

FCC Appeal of USAC Decision
Detroit Public School District - BEN 130944 – FY2014

July 6, 2016

Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-A325
Washington, DC 20554 *(submitted electronically via ECFS)*

Appeal – CC Docket Nos. 96-45 and 02-6

USAC Appeal Decision Date: June 8, 2016
Form 471 Number: 956114
Funding Request Number (FRN): 2616428
Funding Year: 2014-2015
Billed Entity Name: Detroit Public School District
BEN: 130944

Contact Information:

Contact Person Name: Jon Brent
Contact Person Phone: 313-576-0335
Contact Person Fax: 313-873-3209
Contact Person E-Mail: jon.brent@detroitk12.org

Decision being appealed: USAC “Administrator’s Decision on Appeal” dated June 8, 2016.

Text from USAC Denial Letter (SLD Denial Letter is included as Att 1a)

“After a thorough investigation, it was determined that funding commitment for FRN 2616428 must be rescinded in full. The price of eligible products and services was not the primary factor in the vendor selection process. This determination was based on the applicant considering ineligible phone costs in the overall implementation price as the primary factor in determining the winning vendor...”

Background:

This FRN represents the second year (FY2014) of a multi-year contract. When SLD denied the FRN for FY2015 – their action resulted in two Commitment Adjustment Letters (FY2014 and FY2013) that request repayment of all funds received in those years. This appeal is for FY2014. We currently have FCC appeals pending for FY2015 and FY2013 as well.

This COMAD was triggered by the denial of our FY2015 FRN. We appealed that denial to SLD and it was not approved. We have escalated that appeal to the FCC (filed May 13, 2016 - FCC Confirmation Number 2016513620306). We are presenting the same arguments here that we included on our previous appeal of the FY2015 FRN2757108. We are also including several new attachments and text below to demonstrate our points regarding the evaluations and the cost allocation guidelines in place at the time of the award in FY2013.

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This contract was originally awarded in FY2013. We received funding approval in 2013 and 2014 and in FY2015 we were denied.

During the 2015 review process, we believe that the SLD:

- (a) misinterpreted our evaluation documents by concluding that our scoring process did not give eligible products and services more weight than any other single factor.
- (b) also incorrectly based their assessment on current (FY2015) rules for the cost allocation of ineligible equipment. The rules were different in FY2013 and since our evaluation took place in FY2013 we believe that those rules should have been the basis.

Attachment 2 shows the final PIA review and our agreement to remove the ineligible services of Auto Attendant and Voicemail. (PIA never did advise us of any intention to deny the FRN.)

Attachment 3 shows the final SRIR review and our response.

Details of this appeal:

(The evaluation summary and details are attached as Att's 4, 5, 5a and 5b)

The FRN in question was based on a State Master Contract with Wayne RESA. Prior to filing the original FRN in 2013, DPS performed its own RFP process as well. The evaluations included responses to both RFPs. There were three bidders to be compared: AT&T, CSI/Encore and Windstream. The winning proposal was CSI/Encore, the second place respondent was AT&T and Windstream was last. We assume that there is no disagreement about eliminating Windstream and we will focus on the comparison of AT&T to CSI/Encore.

As we stated in our response to SRIR for 2015, we strongly disagreed with this denial on two major points that were spelled out in our response and re-stated perhaps more clearly below:

1. **Our scoring of the responses was based most heavily on eligible items:** In our initial response and on the evaluation summary, all costs are shown (both eligible and ineligible). **However, as can be seen from attachment 5a, the scoring and assignment of points was based on the eligible items only which are shown below – it did not include phones or other ineligible items.** The ineligible items were listed on the document for completeness per our procurement requirements but were not part of the scoring.

To clarify this point – we have included Attachment 5, 5a and 5b. Att 5 is the evaluation summary that we sent to the reviewer. Att 5a is the same document with some of the lines re-arranged and the totals re-grouped to demonstrate that the evaluation reached the correct conclusion based on SLD guidelines. The raw reviewer's numerical scores are included as attachment 5b. The first year's cost of ELIGIBLE services clearly favors CSI. The overall evaluation should be accepted by SLD as meeting SLD guidelines.

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Att 5: Encore VoIP 2013 E rate cost eval detail 3-4-2013

Pricing Evaluation
3/1/2013

This pricing model reflects monthly recurring service charges , and non recurring one time project charges for the three competing Hosted VOIP Solution.

Lines below have been re-arranged to clarify evaluation process but no changes were made to any bid amounts.

AVERAGE EVALUATION SCORE COST EFFECTIVENESS		10		30		20	
E-Rate Eligible %	Line Item Monthly Recurring Charges	Windstream - VOIP		Wayne/RESA CSI - VOIP Only		DPS - AT&T - VOIP	
		Quantity	5 year term	Quantity	3 year term	Quantity	3 year term
100%	Basic VOIP service	4000	\$140,000	4000	\$70,000	1000	\$6,750
100%	Enhanced VOIP Service	1000	\$35,000	1000	\$25,000	4000	\$32,000
100%	Internet connection			1	\$3,500		
100%	USF Fees	inc		1	\$1,425	1	\$1,425
100%	MRC Total monthly 5000 stations		\$175,000		\$99,925		\$40,175
	Non Recurring Charges						
100%	analog / digital gateway (audiocode)	225	\$112,500	0		225	\$72,000
100%	UPS	0		0		225	\$218,250
100%	Broadtouch communicator	0		0		3000	\$69,000
100%	Activation Service internet connection			1	\$8,400		
60%	install charge					1	\$875,000
100%	site survey charge					1	\$150,000
	Project cost one time fee	1	\$1,200,000	1	\$229,200		\$0
	NRC Total one time charges 5000 lines		\$1,312,500		\$237,600		\$1,384,250
	MRC Year One 5000 stations		\$2,100,000		\$1,199,100		\$482,100
	Total Elig Items Year One		\$3,412,500		\$1,436,700		\$1,866,350

As evidence that we understood and planned to consider eligible items we even included that language (excerpted below from p16 of Att 11) in the RFP issued by DPS:

Contract Performance Measurement will include review of the following criteria:

- price of **eligible** services (proposed rates, discounts and fees)
- term plan commitments
- quality of service
- reliability of service
- customer service support
- accurate billing that provides specialized reports
- financial stability and long-term viability
- References
- SLA performance

2. **SRIR incorrectly applied FY2015 criteria (“no free phones”) to a 2013 RFP process:** The SLD’s website has changed in many ways over the years. In FY2013 the website guidance on ‘Free Services’ stated:

“A cost allocation is not required when the free product or service is available to the public or a class of subscribers broader than just E-rate recipients. For example, many cell phones are free or available at discounted prices with the purchase of a two-year

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*service contract. **Applicants are free to take advantage of these deals without cost allocation**, but cannot accept other equipment with service arrangements that are not otherwise available to some segment of the public or class of users.*

<http://www.usac.org/sl/applicants/step02/free-services-advisory.aspx>

If, following the guidance stated on the website that cost allocation is not required, we contend that it is not necessary to remove the equipment in question from evaluation in the RFP process. If this is not to be followed, then what is the value of the ‘free service advisory’? We understand that this rule is no longer in effect, but it certainly was when we did our evaluation for our FY2013 application.

