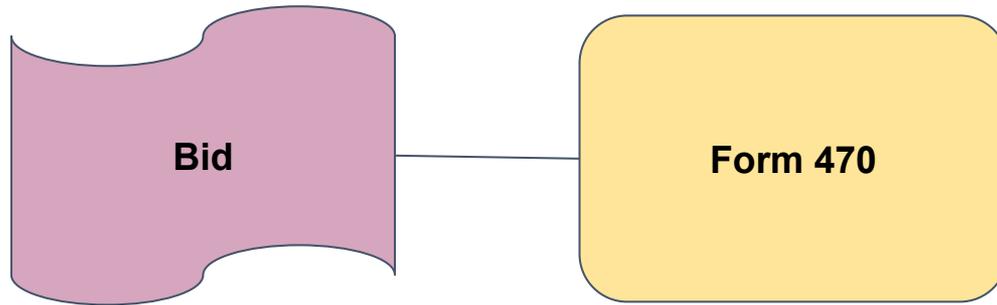
I would like a pizza with:

- Thick crust Gluten free
- Extra cheese
- Peperoni
- Delivered by game time



# What is the difference between a bid and a Form 470?

- An E-rate bid must be posted as part of a Form 470.



# How should the bid language be written?

- The description of products and services sought should be detailed, specific, and complete
- Otherwise a bidder could offer less than what you want, but still within your specification, and be eligible.
- Also, this will save you the trouble of responding to requests for clarification.

I would like  
a pizza

VS

I would like a pizza with:

- Thick crust Gluten free
- Extra cheese
- Peperoni
- Delivered by game time



# How should the bid language be written?

- If you are specific about your requirements, you will be able to disqualify ineligible bids before you begin your evaluation process.
- You must include information about any deadlines or local procurement requirements.

I want

Thick crust  
Gluten free  
Extra cheese  
Peperoni  
Delivered by  
game time

## Bill's Pizza Bid

Cheese pizza  
Delivered by game time

## Bob's Pizza Bid

Thick crust  
Extra cheese  
Peperoni  
Delivered by game time

## Ed's Pizza Bid

Thick crust **Gluten free**  
Extra cheese  
Peperoni  
Delivered by game time



# How should the bid language be written?

- In general, state whatever you want or need: request it explicitly.
- In short, you do not want to be put into a position where you must consider bids that do not meet your needs.

I would like a pizza with:

- Thick crust Gluten free
- Extra cheese
- Peperoni
- Delivered by game time

I need new switches

- Quantity
- Port count
- SFP's
- Installation
- Licencing
- Compatibility
- Installed by



# Separate bid documents: Critical note!

If you post **separate bid** documents, and your project will include hardware from a specific manufacturer and/or a specific model, be certain to specify the manufacturer and part number you need,

**followed by “or equivalent.”**

If you do not write “or equivalent,” you could be denied on the basis of a bidding violation (not giving other manufacturers the opportunity to compete).

I need new switches

- Cisco 2960 **“OR EQUIVALENT”**
- Quantity
- Port count
- SFP’s
- Installation
- Licencing
- Compatibility
- Installed by



# Do I need to post separate bid documents?

Usually, you can enter your bid directly into the Form 470 and do not need to post separate bid documents. In certain cases, you will post separate RFP\* documents to EPC, as part of your Form 470:

- Fiber and [certain other Category 1 services](#) (required)
- Complex equipment bids (optional)
- State or Local requirements (beware of unallowable bid criteria)

\*A request for proposal (RFP) is a formal bidding document that describes the requested services in detail.



# Do I need to post separate bid documents?

If you provide an RFP separate from your Form 470:

- Post the RFP by uploading it to EPC as part of the Form 470
- **Do not** upload a document that simply contains a link to the RFP...why



What do I need to do before releasing my bid?

# Prepping to Bid



# Bidding Must be Open and Fair

- Open:
  - There are no secrets in the process
  - Information shared with any bidder is shared with every bidder
- Fair:
  - All bidders are treated the same

This helps ensure that the most cost-effective solution will be presented to the school or library.



