

Bid Evaluation

Price of ELIGIBLE services/equipment must be the primary factor when constructing the evaluation of bid responses.

When reviewing and evaluating bids received for eligible services, the applicant must select the most cost-effective bid. This means that the price of eligible products and services must be the primary factor, but does not have to be the sole factor.

Other relevant evaluation factors may include, but are not limited to: prior experience including past performance; personnel qualifications including technical excellence; management capability including schedule compliance and environmental objectives. Note that the most heavily weighted price factor cannot include ineligible costs, although those can be included in an evaluation as long as they are in a separate price factor that is weighted less heavily (see the second example below).

Example 1:

The following example meets program guidelines, as the price of the eligible products and services is weighted higher than any other single factor and does not include any ineligible cost factors:

Factor	Weight
Price of the eligible products and services	30%
Prior experience	25%
Personnel qualifications	20%
Management capability	15%
Environmental objectives	10%
Total	100%

Example 2:

This second example includes an evaluation factor that addresses ineligible costs that an applicant might incur as a result of selecting a particular bid. Note that the price of the eligible products and services is still the primary factor, and the ineligible costs are included in a factor that is weighted less heavily.

Factor	Weight
Price of the eligible products and services	30%
Prior experience	25%
Ineligible cost factors	20%
Management capability	15%
Local vendor	10%
Total	100%

No Bids Received?

If you do not receive any bids in response to an Form 470 RFP, SLD suggests that you keep a written record of this fact. Various review processes, including audits, may occur after your competitive bidding process has ended, and this email or memo may be the only documentation of what happened.

If you do not receive any bids after your 28-day waiting period, you can contact service providers to solicit bids and can then review and evaluate any bids received as a result. However, remember that if you post a new FCC Form 470, issue a new Request for Proposal (RFP), or amend your existing RFP, you start a new 28-day waiting period.

Keep in mind that your state and local procurement rules may also require you to take certain actions when this situation occurs. As always, you must be in compliance with all of your state and local rules and regulations as well as Federal Communications Commission (FCC) rules.

One Bid Received?

If you receive only one bid, we suggest that you keep a written record of this fact. This will help to document that you did not just keep only the winning bid.

Disqualification Factors

Vendor Selection Disqualification Reasons

You can set out specific requirements and disqualify bids that do not meet those requirements as long as you clearly identify the disqualification reasons on your Form 470 and/or your RFP. Disqualification reasons should be determined prior to any substantive bid evaluation. Disqualification reasons cannot be scored on a range, but rather are binary – i.e., the service provider either meets the standard or does not meet the standard.

The following items are examples of common bid disqualification reasons:

- Service provider must register with the state procurement office.
- Service provider must have a Service Provider Identification Number (SPIN).
- Service provider must have a CORES ID (FCC Registration Number).
- Service provider must be bonded.
- Service provider must offer discounted billing.
- Bid not timely received.

If you feature these six requirements as bid disqualification reasons, then bids from service providers that do not meet all of these requirements are disqualified and not evaluated further. The remaining bids must then be evaluated with the price of the eligible products and services as the factor that is weighted most heavily in the bid evaluation.

Mandatory Walkthroughs and Bidders Conference as Disqualification Reasons

You can require that bidders participate in a walkthrough of your facility or attend a bidders' conference in order to submit a bid. As long as you have clearly stated in your Form 470 and/or RFP that not attending these events is a reason for disqualification, you can disqualify bids from service providers that were not present at these events.

However, you must be sure that all bidders had access to this information and have timely notice so that they have a reasonable opportunity to attend.

Multi-tiered Vendor Evaluations

If you use a multi-tiered or multi-round evaluation process, the price of the eligible products and services must be the primary evaluation factor (most heavily weighted) overall. The Best and Final Offer (BAFO) process is considered a multi-tiered evaluation process.

The following is an example of such a process:

In the first round, the applicant uses the following evaluation criteria:

- **Price of eligible services and products (50 points)**
- Prior experience with the applicant (25 points)
- Reference check (25 points)

Bidders that do not receive at least 70 points in the first round are eliminated and not considered any further.

In the second round, the applicant uses the following evaluation criteria:

- **Price of the eligible products and services (40 points)**
- Technical solution (35 points)
- Price of any ineligible products and services needed in order to make the solution work (25 points)

Although the applicant did not consider bids that did not meet the 70-point threshold, the first round is not a disqualification because bidders were scored subjectively on references and prior experience with the district. In this example, overall the primary factor was the price of the eligible products and services (90 points). In each round, price of E-rate eligible services was considered and was weighted most heavily, so that price was the primary factor considered.

