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Bid Evaluation

Twenty-eight days have passed, and it's time to evaluate the bids you received from your form 470/ RFP. With excerpts taken from the Universal Service Administration Co. (USAC), here's everything we think you need to know when evaluating your bids:

Let's start with what to do if you only receive one bid.

Even though you only received one bid, that bid must adhere to the cost-effective bid requirement.

If that bid is not the most cost-effective solution, you can proceed like you did not receive any bids, which you will learn about below!

Here is what to do if you did not receive any bids on your form 470/ RFP.

First off, this is totally okay!

You can still seek bids. If you currently receive service from a service provider, you can ask them to submit a response to your form 470. To proceed, you can sign a one-year contract and use the next year to have pre-season conversations with multiple vendors to find the product/ solution that best suits your district's needs.

E-Rate encourages you to shop around vendors!

Note that depending on when you release your form 470/ RFP, you may have enough time to file a new form 470/ RFP if you did not receive bids or find the most cost-effective solution. Just remember you must allow a twenty-eight-day response window. (This does not apply for this funding year as we are too close to the 471-filing window for you to release a new form 470/RFP for the FY 2023.)

Tip: The next time you release a form 470/RFP, you should ask for exactly what solution you want. Make it clear as day for your bidding vendors to put together a proposal that complies with all your requirements. This will help you get more bids and help you compare your bids apples to apples rather than apples to oranges!

Now the exciting part is what to do if you receive multiple bids!!!

Your competitive bidding process has come to a close, and it's time to evaluate the bids received and choose the most cost-effective bid.

Cost-Effective Bid- What does this mean? This means when building your bid evaluation/ scoring matrix you can consider/ include as many factors as you want during your bid evaluation, but the price of the eligible products and services must be the main factor. It must be weighted more heavily than any other factor in your evaluation.

Now let's walk through an example showing how this works!

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1.855.482.RACK
info@wanrack.com
www.wanrack.com

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Note this is, for example purposes ONLY!

The district asks for 1G at each edge site and 16G back at the hub. Below is the decision/ scoring matrix that was included in their RFP.

As you can see, price was weighted as the largest factor in their decision matrix.

This district received two bids:

Vendor A is a Private Fiber company offering unlimited bandwidth that is going to charge you $4,000 for delivering 1G at each of the 16 edge sites and 16G back to the Hub.

Pricing	25 Pts.
References	15 Pts.
Design	15 Pts.
Eligible Items	15 Pts.
Complete RFP	15 Pts.
Scalability	15 Pts.
Total	**100 Pts.**

Vendor B is an ILEC/ Cable company, charging the district $2,500 but they are only going to give the district 4G, which is a fourth of what they asked for!

Vendor A scored as followed:

Pricing	5 Pts.	25 Pts.
References	15 Pts.	15 Pts.
Design	15 Pts.	15 Pts.
Eligible Items	15 Pts.	15 Pts.
Complete RFP	15 Pts.	15 Pts.
Scalability	15 Pts.	15 Pts.
Total	**80 Pts.**	**100 Pts.**

Vendor B scored as followed:

Pricing	25 Pts.	25 Pts.
References	10 Pts.	15 Pts.
Design	10 Pts.	15 Pts.
Eligible Items	9 Pts.	15 Pts.
Complete RFP	10 Pts.	15 Pts.
Scalability	5 Pts.	15 Pts.
Total	**69 Pts.**	**100 Pts.**

Vendor B is cheaper, but that doesn't mean they are the most cost-effective solution. E-Rate asks districts to evaluate their bids over a 20-year TCO. Vendor B will go up in price over the long run, while Vendor A will most likely go down in price. We call this the best TCO (total cost of ownership). Even though vendor A got a 5/25 Pts for price, they are still the most cost-effective solution. You can have a vendor that wins because of overall points, not because they have the lowest price. Price and cost are two different factors. Being Cost-effective doesn't always mean being the lowest price.

USAC has many resources available to both service providers and school districts. Be sure to check out their website!

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