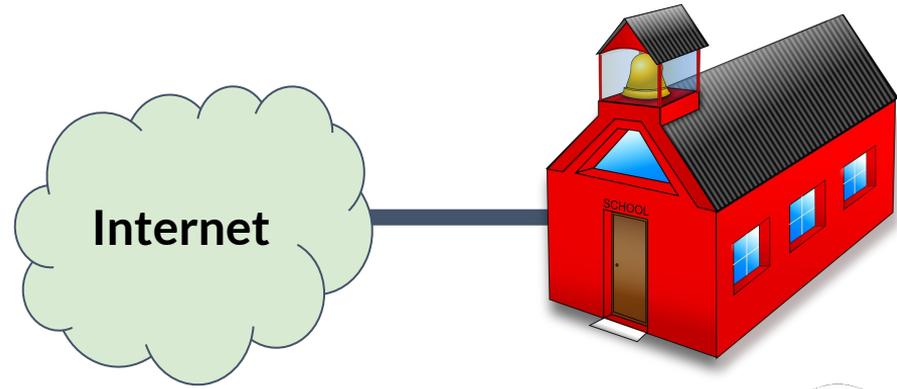
# What do I need to do before releasing my bid? C1

Determine that requested services are eligible for E-rate funding  
Category One

1

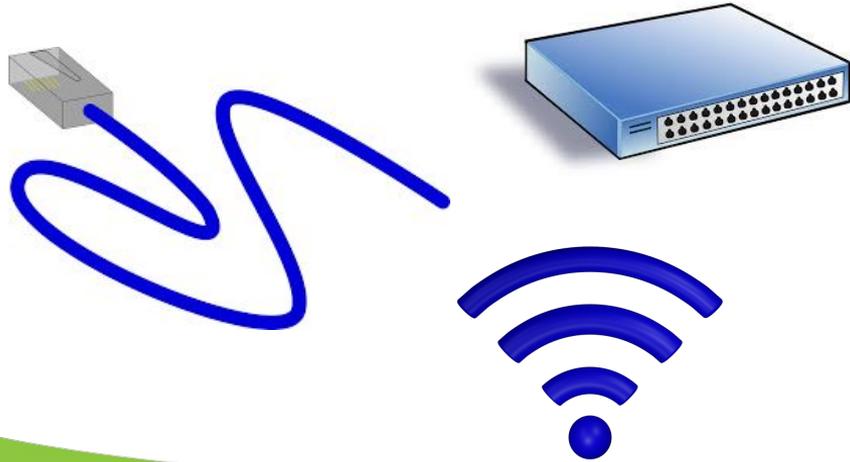
**Guiding rule;** Anything that brings high speed internet to your building

- Transport
- ISP
- Connection fees
- Connection equipment
- Maintenance



# What do I need to do before releasing my bid? C2

Determine that requested services are eligible for E-rate funding  
Category Two



2

**Guiding rule;** Anything that brings high speed internet to your classroom

- Switches
- Wiring
- Access points
- UPS
- Basic firewall

[List of 2019 eligible services](#)



# What do I need to do before releasing my bid?

- Describe what you are seeking thoroughly and specifically
- Do not get help from any potential bidder in writing the description of what you want
- This is viewed by USAC as unfair because the vendor can write the bid in a way that favors them.
- It is a bid violation that could result in denial of funding or rescinding of funding if another vendor files a complaint.

Open and  
Fair



# What do I need to do before releasing my bid?

Determine your **bid evaluation criteria**.

- You can include many factors, but **price must be the most heavily weighted**
- Other factors that are important to you can be weighted **almost as heavily as price**
- These factors can include previous experience with the vendor, and references.



What do I need to do after releasing my bid?

# Bidding is Released



# Once I've released the bid by filing a Form 470, what do I do?

- You must **wait 28 days** after filing your Form 470, before you can choose a winning bidder and sign a contract for services until at least 28 days after you have filed your Form 470.
- You must answer any questions received from vendors promptly and completely.
- You must have your bid evaluation matrix complete **before** evaluating bids.
- You must evaluate all bids using the same matrix.