Attachments 8, 9 and 10 further prove our point:

Att 8 is the directive from FCC to USAC (FCC DA 10-2355 dated December 15, 2010). On page 4 (footnote 25) the FCC makes it clear that cost allocation is not required under certain conditions. These conditions were exactly those in which DPS made its selection.

Att 9 is USAC’s Service Provider Call Notes from January 9, 2013. See item A2 on page 4 that re-states the FCC’s guidance (excerpt below).

“A2. Here is the complete text added to the Free Services Advisory:

*A cost allocation is not required when the free product or service is available to the public or a class of subscribers broader than just E-rate recipients. For example, many cell phones are free or available at discounted prices with the purchase of a two-year service contract. **Applicants are free to take advantage of these deals without cost allocation**, but cannot accept other equipment with service arrangements that are not otherwise available to some segment of the public or class of users.*

This text comes from a footnote in the FCC Order DA 10-2355. We do not yet have clarification on free products or services other than cell phones, and we will share any additional guidance when we receive it.”

Att 10 is a page from the website of E-Rate Central from January, 2013 which demonstrates the user community’s interpretation of the above guidance. See the text that says:

*“There is still confusion over the Free Services Advisory and whether or not cost allocation is required when the free product is available to the public or a class of subscribers broader than just E-rate recipients. **The SLD clarified that while a decision has been made on cell phones, the matter is still be discussed at the FCC regarding other products.**”*

It is also worth noting that the two other ineligible services called out in the FCDL (voicemail and auto attendant), were ELIGIBLE in FY2013 and were included in the evaluation as well.

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With or without cost allocation of the phones, Encore was still the clear winner based on the cost of ELIGIBLE items.

Summary and Requested Action:

DPS made every effort to follow SLD guidelines and advisories in the evaluation of these providers. In addition, the denial of this and the related FRNs have resulted in severe financial hardship for our district. We request that FCC reconsider and reverse their COMAD decision.

We appreciate your time and consideration.

Sincerely,
Jon Brent
EXEC DIR DEPLOYMENT AND TECH SUPPORT
Detroit Public Schools
3031 West Grand Blvd.
Detroit, MI 48202
Ph: 313-576-0335
Fax: 313-873-3209
jon.brent@detroitk12.org
(submitted electronically via ECFS)

Attachments Included below:

- Att 1a: USAC Denial of Appeal Letter dated June 8, 2016
- Att 1b: COMAD Letter for FY2014 dated February 29, 2016
- Att 1c: Funding Commitment Decision Letter dated 01-07-2016
- Att 2: PIA review letter and DPS response dated Nov 30, 2015
- Att 3: SRIR review letter and DPS response dated Dec 1, 2015
- Att 4: Encore VoIP 2013 E rate cost eval summary 3-4-2013
- Att 5: Encore VoIP 2013 E rate cost eval detail 3-4-2013
- Att 5a: Encore VoIP 2013 E rate cost eval detail 3-4-2013 Revised 01-23-16
- Att 5b: Encore VoIP 2013 E rate cost eval raw scores
- Att 6: DPS-BTU Signed Letter of Agency
- Att 7: DPS Appeal to USAC of FY2015 VoIP Filed February 8, 2016
- Att 8: FCC DA10-2355 – December 2010
- Att 9: USAC 01-2013-SL – Service Provider Call Notes January 2013
- Att 10: E-Rate Central USAC Service Provider Call Notes interpretation
- Att 11 - DPS Voice Services RFP 2013



Administrator's Decision on Appeal – Funding Year 2014-2015

June 08, 2016

Jon Brent
Detroit Public School District
3031 West Grand Blvd
Detroit, MI 48202

Re: Applicant Name: DETROIT PUBLIC SCHOOL DISTRICT
Billed Entity Number: 130944
Form 471 Application Number: 956114
Funding Request Number(s): 2616428
Your Correspondence Dated: April 27, 2016

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2014 Notification of Commitment Adjustment Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision. If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 2616428
Decision on Appeal: **Denied**
Explanation:

- After a thorough investigation, it was determined that funding commitment for FRN 2616428 must be rescinded in full. The price of eligible products and services was not the primary factor in the vendor selection process. This determination was based on the applicant considering ineligible phone costs in the overall implementation price as the primary factor in determining the winning vendor. FCC rules require that applicants select the most cost-effective product and/or service offering with price being the primary factor in the vendor selection process. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. Ineligible products and services may not be factored into the cost-effective evaluation. Since price was not the primary factor in the vendor selection process, the commitment was rescinded in full and USAC made a decision to seek

recovery of any improperly disbursed funds from the applicant. In your appeal, you did not demonstrate that USAC's determination was incorrect. Consequently, your appeal is denied.

- FCC rules require that applicants select the most cost-effective products and/or services offering with price being the primary factor. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. *See* 47 C.F.R. sec. 54.511(a); also, Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas, et al., Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., SLD Nos. 321479, et al., CC Docket Nos. 96-45, 97-21, Order, 18 FCC Rcd 26407, 26429, FCC 03-313 para. 50 (rel. Dec. 8, 2003). Ineligible products and services may not be factored into the cost-effective evaluation. *See* Common Carrier Bureau Reiterates Services Eligible for Discounts to Schools and Libraries, CC Docket No. 96-45, Public Notice, 13 FCC Rcd 16570, DA 98-1110 (rel. Jun. 11, 1998).

