

# PEPPM E-rate Bidding Guide – FY 2023

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For public schools that choose to use the PA State PEPPM Contract as the procurement option for their E-rate Category 2 applications, a Mini-Bid process must be conducted among all manufacturers that can provide that “category” of equipment in order to meet the E-rate requirement that all equivalent product lines be provided the opportunity to submit proposals. This document provides a comprehensive, yet simple, step-by-step guide to conducting your PEPPM Mini-Bid. It's important that each step be followed in order and in its entirety in order to be E-rate compliant. The additional documents needed to complete the PEPPM Mini-Bid Process can be found at: <http://e-ratepa.org> under PEPPM Contract.

## **Reminders:**

- **Reminder:** E-rate rules prohibit bidding vendors from providing the equipment list that will become part of the mini-bid. Service providers are allowed to answer general questions about the products and services they sell in response to applicant inquiries, but they may not prepare any part of a RFP or spec sheet that will be used by the applicant for conducting a competitive bid procurement.
- If you are using PEPPM, you should NOT file their own Form 470 because a Form 470 was filed for PEPPM when the contract was competitively bid in the fall of 2022. On your FY 2023 Form 471, you will cite to the PEPPM 470 number (Form 470 #: **230000227**).
- If you do not wish to use PEPPM, you must file your own Form 470 (and issue a RFP if the total purchase price is over \$21,900). Keep in mind that you must evaluate bids from equivalent product lines that have met the minimum bid requirements in the RFP (E-rate rule) and select the lowest responsible bidder (PA law).
- Each mini-bid should be for a single category only. Don't combine like you would in a regular RFP.
- PEPPM catalogue pricing and COSTARS are not eligible for E-rate.

## **Step 1. Create Equipment List**

Attachment A is a mini-bid equipment/services template that should be used when seeking PEPPM Mini-bids. Building names are not required. If installation/configuration is required, be certain to include that on your bid list. Schools must complete Columns A-F and the Compatibility/Interoperability Requirements at the bottom of the page. Vendors must complete Columns G-H. Vendors submitting a quote for an equivalent product line (different from the manufacturer listed in Column C) must complete Columns I-K. This list should then be attached to the cover e-mail described in Step 2 and sent to vendors as described in Step 3.

## **Step 2. Compose E-mail to Vendors**

Attachment B is a sample cover e-mail to vendors explaining your PEPPM Mini-Bid and setting forth the instructions to vendors on how to prepare and submit a bid. The message can/should be modified to meet your specific requirements, but it must be personalized where highlighted, and must give a due date for vendors to submit responses. Please give vendors at least 14 calendar days to respond.


**Note regarding Prevailing Wage Act:** PA public school entities are required to comply with the Prevailing Wage Act for public works projects done under contract and paid for in whole or in part out of the funds of a public body where the estimated cost of the total project is in excess of \$25,000.' In speaking with several knowledgeable school officials, they believe that structured cabling projects costing more than \$25,000 would be required to comply with the Prevailing Wage Act. You will want to check with your school district solicitor to determine if he or she believes the Prevailing Wage Act applies and if so, be sure to have vendors submit appropriate pricing in their proposals. We do not recommend that the PEPPM Mini-Bid Process be used for structured cabling projects and instead, schools should issue an RFP and Form 470.

### **Step 3. Determine All Vendors in the Relevant "Category"**

E-rate rules require that if you are using a master contract such as PEPPM where more than one vendor can provide "equivalent" equipment, you must conduct a mini-bid among all product lines in that "Category." The Categories mirror the Eligible Services List as follows:

- Wireless Equipment/Services
- Switches
- Routers
- Cabling/Antennas/Connectors
- Firewall Equipment/Services
- Racks
- UPSs
- Caching Servers

The list of all PEPPM E-rate eligible product lines and awarded vendors is in Attachment C and will be posted at <http://e-ratepa.org> under Master Contracts. The list will show all PEPPM E-rate eligible product lines, the E-rate categories of service, the Awarded Vendor, and the Awarded Vendor's contact

information. To see the product lines for a particular Category, simply click on the Filter icon  at the top of the relevant Column and uncheck the "blank" box. That will show just the manufacturer product lines with an X, indicating that the product lines include equipment in that particular Category. Using the e-mail addresses of all Awarded Vendors in a particular Category, send the cover e-mail (Step 2 above) and equipment list (Step 1 above) to seek pricing proposals. Note that you should identify your preferred manufacturer, if you have one, in the cover email.

