

PEPPM E-rate Bidding Guide – FY 2018

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 guide 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 Master Contracts and also are linked in this message.

Updates/Changes to PEPPM Mini-Bid Process for FY 2018:

- **Additional Product Lines:** A few additional product lines were competitively bid in fall 2017, and will be added to the PEPPM Contract beginning January 2, 2018. PEPPM mini-bids issued prior to January 2, 2018 cannot include these new product lines; however, for PEPPM mini-bids issued on or after January 2, 2018, these product lines/awarded vendors must be included with your PEPPM mini-bid. A new, updated Category List will be sent to the PA E-rate listserve with these additions on January 2, 2018. The product lines that will be added are:

Actiontec	Mimosa Networks
Baicells Technologies	Mist Systems
Barracuda	Mojo Networks
Cambium Networks	PacketViper LLC
Cradlepoint	Proxim Wireless
DragonWave	Ubiquiti
Huawei	West Penn Wire

- **Service Start Date on Form 471:** On the FY 2018 Form 471 and Form 486, the Service Start Date for all Category 2 FRNs should be 7/1/2018 (not 4/1/2018). Although it's important for your contract term to begin 4/1/2018 so you have the option to purchase/install the equipment prior the start of the funding year, the E-rate EPC system does not like dates that are technically outside of the E-rate funding year. Therefore, the guidance from FY 2016/FY 2017 has changed – the Service Start Date on the Form 471 and Form 486 should never be before 7/1/2018. As long as your contract term is on or after 4/1/2018, you will still be able to purchase the equipment early, per E-rate rules.
- **Calculating Weighted Cost:** For Step 5 - Bid Evaluation, I included the calculations on the completed sample tab 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 ($70 * .77$).

Important Notes Before You Begin:

- **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.
- **Timeline?** I recommend that all PEPPM Mini-Bid E-mails to vendors be issued by December 1, if possible. You can evaluate bids/finalize orders in late December/early January, and seek board approval at your January or 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 accept bids from equivalent product lines (E-rate rule) from the lowest responsible bidder (PA law).

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, if you have not done so previously. This step can be done by the BEN's EPC Account Administrator (AA) or a Full Rights User. Attachment A (available at <http://eratepa.org/wp-content/uploads/2017/11/A-Linking-to-PEPPM-Consortium.pdf>) provides screenshots 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 top 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

Attachment B (<http://e-ratepa.org/wp-content/uploads/2015/01/B-Sample-Equipment-Bid-List.xlsx>) is a mini-bid equipment/services template that should be used when seeking PEPPM Mini-bids. Building names are not required, but are recommended to make it easy 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 should then be 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

Attachment C (<http://e-ratepa.org/wp-content/uploads/2015/01/C-Sample-PEPPM-Mini-Bid-Cover-E-mail-to-Vendors-2018.docx>) 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 (more if the mini-bid is conducted over the holidays).

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.

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 (through January 1, 2018), identified by Category, is Attachment D (http://e-ratepa.org/wp-content/uploads/2015/01/D_PEPPM_E-rate_Category_List_FY_2018_v15.xlsx). 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. For example, if you filter by UPS, you will see there are 8 manufacturers on PEPPM that sell UPS equipment.

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%. *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 E (<http://e-ratepa.org/wp-content/uploads/2015/01/E-Bid-Evaluation-Matrix-PEPPM-Sample-FY-2018.xlsx>) 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.

Step 6. Notify Winning Vendor

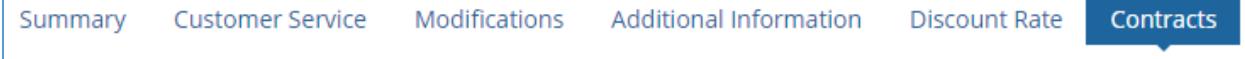
After conducting your bid evaluation and selecting the winning vendor, inform the winning vendor/reseller via e-mail that they have been tentatively selected to provide your E-rate Category 2 equipment and services, contingent on school board approval (if required), issuance of a purchase order and subject to receiving E-rate funding approval (if you don't intend to move forward without E-rate funding approval). See Attachment F (<http://e-ratepa.org/wp-content/uploads/2015/01/F-Sample-Award-Notification-to-Winning-Vendor.docx>) 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 2018 is 4/1/2018 - 9/30/2019;
- 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 7. 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 G (<http://e-ratepa.org/wp-content/uploads/2015/01/G-PEPPM-Related-Contract-Module-Data-Points.xlsx>) and are as follows:

Field Name:	Comments/Answers:
Contract Nickname	This is a nickname the applicant assigns to their vendor contract - Make it a good one! For example, FY 2018-VendorName-HP Switches [FY-Vendor Name-Service Type]
Contract Number - Optional	Most contracts wouldn't have a contract number.
Contract ID Number	Assigned by EPC
Do you wish to upload your contract?	Upload a copy of your signed vendor contract, because if you don't, PIA will ask for it during their review. This will be the contract resulting from your PEPPM mini-bid procurement.
Is this contract based on a State Master Contract?	Select YES if using PEPPM
Is this contract based on a Multiple Award Schedule?	Select YES if using PEPPM
Can other applicants piggy-back off this contract?	Select NO if using PEPPM
Was a Form 470 posted for the product/services you are requesting?	Select YES . A 470 was posted when the main PEPPM contract was bid.
How many bids were received?	List the # of bids you received from vendors during your PEPPM-mini-bid procurement.
Was the 470 posted prior to FY 2016?	Select YES . The PEPPM Form 470 was posted prior to FY 2016.
Form 470 #	Enter the 470 # manually: 245730001240230
Account Number - Optional	Optional
SPIN	List the SPIN number of the vendor with whom you signed a contract. (9-digits, starts with 143XXXXXX)
Is this a multi-year contract?	Generally, NO . PEPPM-based contracts are NOT multi-year contracts unless they are for basic maintenance.
What was the date you awarded your contract?	List the date you signed your vendor contract resulting from the PEPPM mini-bid procurement.

Contract Expiration Date - not in Contract Module	Note: The Contract Module does <u>not</u> ask for the Contract Expiration Date. Instead, you must enter it when you create your FRN in the Form 471. List this as 9/30/2019.
Does this contract include voluntary extensions?	Generally, PEPPM-based contracts will <u>not</u> include voluntary extensions.
Is there a statute, rule, or other restriction which prohibits publication of the specific pricing information for this contract?	Select NO . There is no such statute or rule in PA that prohibit the release of your contract prices.