Since your appeal was denied in full, dismissed or cancelled, you may file an appeal with the FCC. Your appeal must be postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found under the Reference Area/"Appeals" of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

Jon Brent
Detroit Public School District
3031 West Grand Blvd
Detroit, MI 48202

Billed Entity Number: 130944
Form 471 Application Number: 956114
Form 486 Application Number:



Schools and Libraries Program

Notification of Commitment Adjustment Letter

Funding Year 2014: July 1, 2014 - June 30, 2015

February 29, 2016

JON BRENT
DETROIT PUBLIC SCHOOL DISTRICT
3011 WEST GRAND BLVD
DETROIT, MI 48202

Re: Form 471 Application Number: 956114
Funding Year: 2014
Applicant's Form Identifier: 47101-2014
Billed Entity Number: 130944
FCC Registration Number: 0012352134
SPIN: 143037077
Service Provider Name: Encore Technology Group, LLC
Service Provider Contact Person: Chris Davis

Our routine review of Schools and Libraries Program (SLP) funding commitments has revealed certain applications where funds were committed in violation of SLP rules.

In order to be sure that no funds are used in violation of SLP rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see <https://www.fcc.gov/encyclopedia/red-light-frequently-asked-questions>.

TO APPEAL THIS DECISION:

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC, your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRNs) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

We strongly recommend that you use one of the electronic filing options. To submit your appeal to USAC by email, email your appeal to appeals@sl.universalservice.org or submit your appeal electronically by using the "Submit a Question" feature on the USAC website. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to us by fax, fax your appeal to (973) 599-6542.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Program - Correspondence Unit
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

For more information on submitting an appeal to USAC, see "Appeals" in the "Schools and Libraries" section of the USAC website.

FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letters" posted at <http://www.usac.org/sl/tools/samples.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with SLP rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Program
Universal Services Administrative Company

cc: Chris Davis
Encore Technology Group. LLC

Funding Commitment Adjustment Report for
Form 471 Application Number: 956114

Funding Request Number: 2616428
Services Ordered: TELCOMM SERVICES
SPIN: 143037077
Service Provider Name: Encore Technology Group. LLC
Contract Number: WCR-MI-2013-VOICE
Billing Account Number: VARIOUS
Site Identifier: 130944
Original Funding Commitment: \$2466,944.40
Commitment Adjustment Amount: \$2466,944.40
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$323,491.46
Funds to be Recovered from Applicant: \$323,491.46
Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. The price of eligible products and services was not the primary factor in the vendor selection process. This determination was based on the applicant including ineligible phone costs in evaluating the price of the service. FCC rules require that applicants select the most cost-effective product and/or service offering with price being the primary factor in the vendor selection process. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. Ineligible products and services may not be factored into the cost-effective evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.



Schools and Libraries Division

FUNDING COMMITMENT DECISION LETTER
(Funding Year 2015: 07/01/2015 - 06/30/2016)

January 7, 2016

JON BRENT
DETROIT PUBLIC SCHOOL DISTRICT
3011 WEST GRAND BLVD - SUITE 1000
DETROIT, MI 48202

Re: FCC Form 471 Application Number: 1004196
Billed Entity Number (BEN): 130944
Billed Entity FCC Registration Number (FCC RN): 0012352134
Nickname: DPSCAT1 2015

Thank you for your Funding Year 2015 application for Universal Service Support and for any assistance you provided throughout our review. The current status of the funding request(s) in the FCC Form 471 application cited above and featured in the Funding Commitment Report(s) (Report) at the end of this letter is as follows.

- The amount, \$4,329,816.60 is "Approved."
- The amount, \$630,672.00 is "Denied."

Please refer to the Report following this letter for specific funding request decisions and explanations. The Universal Service Administrative Company (USAC) is also sending this information to your service provider(s) so preparations can begin for implementing your approved discount(s) after you file FCC Form 486, Receipt of Service Confirmation and Children's Internet Protection Act and Technology Plan Certification Form. A guide that provides a definition for each line of the Report is available in the Guide to USAC Letter Reports in the Reference Area of our website.

NEXT STEPS

- Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full.
- Review Children's Internet Protection Act (CIPA) requirements.
- File FCC Form 486.
- Invoice USAC using the FCC Form 474, Service Provider Invoice (SPI) Form, or FCC Form 472, Billed Entity Applicant Reimbursement (BEAR) Form, as products and services are being delivered and billed.

TO APPEAL THIS DECISION:

If you wish to appeal a decision in this letter to USAC, your appeal must be received by USAC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the USAC decision letter (e.g., FCDL) and the decision you are appealing:
 - Appellant name,
 - Applicant name and service provider name, if different from appellant,
 - Applicant BEN and Service Provider Identification Number (SPIN),
 - FCC Form 471 Application Number 1004196 and the Funding Request Number (FRN) or Numbers as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2015," AND
 - The exact text or the decision that you are appealing.

Schools and Libraries Division - Correspondence Unit
30 Lanidex Plaza West, PO Box 685, Parsippany, NJ 07054-0685
Visit us online at: www.usac.org/sl

FUNDING COMMITMENT REPORT
Billed Entity Name: DETROIT PUBLIC SCHOOL DISTRICT
BEN: 130944
Funding Year: 2015

Comment on RAL corrections:
The applicant did not submit any RAL corrections.

FCC Form 471 Application Number: 1004196
Funding Request Number: 2757108
Funding Status: Not Funded
Service Type: Voice Services
FCC Form 470 Application Number: 534620001077151
SPIN: 143037077
Service Provider Name: Encore Technology Group. LLC
Contract Number: WCR-MI-2013-VOICE
Billing Account Number: N/A
Service Start Date: 07/01/2015
Service End Date: N/A
Contract Award Date: 03/08/2013
Contract Expiration Date: 06/30/2016
Shared Worksheet Number:
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$900,960.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$900,960.00
Discount Percentage Approved by the USAC: 70%
Funding Commitment Decision: \$0.00 - Selective - Bidding Violation
Funding Commitment Decision Explanation: MR: The amount of the funding request was changed from \$75,080/month to \$74,000/month to remove: the ineligible service(s) voice mail \$280/month and auto attendant \$800/month. <><><><><> DR: Documentation provided during the review demonstrates that the cost of the proposals evaluated during your competitive bidding process included costs of both eligible and ineligible products and services. FCC rules require applicants to carefully consider all bid solutions and choose the most cost effective solution with price of only the eligible products and services being the highest weighted factor in the bid evaluation process. The cost of ineligible products and services can be included in the bid evaluation matrix as long as it is a separate factor and is not included with the eligible portion of the products and services as the primary factor. Because you included the cost of ineligible products and services in your evaluation of the price of each proposal, funding will be denied.