**Manufacturer Resellers:** Each PEPPM product line has been awarded to a single vendor (Awarded Vendor); however, in some cases Awarded Vendors will identify Authorized Resellers that are bound by the PEPPM contract terms and conditions and will rely on those resellers to directly sell to customers. See the last column in the Category list to identify whether the Awarded Vendor relies on resellers. The cover e-mail to vendors asks vendors to forward the bid opportunity to their authorized resellers, or to notify the school so they can forward it to the an authorized reseller directly. Alternatively, schools may send the mini-bid to an Authorized Reseller identified in the

corresponding Reseller tab and then document in their bid evaluation a valid reason why they selected a particular Authorized Reseller. A valid reason could include: proximity to the district, previous experience with the district, E-rate experience, high references from other schools, etc.

#### **Step 4. Conduct Your Bid Evaluation**

Using the prices contained in the vendor proposals submitted by the required deadline, conduct a bid evaluation to select the successful vendor. If a vendor has not responded with a quote by your established deadline, you are not obligated to consider that vendor's equipment in your evaluation.

- Price of eligible equipment/services **must** be the most heavily weighted factor, but you may consider other factors such as previous experience with the District, references, cost to train or certify staff on new equipment, etc. So if you have 4 bid evaluation factors, price of eligible equipment/services must be weighted at least 26%. *Best practice: I recommend always making the price of eligible equipment/services be at least 51% of the bid evaluation weight. It's not a requirement, but a strong suggestion.*
- Attachment D is an Excel file containing 2 worksheets -- a sample bid evaluation matrix, and a sample completed bid evaluation matrix -- which you are welcome to use and modify.
- **Calculating Weighted Cost:** Calculations on the completed sample tab are included to show the formulas for properly weighting the value of cost. This is not an E-rate requirement, but rather a best practice that I encourage all applicants to use moving forward. If the bid evaluation is based solely on cost, this is a non-issue. But where other bid evaluation factors are considered, the steps are as follows:
  - > List the total cost of eligible equipment/services for each proposal.
  - > Divide the lowest cost proposal by cost of each other proposal to obtain the % of low cost. For example, if the lowest cost was \$100 and the next lowest cost was \$130, the formula would be  $\$100/\$130 = 77\%$
  - > Multiply this percentage factor by the number of points you're awarding in the "Cost" category. For example, if you're awarding 70 points for cost, the \$100 proposal would receive the full 70 points (the lowest cost always receives the full points for cost), and the \$130 proposal would receive 53.9 points ( $70 * .77$ ).

#### **Step 5. Notify Winning Vendor**

After conducting your bid evaluation and selecting the winning vendor, inform the winning vendor/reseller via e-mail that they have been tentatively selected to provide your E-rate Category 2 equipment and services, contingent on school board approval (if required), issuance of a purchase order and subject to receiving E-rate funding approval (if you don't intend to move forward without E-rate funding approval). See Attachment E for sample award e-mail. Finalize the exact quantities to be purchased and have the vendor provide a formal quote on vendor letterhead that will act as your Vendor Contract. Ask the vendor to include the following language in the quote. If they do not, handwrite or type it in yourself:

- Contract term for FY 2022 should be 4/1/2023 - 9/30/2024;
- Purchase is contingent on E-rate funding approval (if applicable)

The district should then sign and date the contract, after obtaining any required school board approvals. Be certain that the signing date is on or BEFORE date of filing the Form 471. The date of the school/district signature will be the contract award date.

### **Step 6. Create Contract Record in EPC**

After the district signs the vendor contract, a Contract Record must be created in EPC to list all of the bidding and contract details, as well as a copy of the signed contract. To locate the Contract Module, log into EPC, and click on the district name at the top of the Landing Page. Then select “Contracts” on the top row task bar:



Next, select “Manage Contracts” in the top right corner of the page, then “Add a New Contract”:



PEPPM-specific Contract Record answers can be found on Attachment F.