E-Rate Bid Assessment Worksheet

Project or Service Description

INSERT BRIEF DESCRIPTION OF SERVICE HERE

Insert Evaluation Criteria Here. Please note that these are just examples and not requirements.

Insert Names of Vendor Here

Vendor Scoring (use additional worksheets if necessary)

Selection Criteria	Weight*	Vendor # 1		Vendor # 2		Vendor # 3		Vendor # 4		Vendor # 5	
		Raw Score**	Weighted Score***	Raw Score	Weighted Score	Raw Score	Weighted Score	Raw Score	Weighted Score	Raw Score	Weighted Score
Price of Eligible Services/Equipment											
Understanding of Needs											
Prior Experience											
Personnel Qualifications											
Financial Stability											
Cost to Change Providers											
Other (describe)											

Remember: Price of eligible services must be the most heavily weighted factor. So the number in this cell should be higher than any others below it.

Overall Ranking 100%

Vendor Selected:
Approved By:
Title:
Date:

Notes:
 * Percentage weights must add up to 100%. **Price must be weighted the heaviest.**
 ** Evaluated on a scale of 1 to 5: 1=worst, 5=best.
 *** Weight x Raw Score

Sample Bid Evaluation Matrix

Hover over each paragraph on the right to see the area of the bid evaluation matrix with which it corresponds.

FACTOR	POINTS AVAILABLE	VENDOR 1	VENDOR 2	VENDOR 3
Price of the eligible products and services	30*	15	30	25
Prior experience with the vendor	20	20	0	20
Prices for ineligible services, products, and fees	25	20	15	25
Flexible invoicing: FCC Form 472 or FCC Form 474	15	0	15	15
Local or in-state vendor	10	10	8	7
TOTAL	100	65	68	92

Important things to note about this sample:

*This number must be higher than all other numbers in the same column.

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.

Memo No Competitive Bids

[APPLICANT LETTERHEAD]

TO: FILE

FROM: _____

DATE: _____

Form 470# _____

Services/Equipment Requested _____

In response to the above-referenced Form 470, the Applicant did not receive any bids or proposals for the above-referenced services/equipment.

Check if applicable.

The Applicant contacted [insert name of service provider] and obtained a proposal for the services and/or equipment. The Applicant determined that the proposal is a cost effective solution for meeting the Applicant's educational and technology plan goals in the marketplace and will procure services from this service provider.

The District decided to continue to receive services from its existing service provider at cost-effective prices.

Contract Guidance

In general, a contract is a binding agreement, enforceable by law, between two or more parties that creates an obligation to do, or not do, something. Contract definitions and requirements are contained in each state's or territory's contract law.

Except for services to be delivered under non-contracted tariffed or month-to-month arrangements, applicants must sign a contract or other legally binding agreement with the service provider before submitting a completed Form 471 (Description of Services Ordered and Certification Form). Applicants must be able to demonstrate that they had a signed and dated contract or other legally binding agreement in place at the time they submitted a completed Form 471.

Applicants also must comply with state and/or local contract law. **Obtaining the service provider signature and date is not a program requirement**, but state and/or local contract law may include this or other compliance requirements.

A verbal agreement is not considered a legally binding agreement.

Signatures and Examples

Acceptable standards for applicant signature and dated contract examples:

- Applicant handwritten signature and signature date
- Date contract awarded may be contained in the body of the contract
- Date contract awarded in the opening statements of the contract

Verbal agreements and quotes do not meet FCC requirements. Generally, purchase orders do not meet USAC contract guidelines. If applicants intend to use a purchase order as their contract, it is strongly recommended that you verify ahead of time that purchase orders meet state and/or local contract requirements, and that the PO signed prior to the submission of your Form 471 application in order to ensure that it meets the contract signature requirements.

Types of Contracts

Qualified Existing Contract

- A signed, written contract executed pursuant to the posting of a Form 470 in a previous funding year.
- A contract signed on or before July 10, 1997 and reported on a Form 470 in a previous year as an existing contract. Note: These contracts are EXTREMELY rare.

Tariffed Services Provided under Contract

A tariffed service provided under contract is a service offered under one or more tariffs and for which a contract has been signed. In all cases, funding requests for which a contract has been signed should be reported as contracted services. The Form 471 funding request must include the contract award date, the expiration date, and the contract number (if available).

Multi-Year Contracts and Contracts Including Voluntary Extensions

A multi-year contract means a contract that covers more than one year. For example, a three-year contract is a multi-year contract that would expire at the end of the third year. A contract including voluntary extensions is a contract that expires at the end of its original term and may be voluntarily extended for one or more years pursuant to the provisions in the contract. However, note that the decision to extend a contract with voluntary extensions must occur before the Form 471 is filed for the funding year when the contract would otherwise expire.