FCDL Date: 01/07/2016
Wave Number: 031
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2016
Consultant Name: Don Dietrich
Consultant Registration Number (CRN): 16049611
Consultant Employer: BTU Consultants



FY 2015 E-rate Application Information Request

DPS Response: Please see our response below – we agree to the changes.

November 30, 2015

Don Dietrich
Jon Brent
DETROIT PUBLIC SCHOOL DISTRICT
FCC Form 471 Application Number(s): 1004196
Response Due Date: December 15, 2015

Dear Applicant:

The Program Integrity Assurance (PIA) team is in the process of reviewing your Funding Year 2015 FCC Form 471 Applications for E-rate discounts. To complete our review, we need additional information, which is listed below.

Eligibility of Products or Services

I. FRN 2757108 – Encore Technology Group

I.A Additional Ineligible

Issue

Based on the documentation that you have provided during the review of your Funding Year **2015** FCC Form 471 **1004196** we have determined that FRN **2757108** includes ineligible items. This is a violation of the Program rules and therefore, the funding request amount associated with the ineligible items must be removed.

For further information, see “Cost Allocation Guidelines for Products and Services” located in the Reference Area of the SLD Web site at: <http://www.usac.org/sl/applicants/beforeyoubegin/eligible-services/cost-allocations.aspx>.

Listed below are the ineligible items and their associated costs:

Ineligible <Products and services>	Associated Cost
Auto Attendant	\$800/month
Voice Mail	\$280/month

DPS Response: We agree to this cost allocation.

Question

#	Questions	Your Response
1	Please confirm if you agree with the cost allocation.	<input checked="" type="checkbox"/> Yes
2	If Yes , no additional information is required for this issue.	
3	<p>If No, please select one of the options below.</p> <p>Option I: Alternative Cost Allocation If you disagree with the cost allocation outlined above, an alternative cost allocation method or formula which provides the specific cost(s) for the ineligible items is needed. To do so, provide an explanation of the costs associated with these ineligible items and provide documentation, such as bills, to support your answer. All cost-allocations must be based on tangible criteria and reach a realistic result.</p> <p>Option II: Products and Services Eligibility If you disagree with our eligibility determination of your items, please provide third party documentation which demonstrates that the products and services are eligible for E-rate funding.</p> <p>Option III: Splitting the FRN If you disagree with the two options mentioned above, you can remove the funding request amount associated with the ineligible items from the above-referenced FRN. This funding request amount will then be placed on a new FRN (we refer to this process as "splitting an FRN").</p>	<p>Option 1: _____</p> <p>Option 2: _____</p> <p>Option 3: _____</p>

Would you like to split the above-referenced FRN? **No**

Providing Information for the New FRN

In order to assist us in creating the new FRN that will be used to remove the funding request amount associated with the ineligible items, you must provide us with the information for the new FRN.

You can "split" the FRN by:

- Modifying the current FRN information found in Block 5: Discount Funding Request(s) of your FCC Form 471 by reducing it in order to remove the cost associated with the ineligible items.
- Providing the Block 5: Discount Funding Request(s) information for the original FRN (pre and post-split FRN). The post-split FRN will be a request for the amount of the original FRN with the ineligible cost removed.
- Completing Block 5: Discount Funding Request(s) for the new FRN using the blank Block 5: Discount Funding Request(s) form attached to this letter. The new FRN will be a request for the cost associated with the ineligible items. This FRN will then be denied because it represents the cost associated with the ineligible items.

For additional guidance on filling out your Block 5: Discount Funding Request(s), please refer to the FCC Form 471 filing instructions at <http://www.usac.org/sl/tools/forms/default.aspx>.

Please submit the necessary information within the 15 calendar day deadline of this request. Failure to respond may result in the denial or reduction of your funding request(s).

I.B Revised Funding

Issue

Based on the documentation that you have provided during the review of your Funding Year **2015** FCC Form 471 application **1004196** we intend to modify FRN **2757108** to **change the pre-commitment funding request** from **\$75,080.00/month** to **\$74,000.00/month**.

Question

To assist us in the review of your application, we need the following information:

1. Should the change(s) listed above be performed? **X Yes**
2. If the change(s) listed above should not be performed and you have alternative information, please provide documentation that supports your position. Examples of supporting documentation are contracts, vendor quotes, vendor bills, invoices, etc.

Please submit the necessary information within the 15 calendar day deadline of this request. If you fail to respond to this request within 15 days, we will perform the action(s) listed above.

Response Reminders

Please email or fax the requested information to my attention. If you have any questions or you do not understand what we are requesting, please feel free to contact me.

It is important that we receive all of the information requested **within 15 calendar days** so we can complete our review of your application(s). **Failure to send all of the information requested may result in a reduction or denial of funding. If you need additional time to prepare your response, please let me know as soon as possible.**

Additionally, please note that you are required to retain all documents related to the application for, receipt and delivery of supported services as well as any other documents that demonstrate compliance with the requirements of the program for at least 10 years after the latter of the last day of the applicable funding year or the service delivery deadline for the funding request.

Thank you for your cooperation and continued support of the Universal Service Program.

Sincerely,

Marilyn Brown
Program Integrity Assurance
USAC, Schools and Libraries Division
Solix Inc.
30 Lanidex Plaza West
Parsippany, NJ 07054-2717

PIA Information Request
Page 4 of 4
Response due: 12/15/2015

Phone: 973-581-5079
FAX: 973-599-6513 Attn Marilyn Brown
marilyn.brown@sl.universalservice.org



Schools and Libraries Division

FY2015 Selective Review Information Request (SRIR)

DPS Response: Please see our response below.

12/01/2015

CASE SR-2015-BEN# 130944

Contact Name: Jon Brent
Applicant Name: Detroit Public School District
FCC Form 471 Application Number(s): 1004196, 1009527
Response Due Date: 12/08/2015

Subject: Funding Year 2015 E-Rate Selective Review

Dear Applicant:

This letter is a follow up to the information you provided in reference to the E-Rate Selective Review Information Request Funding Year 2015. Please provide the information requested by the close of business **12/08/2015**. If we do not receive the information by that date, your application will be reviewed based on the information we currently have, which may impact the approval of your application.

