

PEPPM E-rate Bidding Information for Schools – FY 2017

For schools that choose to use the 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 must be provided the opportunity to submit proposals. This message 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.

A few important notes before you begin:

- **Before** you issue your PEPPM Mini-Bids, your district's EPC Account Administrator or Full Rights User **MUST** link your district to the PEPPM Consortium in your EPC Portal. I have attached detailed screenshots of how to do this within EPC. It's very important that this step is done before you send your mini-bid e-mails to vendors seeking proposals. If you completed this step for FY 2016, you do not need to do it again for FY 2017.
- For FY 2017, you must sign a vendor contract resulting from your PEPPM mini-bid instead of relying on the PEPPM contract for completing your Form 471. This can be as simple as signing/dating the final vendor quote (on vendor letterhead) containing equipment/services/quantities/pricing before the Form 471 is filed, listing contract term dates of 4/1/2017 - 9/30/2018 with one-year optional extension, and writing “contingent upon E-rate funding” if you plan to wait for E-rate approval before moving forward with the purchase. The contract signing date and expiration date, etc., will then be used on the Form 471 (not the PEPPM contract details).
- **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 don't know exactly what the model numbers are for the components you need, you should list the manufacturer – if you have a preference – and generally describe the components you need. For example, if you need wireless access points you would simply list wireless access points and estimate the quantity.

Alternatively, you could see input from several vendors and use those recommendations to create your bid list.

- **Timeline?** I recommend that all PEPPM Mini-Bid E-mails to vendors be issued by December 2, if possible. You can evaluate bids/finalize orders in January, and seek board approval at your February board meeting.
- If you are using PEPPM, you should NOT file a Form 470 as we filed a Form 470 for PEPPM when the contract was competitively bid in the fall of 2014. On your Form 471, you will cite to the PEPPM 470 number (Form 470 #: 245730001240230).

- 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 \$19,400). Keep in mind that you must also advertise in two local newspapers for three consecutive weeks, and you must accept bids from equivalent product lines (E-rate rule) from the lowest responsible bidder (PA law). See my Category 2 Filing Guide at http://e-ratepa.org/?page_id=754 for more information on Category 2 bidding options/requirements.

Step 1. Link Your BEN to the PEPPM Consortium in the EPC Portal

Before you issue any PEPPM Mini-Bid e-mails to vendors, your school must link to the PEPPM Consortium in your school's EPC Portal. This step can be done by the BEN's EPC Account Administrator (AA) or a Full Rights User and only must be done if it was not done in FY 2016. Attached are screenshots (Attachment A) showing how to complete this task. After logging into EPC:

- > Click on your district's name on the Landing Page (should be the first item in the Organization List).
- > Choose 'Related Actions' on the left toolbar.
- > Choose 'Manage Organization Relationships' at the bottom of the lightning bolt list.
- > Choose 'Sign Up for a Consortium.'
- > Type "PEPPM" in the name search and click 'Search.'
- > In the results window, check the box beside the PEPPM Consortium entry (Entity # 17000299) and click Submit. Confirm action.
- > Your BEN is now linked to the PEPPM Consortium and you may continue with the mini-bid process.

Step 2. Create Equipment/Needs List

Attached to this message is a mini-bid equipment/services template (Attachment B). Building names are not required, but may be useful for you to include if you want to keep track of your C2 building budgets. If installation/configuration is required, be certain to include that on your bid list. Schools must complete Columns A-F. 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-J. This list is then attached to the cover e-mail described in Step 3 and send to vendors as described in Step 4.

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Step 3. Compose E-mail to Vendors

Attached to this message is a sample cover e-mail to vendors (Attachment C) 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. You should give vendors at least 14 calendar days to respond (more if the mini-bid is conducted over the holidays).

Step 4. 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/Connectors
- Firewall Equipment/Services
- Racks
- UPSs; and
- Caching Servers

The list of all PEPPM E-rate eligible product lines, identified by Category, is attached to this message (Attachment D). 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.

Next, you must e-mail all of the vendors (using e-mail addresses in Column N) with awarded product lines in the specific Category and seek pricing proposals for your specific equipment list. Use the Mini-Bid Cover E-mail referenced in Step 3 above, and attach your Equipment List referenced in Step 2 above. 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 Column P to identify whether the Awarded Vendor relies on resellers. Where resellers can/must be used, applicants should review all of the Authorized Resellers identified in the corresponding tab and 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, possesses an E-rate SPIN number, has E-rate experience, high references from other schools, etc. To determine if the Awarded Vendor has authorized resellers, see column P of the Category List.

Step 5. 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%.
- Attached to this message 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 (Attachment E).

Step 6. 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 F 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 is 4/1/2017 - 9/30/2018 with an optional one year extension if equipment has not been delivered or installed.
- 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.
- The contract will then be uploaded in to the new EPC Contract Wizard (not yet available).

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.

If you have any questions, please contact me at jtschell@comcast.net.

-- Julie