# What if I need to revise an RFP after I have posted my Form 470?

YES...BUT

COMMUNICATE



- Significant change to the request = Notify everyone who has bid
- Must re-start the **28-day** waiting period,
- The FCC term for “significant change” is “cardinal change.”

# What if I need to make BIG change?

“A **cardinal change** is a change that is outside of the scope of your original project, and is significant enough that bids submitted in response to your original submission would not adequately address the change in scope.”

--USAC News Brief, February 18, 2018

This would mean that bidders who did not know about the change would not have a fair chance of winning the bid.

I want 1  
Access Points

I now want 2  
Access Points

I now want 5  
Access Points

I now want 100  
Access Points



# The winning bid must offer the most cost effective solution

- E-rate rules are designed to ensure that applicants choose the most **cost-effective** solution.
- This prevents applicants from playing favorites, and helps E-rate dollars go farther.



# Does “Most Cost Effective” mean “Lowest Price”?

- Cost-effective does **not** necessarily mean least expensive.
- It means, most cost effective for the organization, ***all things considered***.
- When evaluating bids, cost must be the most heavily weighted factor, but you can include additional factors.
- USAC has provided a sample [bid evaluation matrix](#).

We strongly recommend that you adopt the USAC format.



# How the bid evaluation matrix helps you get just what you want

- The low bidder, Vendor 2, did not even come close to winning.
- Vendor 2 received zero points in the “prior experience with the vendor” category because it had never worked with the applicant.
- Prior experience with a vendor can be weighted almost as heavily as price.

FACTOR	POINTS AVAILABLE	VENDOR 1	VENDOR 2	VENDOR 3
Price of the eligible products and services	50*	20	50	40
Prior experience with the vendor	25	25	0	25
Prices for ineligible services, products, and fees	15	10	5	15
Local or in-state vendor	10	10	0	0
<b>TOTAL</b>	100	65	55	80



# What if I don't receive any bids, or only one bid?

- If you don't receive any bids after 28 days, you can solicit bids from any vendor at your discretion.
- If you receive only one bid and it meets your requirements, you can accept it.



# Best Practices / Good to Know



## After you have accepted a bid

Be sure to file the following and save for ten years:

- Your bid evaluation matrix
- All bids received
- All written communication with vendors



# Category 1 Service Type Mismatches are a HUGE trap

- Our presentation on the Form 470 on October 29 will cover this pitfall in detail.
- If you need to file your Form 470 before then, please carefully review USAC's Form 470 Category One Services Drop-Down Menu Reference Table before you file.
- The table also indicates whether you will need to post a separate RFP document with your Form 470.



# Common bid violations (irreversible denial is guaranteed)

1. Failure to use price as the most heavily weighted factor in bid evaluation
  - a. the bid evaluation matrix includes other factors with equal or higher weight and/or
  - b. the applicant awarded the bid to higher-priced bidder but has no bid evaluation matrix to support the choice.
2. Service type mismatch, or service sub-type mismatch.



# Service Type Mismatch Example: Category 2

- Under Category 2, you are requesting a router (“Internal Connections”)
  -
- In the Form 470 drop-down menu, you choose “Basic Maintenance of Internal Connections.”
  -
- Your request and any subsequent appeals will likely be denied.



# What is the timeline of the E-rate bid process?

Tentatively:

**Now - Early February 2020** File Form 470 (issue your bid request)

**January 2020 - March 2020:** File Form 471\* (request funding)

*\* you must wait 28 days after filing your Form 470*



# What is E-rate - Update

- Filing window for 2020 has not opened
- Under current consideration
  - 5 year budget window
  - **Category 2 eligible services (Wait to file 470 until announced)**
  - District budget vs building budget

## Upcoming Webinars

- October 29th 1: PM Filing the Form 470 Overview
- November TBD Filing the Form 470: Category 2 Requests



# Resources / Questions

<https://dpi.wi.gov/erate>

<https://www.usac.org/sl/>

<https://e-ratecentral.com/>

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