I. Application #1004196, FRN 2757108

Based on the documentation you provided during the Selective Review, FCC Form 471 **Application # 1004196, FRN 2757108** (Voice Services) will be denied because you did not fairly evaluate bidders based on the cost of eligible services.

When comparing the total bid prices during the price evaluation factor, the bid from CSI/Encore Technology Group includes the cost of ineligible phone costs in the overall implementation price as a key factor in determining the winning vendor.

Applicants must select the most cost-effective provider of the desired products or services eligible for support, with price of the eligible goods and services being the primary evaluating factor. For additional guidance on vendor selection, please refer to the USAC website at <http://www.usac.org/sl/applicants/step03/evaluation.aspx>.

DPS Response: We strongly disagree with this conclusion on two major points.

1. The CSI/ATT/Windstream evaluations were compared based on eligible services only. The second place respondent was AT&T. Even if you factor out the cost of the phones (\$790k) – ATT's Non-Recurring ELIGIBLE costs for Installation (\$875k), Site Survey (\$150k) and others totaled much more than CSI's. These costs would have to be paid up front. Also, even if we allocated a full 30 points for ATT's pricing - the total score would still favor

Response due: 12/08/2015

CSI. Overall – regardless of the ‘free phone’ issues, we contend that the evaluation favored CSI.

2. You are applying today’s criteria (“no free phones”) to a 2013 RFP process where there was no such restriction. We have attached documentation from our Service Provider that references the SLD’s website – see excerpt below:

A cost allocation is not required when the free product or service is available to the public or a class of subscribers broader than just E-rate recipients. For example, many cell phones are free or available at discounted prices with the purchase of a two-year service contract. Applicants are free to take advantage of these deals without cost allocation, but cannot accept other equipment with service arrangements that are not otherwise available to some segment of the public or class of users. <http://www.usac.org/sl/applicants/step02/free-services-advisory.aspx>

DPS made every effort to follow SLD guidelines in the evaluation of these providers including that the evaluation be based mainly on the price of eligible goods and services.

If you disagree with our determination and you have alternative information, please provide the supporting documentation.

If you fail to respond to this email within 7 days, we will perform the action(s) listed above.

Please email or fax the requested information to my attention. If you have any questions or you do not understand what we are requesting, please feel free to contact me.

It is important that we receive all of the information requested **within 7 calendar days** so we can complete our review of your application(s). **Failure to send all of the information requested may result in a reduction or denial of funding. If you need additional time to prepare your response, please let me know as soon as possible.**

Additionally, please note that you are required to retain all documents related to the application for, receipt and delivery of supported services as well as any other documents that demonstrate compliance with the requirements of the program for at least 10 years after the latter of the last day of the applicable funding year or the service delivery deadline for the funding request.

Thank you for your cooperation and continued support of the Universal Service Program.

Sincerely,

Michelle Graham-Lyons

Associate Manager, Selective Reviewer

30 Lanidex Plaza West | Parsippany, NJ 07054

Phone: 973-581-7595

Fax: 973-599-6515

E-mail: michelle.lyons@sl.universalservice.org

Att 4: Encore VoIP 2013 E rate cost eval summary 3-4-2013

Category	Maximum Points Allowed	AT&T - VOIP					Wayne/RESA CSI - VOIP Only				
		1	2	3	4		1	2	3	4	
Total Price and Cost Effectiveness	30	20	20	20			30	30	30		
Meeting Overall Requirements	25	20	20	15			25	25	15		
Vendor's Experience and Demonstrated Support	25	0	15	15			0	20	15		
Technical Merits	10	5	8	10			10	10	8		
Quality/Clarity of Bidder's Response	10	8	9	4			8	8	8		
Total	100	53	72	64	0	0	73	93	76	0	0
Average Score		63.00					80.67				

Att 5: Encore VoIP 2013 E rate cost eval detail 3-4-2013

Pricing Evaluation

3/1/2013

This pricing model reflects monthly recurring service charges , and non recurring one time project charges for the three competing Hosted VOIP Solution.

Lines below have been re-arranged to clarify evaluation process but no changes were made to any bid amounts.

AVERAGE EVALUATION SCORE COST EFFECTIVENESS		10		30		20	
		Windstream - VOIP		Wayne/RESA CSI - VOIP Only		DPS - AT&T - VOIP	
		5 year term		3 year term		3 year term	
E-Rate Eligible %	Line Item Monthly Recurring Charges	Quantity		Quantity		Quantity	
100%	Basic VOIP service	4000	\$140,000	4000	\$70,000	1000	\$6,750
100%	Enhanced VOIP Service	1000	\$35,000	1000	\$25,000	4000	\$32,000
100%	Internet connection			1	\$3,500		
100%	USF Fees	inc		1	\$1,425	1	\$1,425
100%	MRC Total monthly 5000 stations		\$175,000		\$99,925		\$40,175
Non Recurring Charges							
100%	analog / digital gateway (audiocode)	225	\$112,500	0		225	\$72,000
100%	UPS	0		0		225	\$218,250
100%	Broadtouch communicator	0		0		3000	\$69,000
100%	Activation Service internet connection			1	\$8,400		
60%	install charge					1	\$875,000
100%	site survey charge					1	\$150,000
	Project cost one time fee	1	\$1,200,000	1	\$229,200		\$0
	NRC Total one time charges 5000 lines		\$1,312,500		\$237,600		\$1,384,250
	MRC Year One 5000 stations		\$2,100,000		\$1,199,100		\$482,100
	Total Elig Items Year One		\$3,412,500		\$1,436,700		\$1,866,350

Non-eligible items							
0%	sip phone basic	4000	\$760,000	4000	inc	1000	\$90,000
0%	sip phone enhanced	1000	\$240,000	1000	inc	4000	\$700,000
0%	power adapter	5000	\$250,000	0		0	
0%	one time charge IP phones	5000	\$400,000				
Total Non- Elig Items Year One			\$1,650,000		\$0		\$790,000
Total All Items Year One			\$5,062,500		\$1,436,700		\$2,656,350
	MRC Total	36 month	\$6,300,000	36 month	\$3,597,300	36 month	\$1,446,300
	NRC Total		\$2,962,500		\$237,600		\$2,174,250
Total All Items for 36 Months			\$9,262,500		\$3,834,900		\$3,620,550

Pricing Evaluation

3/1/2013

Rev 1/23/2016

This pricing model reflects monthly recurring service charges , and non recurring one time project charges for the three competing Hosted VOIP Solution.

