

E-rate Bidding: Rules & 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.

DPI Support Team:

Rachel Schemelin

Bill Herman

Bob Bocher

5:00



WISCONSIN DEPARTMENT OF
PUBLIC INSTRUCTION

Tony Evers, PhD, State Superintendent

Bids and Form 470

- This presentation focuses on how E-rate bids must be written and conducted, but not the process of filing the Form 470
- We will hold a “Filing the Form 470” webinar on November 19
- Applicants file a Form 470 and release a bid (aka RFP) for Category 1 & Category 2 services
- A bid must be posted as part of submitting a Form 470



Bidding Must Be Transparent, Open & Fair

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



What is a Bid?

- Detailed description and request for quotations for equipment and services
- Goal is to get the best match for services and equipment at the lowest price
- Prepare to write the bid by reviewing the eligible Category 1 & Category 2 services list

Note: TEACH customers on BadgerNet do not have to solicit CAT 1 bids for Internet or Transport Service (data circuit). TEACH has already filed a Form 470 for these services, #89198000134616.



Category 1 and Category 2 Funding

1

Guiding rule:

Any service that brings internet to your building

- Transport (data circuits)
- Internet
- Connection fees
- Maintenance

2

[2020 CAT 2 Eligible Services List](#)

Guiding rule:

Any service or hardware that brings internet to students

- Switches
- Wiring
- Access points
- UPS
- Managed Internal Broadband Services
- Basic Maintenance of Internal Connections



Be Specific

- Description of products and services sought should be detailed, specific, and complete
- While you must accept bids for equivalent equipment, the more specific you are about your needs, the easier the bid evaluation will be



Critical Note: “or Equivalent”

- In bidding for hardware, if you specify a particular manufacturer and/or part number, be certain to also say: “**or equivalent**”

Example: Brand A Model # or equivalent cloud managed gigabit switch with 8-ports and POE+

- If you don't say “or equivalent,” you could be denied on the basis of a bidding violation by not giving other manufacturers the opportunity to compete



Determine 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.
- USAC has provided a sample bid evaluation matrix.
 - We strongly recommend that you adopt the USAC format.



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
TOTAL	100	65	55	80

Do I need to post separate bid documents?

- Usually, you can enter your bid narrative directly into the Form 470 and do not need to post separate bid documents
 - The Form 470 narrative is plain text and has a character limit
- If needed, a separate bid document (aka RFP) is uploaded into EPC as part of your Form 470 application:
 - Category 1 fiber projects (required)
 - Complex equipment bids (optional)
 - Local purchasing requirements/Board policy



Using an RFP Document

- Request for Proposal (RFP) Benefits:
 - Optional to Attach RFP to Form 470
 - Bring important elements to the bidder's attention
 - More space to describe your entity's situation in greater detail
 - Once filed you can't edit the Form 470 narrative field, but you can upload addenda (like responses to vendor questions) if you use an RFP document



Critical Notes About Using an RFP

- 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
- You are allowed to upload a new or replacement RFP document to the Form 470. However:
 - If you have made a significant change to the request, you must notify everyone who has bid that you have revised the request
 - You must re-start the 28-day waiting period, which means that you cannot award the bid until 28 days after you have revised the request
 - The FCC term for “significant change” is “cardinal change”



What is a “Cardinal 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

- To minimize need to refile, be thorough in your details and ensure accuracy before you post the 470



Preparing to Write the Bid

- How should the bid language be written?
 - Understand eligible Category 1 & Category 2 services
 - Evaluate Needs
 - Be Specific
 - Know Evaluation Criteria
 - Incorporate into local budget process
 - Follow local board policies



Preparing the Bid

- How should the bid language be written?
 - You do not want to be put into a position where you must consider bids that do not meet your needs
 - You will be able to disqualify ineligible bids before you begin your evaluation process
 - This will save you the trouble of responding to requests for clarification



Considerations & Preparations

- You must include information about any deadlines or local procurement requirements
 - i.e. Board policies related to bidding requirements or school schedule with students in building
- Potential bidders cannot help you in writing the RFP or in any part of the evaluation process
- Have other applicants made similar requests for funding successfully? Can you look at their Form 470 and RFPs as examples?



Facility Walkthroughs

- Facility Walkthroughs are Crucial:
 - You need the vendor to perform installation
 - You aren't sure about precise quantities of equipment and cabling
- New Construction:
 - Consider having a bidders meeting with the architect and making blueprints available for inspection



Timing

- The minimum bidding period (posted Form 470) is 28 calendar days
- Consider a longer bidding period depending on:
 - Scope of the project
 - Degree of detail in your requests
 - Requirement of a facility walkthrough
 - Number of E-rate vendors in your region
- Remember: it's not just about your schedule - you have to consider vendors' availability to respond as well



Form 470 Filed - Bid Released

- 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
 - You must answer any questions received from vendors promptly and completely
 - You must evaluate all bids using the same matrix



Choosing the Winning Bid

- 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
- 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



Receiving One Bid or No Bids

- 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.



After Accepting 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
- Tentative Timeline (based on last year's dates)
 - Now - Early February 2021: File Form 470 (issue your bid request and wait 28 calendar days)
 - January 11, 2021 - March 19, 2021: File Form 471 (request funding)



Common Bid Violations

- Failure to use price as the most heavily weighted factor in bid evaluation
 - Matrix includes other factors with equal or higher weight than price and/or
 - awarded the bid to higher-priced bidder but has no bid evaluation matrix to support the choice.
- Service type mismatch, or service sub-type mismatch
 - Post Form 470 select the incorrect sub-type



Service Type Mismatch

- Required by USAC, vendors can search requests for the kind of equipment and services that they offer
 - If you choose the wrong service type, a bidder might not find your RFP even though they are searching for that type of bid
 - If you select a service type in your RFP that does not match the type of service you are actually requesting, your request can be denied
- More details & examples in Nov. 19th Webinar, Filing Form 470



Service Type Mismatch = HUGE Mistakes

- Our presentation on the Form 470 on November 19 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



Upcoming Webinars

DPI Webinars:

- TH 11/19, 1pm - Form 470 Basics & Category 2 Overview
- W 12/9, 1pm - Preparing to File Form 471

- Additional E-rate Training, [SETDA E-rate Training Series](#)

- USAC [School & Library Division Webinar Series](#)



Thank You

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

Rachel Schemelin;
rachel.schemelin@dpi.wi.gov

Bill Herman;
bill.herman@dpi.wi.gov

Bob Bocher;
robert.bocher@dpi.wi.gov

E-rate: (608) 267-2346

<https://teach.wi.gov/>

<https://dpi.wi.gov/erate/teach-badgernet>

Matt Yeakey
TEACH Administrator
Department of Administration
Division of Enterprise Technology
teach@wi.gov
TEACH: (608) 261-5054