- For contracts signed pursuant to a Form 470 posted for Funding Years (FY) prior to FY 2011, to comply with FCC competitive bidding requirements the applicant must have indicated in its Request for Proposals (RFP) and/or on the Form 470 its intent to enter into a multi-year contract for services or a contract that includes voluntary extensions. The applicant must also indicate the type of services for which it is seeking a multi-year contract or a contract with voluntary extensions.
- For contracts signed pursuant to Form 470s posted for funding years beginning with FY 2011, an applicant can sign a multi-year contract or a contract with voluntary extensions without indicating this intent.

In the event the contract does not indicate voluntary extensions, the contract cannot be extended beyond its original expiration date without posting a new Form 470.

Non-Recurring Service Voluntary Extensions

FCC rules grant a limited extension of the competitive bidding rules for contracts for *non-recurring* services. Contracts for nonrecurring services may be voluntarily extended to coincide with the appropriate deadline for the implementation of delivery and installation for nonrecurring services]. Parties may not, however, extend other contractual provisions beyond the dates established by the Commission's rules without complying with the competitive bidding process. If an applicant is granted an extension of time for delivery and installation of non-recurring services, the applicant may extend the relevant contract without rebidding. Applicants must file a Form 500 to notify USAC of the revised contract expiration date.

Multi-Year Contracts for Newly-Eligible Services

If the original Form 470 or RFP did not include the newly-eligible services, the applicant will be required to post a new Form 470 for those services.

EPC Contract Module

After a contract is signed, a "contract record" must be created in the EPC Contract Module. The contract itself is not required to be uploaded, but all of the details related to that contract must be provided in the record. These details include:

- Form 470 number used to procure the service
- Contract signing date
- Contract expiration date
- Whether voluntary extensions are included, and if so, how many

When the Form 471 is created, the system will ask whether the service is a MTM service or a contract service. If it's a contracted service, the system will ask which contract in the Contract Module

corresponds to that particular Funding Request. The most beneficial aspect to the Contract Module is that applicants don't have to enter and re-enter contract data for each FRN and for each funding year.

Tariffed Services and Non-Contract Services

What are tariffed services?

Tariffed services are those voice phone and data transmission services that have terms and conditions, including pricing, set forth in documents called tariffs that are on file with state Public Utility Commission (PUC) and/or the Federal Communications Commission (FCC). Usually, basic voice phone service and other data transmission services provided by a telecommunications common carrier are considered as tariffed. Tariff service refers only to voice and/or data transmission services, and not Internet access service. Internet access service providers are not regulated by state PUCs and do not file tariffs.

What are non-contract services?

Some telecommunications companies that provide Category 1 voice and/or data transmission services are not regulated by state public utility commissions and/or do not file tariffs. These companies may offer services on a month-to-month basis and may not require customers to sign a contract. Most commonly, cellular and paging companies may offer these service arrangements. Also, Internet access service providers may offer month-to-month non-contract services. Additionally, some state legislatures may have eliminated the requirement for telecommunications common carriers to file tariffs with the state PUC and these companies may simply provide non-contract services as well.

Under the E-rate program, the SLD does not recognize multi-year tariff arrangements. Multi-year tariff arrangements must be treated as contracts. Under the E-rate program, such arrangements must be considered as contracts (see Multi-Year Tariff Arrangements attached).

Only Category 1 services may be provided as a tariff or month-to-month, non-contractual arrangement. All Category 2 services and/or equipment purchases must be purchased pursuant to a signed contract. Please refer to the separate document concerning contracts for more information.

How should tariffed and non-contract services be handled on my Form 470?

Applicants seeking discounts for services purchased without a contract arrangement – either via a tariff or a price quote from a vendor -- must request bids for these services each year on a Form 470. This 470 posting must be done every year after the SLD releases the upcoming funding year's version of the Form 470. Some applicants simply rely on July 1 as the earliest date for which they can post their Form 470 for the next year in the case of tariffed or month-to-month services. (For example: if you are seeking E-rate discounts for the program year beginning July 1, 2017, you would normally submit the 470 on or after July 1, 2016).

How should I handle tariffed and non-contract services on my Form 471?

After your Form 470 has been posted on the SLD Web Site for 28 days, you must evaluate all bids received and select the most cost-effective bidder. If your current service provider does not submit a bid, you may rely on a recent bill as a bid. If your current service provider offers the most cost effective service, you may continue using this vendor; otherwise, you are required to change vendors to receive service from the most cost effective bidder. Before selecting the most cost-effective vendor, you must consider all proposals received in response to your Form 470.