Lines below have been re-arranged to clarify evaluation process but no changes were made to any bid amounts.

AVERAGE EVALUATION SCORE COST EFFECTIVENESS		10		30		20	
		Windstream - VOIP		Wayne/RESA CSI - VOIP Only		DPS - AT&T - VOIP	
E-Rate Eligible %	Line Item Monthly Recurring Charges	Quantity	5 year term	Quantity	3 year term	Quantity	3 year term
		100%	Basic VOIP service	4000	\$140,000	4000	\$70,000
100%	Enhanced VOIP Service	1000	\$35,000	1000	\$25,000	4000	\$32,000
100%	Internet connection			1	\$3,500		
100%	USF Fees	inc		1	\$1,425	1	\$1,425
100%	MRC Total monthly 5000 stations		\$175,000		\$99,925		\$40,175
Non Recurring Charges							
100%	analog / digital gateway (audiocode)	225	\$112,500	0		225	\$72,000
100%	UPS	0		0		225	\$218,250
100%	Broadtouch communicator	0		0		3000	\$69,000
100%	Activation Service internet connection			1	\$8,400		
60%	install charge					1	\$875,000
100%	site survey charge					1	\$150,000
100%	Project cost one time fee	1	\$1,200,000	1	\$229,200		\$0
	NRC Total one time charges 5000 lines		\$1,312,500		\$237,600		\$1,384,250
	MRC Year One 5000 stations		\$2,100,000		\$1,199,100		\$482,100
	Total Elig Items Year One		\$3,412,500		\$1,436,700		\$1,866,350

<u>Non-eligible items</u>							
0%	sip phone basic	4000	\$760,000	4000	inc	1000	\$90,000
0%	sip phone enhanced	1000	\$240,000	1000	inc	4000	\$700,000
0%	power adapter	5000	\$250,000	0		0	
0%	one time charge IP phones	5000	\$400,000				
Total Non- Elig Items Year One			\$1,650,000		\$0		\$790,000
Total All Items Year One			\$5,062,500		\$1,436,700		\$2,656,350
<hr/>							
	MRC Total	36 month	\$6,300,000	36 month	\$3,597,300	36 month	\$1,446,300
	NRC Total		\$2,962,500		\$237,600		\$2,174,250
Total All Items for 36 Months			\$9,262,500		\$3,834,900		\$3,620,550

Att 5b Encore VoIP 2013 E rate cost eval raw scores

RFP 10-0449-2
E-RATE INTERNET SERVICES
EVALUATION CRITERIA SCORING SUMMARY

Category	Maximum Points	XO Communications - Analog Only					Windstream - Analog					Windstream - VOIP					AT&T - Analog					AT&T - VOIP					Wayne/RESA CSI - VOIP Only					Wayne/RESA AT&T (does not meet)									
		1	2	3	4		1	2	3	4		1	2	3	4		1	2	3	4		1	2	3	4		1	2	3	4		1	2	3	4						
Total Price and Cost Effectiveness	30	30	30	30			10	10	10			10	10	10			20	20	20			20	20	20			30	30	30												
Meeting Overall Requirements	25	25	25	20			5	15	15			20	15	20			25	25	20			20	20	15			25	25	15												
Vendor's Experience and Demonstrated Support	25	20	15	20			0	10	10			0	15	10			20	15	20			0	15	15			0	20	15												
Technical Merits	10	8	8	10			5	6	8			5	5	5			8	9	10			5	8	10			10	10	8												
Quality/Clarity of Bidder's Response	10	8	8	10			8	6	5			5	7	5			5	9	4			8	9	4			8	8	8												
Total	100	91	86	90	0	0	28	47	48	0	0	40	52	50	0	0	78	78	74	0	0	53	72	64	0	0	73	93	76	0	0	0	0	0	0	0					
Average Score		89					41					47.33333333					76.66666667					63					80.66666667					0									

- 1 Jon Brent, IT
- 2 Mark Bartoski, IT
- 3 Per Verdonk, IT

XO Communications Analog Services - Extend Contract

E-Rate LOA (Letter of Agency)

To Whom It May Concern:

We have retained BTU Consultants, LLC under contract as Independent Consultants to serve as our agent for working with E-Rate issues for **Funding Year 2016 and all prior funding years**, in all areas of Telecommunications, Internet Services and Internal Connections. They will be assisting us in compliance issues and forms preparation. Their contact information is shown below:

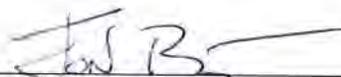
BTU Consultants, LLC
4 Media Court
St. Louis, MO 63146
Phone: 314-983-0292
Fax: 314-983-0415

Lead Consultant: Donald J Dietrich
Additional Consultants: Lori Thompson, Carol Underriner

Please accept their comments, statements and signatures on our behalf. This LOA is in effect from signing through **December 31, 2016**. We trust you will cooperate with BTU Consultants, LLC in every way possible.

Thank you.

Signature of District Authority:



Date: 1-20-2016

Printed Name / Title: Jon Brent Executive Director Technical Services

School District Name: **Detroit Public Schools – BEN 130944**

cc: BTU Consultants, LLC

USAC / SLD Appeal
Detroit Public School District BEN 130944

February 8, 2016

Appeals – *Submitted Online*
Schools and Libraries Division — Correspondence Unit
100 South Jefferson Road
P.O. Box 902
Whippany, New Jersey 07981

Re: Letter of Appeal - Case # 22-878730 (*filed electronically*)

Contact Information:

Contact Person Name:	Jon Brent
Contact Person Phone:	313-576-0335
Contact Person Fax:	313-873-3209
Contact Person E-Mail:	jon.brent@detroitk12.org

Other Required Information :

Funding Year:	2015-2016
Applicant Name:	Detroit Public School District
Billed Entity # :	130944
Form 471 Application#:	1004196
FRN #:	2757108
Service Provider Name:	Encore Technology Group. LLC
Service Provider SPIN:	143037077

SLD action being appealed:

We are appealing the denial of our FRN based on the Funding Commitment Decision Letter dated January 7, 2016.

Explanation from USAC FCDL (Funding Commitment Decision Letter):

MR: The amount of the funding request was changed from \$75,080/month to \$74,000/month to remove: the ineligible service(s) voice mail \$280/month and auto attendant \$800/month. <><><><><> DR: Documentation provided during the review demonstrates that the cost of the proposals evaluated during your competitive bidding process included costs of both eligible and ineligible products and services. FCC rules require applicants to carefully consider all bid solutions and choose the most cost effective solution with price of only the eligible products and services being the highest weighted factor in the bid evaluation process. The cost of ineligible products and services can be included in the bid evaluation matrix as long as it is a separate factor and is not included with the eligible portion of the products and services as the primary factor. Because you included the cost of ineligible products and services in your evaluation of the price of each proposal, funding will be denied.

USAC / SLD Appeal Detroit Public School District BEN 130944

Basis for this appeal:

This FRN was reviewed by both a Selective Review Information Request (SRIR) and Program Integrity Assurance (PIA). We have included our exchanges with both reviewers and we believe that the SRIR reviewer made a mistake in judging our application in two areas. Specifically, she misinterpreted our evaluation documents to conclude that our process was flawed and she also incorrectly based her assessment on current (FY2015) rules for the cost allocation of ineligible equipment. The rules were different in FY2013 and since our evaluation took place in FY2013 we believe that those rules should have been the basis.

Attachment 2 shows the final PIA review and our agreement to remove the ineligible services of Auto Attendant and Voicemail. (PIA never did advise us of any intention to deny the FRN.)

Attachment 3 shows the final SRIR review and our response.

Details of this appeal:

Per the FCDL the denial is because:

“the cost of the proposals evaluated during your competitive bidding process included costs of both eligible and ineligible products and services”.

Per Att 3 SRIR Letter the denial is because:

“When comparing the total bid prices during the price evaluation factor, the bid from CSI/Encore Technology Group includes the cost of ineligible phone costs in the overall implementation price as a key factor in determining the winning vendor.”

(The evaluation summary and details are attached as Att's 4 and 5)

There were three bidders to be compared: AT&T, CSI/Encore and Windstream. The winning proposal was CSI/Encore, the second place respondent was AT&T and Windstream was last. We assume that there is no disagreement about eliminating Windstream and we will focus on the comparison of AT&T to CSI/Encore.

As we stated in our response to SRIR, we strongly disagreed with this denial on two major points that were spelled out in our response and re-stated perhaps more clearly below:

1. **Our scoring of the responses was based on eligible items only:** In our initial response and on the evaluation summary, all costs are shown (both eligible and ineligible). However, as can be seen from attachment 5b, the scoring and assignment of points was based on the eligible items only. We cannot determine if the SRIR reviewer examined the detailed bid evaluations, or simply used the

USAC / SLD Appeal

Detroit Public School District BEN 130944

summary but we want to point out that regardless of the inclusion of the handsets (i.e. factoring out the \$790k cost of the phones), AT&T's Non-Recurring ELIGIBLE costs for Installation (\$875k), Site Survey (\$150k) and others still totaled much more than CSI's. These costs would have to be paid up front. Also, even if we had allocated a full 30 points for ATT's pricing, giving them the same maximum number of points as CSI, the total score would still favor CSI. In summary, regardless of the 'free phone' issues, we contend that the evaluation favored CSI both as the most favorable to DPS and to SLD.

To clarify this point – we have included Attachment 5 and Attachment 5a.. Att 5 is the evaluation summary that we sent to the reviewer. Att 5a is the same document with some of the lines re-arranged and the totals re-grouped to demonstrate that the evaluation reached the correct conclusion based on SLD guidelines. The first year's cost of ELIGIBLE services only clearly favors CSI and the first three year's costs are very close. The overall evaluation should be accepted by SLD as meeting SLD guidelines.

- 2. SRIR incorrectly applied FY2015 criteria (“no free phones”) to a 2013 RFP process:** (We make this argument only as a backup to our main point in Item 1.) The SLD's website has changed in many ways over the years. In FY2013 the website guidance on 'Free Services' stated:

“A cost allocation is not required when the free product or service is available to the public or a class of subscribers broader than just E-rate recipients. For example, many cell phones are free or available at discounted prices with the purchase of a two-year service contract. Applicants are free to take advantage of these deals without cost allocation, but cannot accept other equipment with service arrangements that are not otherwise available to some segment of the public or class of users.

<http://www.usac.org/sl/applicants/step02/free-services-advisory.aspx>”

If, as stated on the website, cost allocation is not required, then we contend that it is not necessary to remove the equipment in question from evaluation in the RFP process. If this is not true, then what is the value of the 'free service advisory'? We understand that this rule is no longer in effect, but it certainly was when we did our evaluation.

It is also worth noting that the two other ineligible services called out in the FCDL (voicemail and auto attendant), were ELIGIBLE in FY2013 and were included in the evaluation as well.

Summary and Requested Action:

We are certain that DPS made every effort to follow SLD guidelines in the evaluation of these providers. We have already agreed to the reduction as shown in PIA that removes funding for the currently ineligible services of Auto Attendant and Voicemail. We

USAC / SLD Appeal
Detroit Public School District BEN 130944

request that SLD reconsider our application based on the arguments above and restore funding approval for the remainder of the FRN.

Sincerely,

(filed electronically via SLD website)

Jon Brent

EXEC DIR DEPLOYMENT AND TECH SUPPORT

Detroit Public Schools

3031 West Grand Blvd.

Detroit, MI 48202

Ph: 313-576-0335

Fax: 313-873-3209

jon.brent@detroitk12.org

Included below:

Att 1: Funding Commitment Decision Letter dated 01-07-2016

Att 2: PIA review letter and DPS response dated Nov 30, 2015

Att 3: SRIR review letter and DPS response dated Dec 1, 2015

Att 4: Encore VoIP 2013 E rate cost eval summary 3-4-2013

Att 5: Encore VoIP 2013 E rate cost eval detail 3-4-2013

Att 5a: Encore VoIP 2013 E rate cost eval detail 3-4-2013 Revised 01-23-16

Att 6: DPS-BTU Signed Letter of Agency



Schools and Libraries Division

FUNDING COMMITMENT DECISION LETTER
(Funding Year 2015: 07/01/2015 - 06/30/2016)

January 7, 2016

JON BRENT
DETROIT PUBLIC SCHOOL DISTRICT
3011 WEST GRAND BLVD - SUITE 1000
DETROIT, MI 48202

Re: **FCC Form 471 Application Number: 1004196**
Billed Entity Number (BEN): 130944
Billed Entity FCC Registration Number (FCC RN): 0012352134
Nickname: DPSCAT1 2015

Thank you for your Funding Year 2015 application for Universal Service Support and for any assistance you provided throughout our review. The current status of the funding request(s) in the FCC Form 471 application cited above and featured in the Funding Commitment Report(s) (Report) at the end of this letter is as follows.

- The amount, \$4,329,816.60 is "Approved."
- The amount, \$630,672.00 is "Denied."

Please refer to the Report following this letter for specific funding request decisions and explanations. The Universal Service Administrative Company (USAC) is also sending this information to your service provider(s) so preparations can begin for implementing your approved discount(s) after you file FCC Form 486, Receipt of Service Confirmation and Children's Internet Protection Act and Technology Plan Certification Form. A guide that provides a definition for each line of the Report is available in the Guide to USAC Letter Reports in the Reference Area of our website.

NEXT STEPS

- Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full.
- Review Children's Internet Protection Act (CIPA) requirements.
- File FCC Form 486.
- Invoice USAC using the FCC Form 474, Service Provider Invoice (SPI) Form, or FCC Form 472, Billed Entity Applicant Reimbursement (BEAR) Form, as products and services are being delivered and billed.

TO APPEAL THIS DECISION:

If you wish to appeal a decision in this letter to USAC, your appeal must be received by USAC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the USAC decision letter (e.g., FCDL) and the decision you are appealing:
 - Appellant name,
 - Applicant name and service provider name, if different from appellant,
 - Applicant BEN and Service Provider Identification Number (SPIN),
 - FCC Form 471 Application Number 1004196 and the Funding Request Number (FRN) or Numbers as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2015," AND
 - The exact text or the decision that you are appealing.

Schools and Libraries Division - Correspondence Unit
30 Lanidex Plaza West, PO Box 685, Parsippany, NJ 07054-0685
Visit us online at: www.usac.org/sl

FUNDING COMMITMENT REPORT
Billed Entity Name: DETROIT PUBLIC SCHOOL DISTRICT
BEN: 130944
Funding Year: 2015

Comment on RAL corrections:
The applicant did not submit any RAL corrections.

FCC Form 471 Application Number: 1004196
Funding Request Number: 2757108
Funding Status: Not Funded
Service Type: Voice Services
FCC Form 470 Application Number: 534620001077151
SPIN: 143037077
Service Provider Name: Encore Technology Group. LLC
Contract Number: WCR-MI-2013-VOICE
Billing Account Number: N/A
Service Start Date: 07/01/2015
Service End Date: N/A
Contract Award Date: 03/08/2013
Contract Expiration Date: 06/30/2016
Shared Worksheet Number:
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$900,960.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$900,960.00
Discount Percentage Approved by the USAC: 70%
Funding Commitment Decision: \$0.00 - Selective - Bidding Violation
Funding Commitment Decision Explanation: MR: The amount of the funding request was changed from \$75,080/month to \$74,000/month to remove: the ineligible service(s) voice mail \$280/month and auto attendant \$800/month. <><><><><> DR: Documentation provided during the review demonstrates that the cost of the proposals evaluated during your competitive bidding process included costs of both eligible and ineligible products and services. FCC rules require applicants to carefully consider all bid solutions and choose the most cost effective solution with price of only the eligible products and services being the highest weighted factor in the bid evaluation process. The cost of ineligible products and services can be included in the bid evaluation matrix as long as it is a separate factor and is not included with the eligible portion of the products and services as the primary factor. Because you included the cost of ineligible products and services in your evaluation of the price of each proposal, funding will be denied.

FCDL Date: 01/07/2016
Wave Number: 031
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2016
Consultant Name: Don Dietrich
Consultant Registration Number (CRN): 16049611
Consultant Employer: BTU Consultants



FY 2015 E-rate Application Information Request

DPS Response: Please see our response below – we agree to the changes.

November 30, 2015

Don Dietrich
Jon Brent
DETROIT PUBLIC SCHOOL DISTRICT
FCC Form 471 Application Number(s): 1004196
Response Due Date: December 15, 2015

Dear Applicant:

The Program Integrity Assurance (PIA) team is in the process of reviewing your Funding Year 2015 FCC Form 471 Applications for E-rate discounts. To complete our review, we need additional information, which is listed below.

Eligibility of Products or Services

I. FRN 2757108 – Encore Technology Group

I.A Additional Ineligible

Issue

Based on the documentation that you have provided during the review of your Funding Year **2015** FCC Form 471 **1004196** we have determined that FRN **2757108** includes ineligible items. This is a violation of the Program rules and therefore, the funding request amount associated with the ineligible items must be removed.

For further information, see “Cost Allocation Guidelines for Products and Services” located in the Reference Area of the SLD Web site at: <http://www.usac.org/sl/applicants/beforeyoubegin/eligible-services/cost-allocations.aspx>.

Listed below are the ineligible items and their associated costs:

Ineligible <Products and services>	Associated Cost
Auto Attendant	\$800/month
Voice Mail	\$280/month

DPS Response: We agree to this cost allocation.

Question

#	Questions	Your Response
1	Please confirm if you agree with the cost allocation.	<input checked="" type="checkbox"/> Yes
2	If Yes , no additional information is required for this issue.	
3	<p>If No, please select one of the options below.</p> <p>Option I: Alternative Cost Allocation If you disagree with the cost allocation outlined above, an alternative cost allocation method or formula which provides the specific cost(s) for the ineligible items is needed. To do so, provide an explanation of the costs associated with these ineligible items and provide documentation, such as bills, to support your answer. All cost-allocations must be based on tangible criteria and reach a realistic result.</p> <p>Option II: Products and Services Eligibility If you disagree with our eligibility determination of your items, please provide third party documentation which demonstrates that the products and services are eligible for E-rate funding.</p> <p>Option III: Splitting the FRN If you disagree with the two options mentioned above, you can remove the funding request amount associated with the ineligible items from the above-referenced FRN. This funding request amount will then be placed on a new FRN (we refer to this process as "splitting an FRN").</p>	<p>Option 1: _____</p> <p>Option 2: _____</p> <p>Option 3: _____</p>

Would you like to split the above-referenced FRN? **No**

Providing Information for the New FRN

In order to assist us in creating the new FRN that will be used to remove the funding request amount associated with the ineligible items, you must provide us with the information for the new FRN.

You can "split" the FRN by:

- Modifying the current FRN information found in Block 5: Discount Funding Request(s) of your FCC Form 471 by reducing it in order to remove the cost associated with the ineligible items.
- Providing the Block 5: Discount Funding Request(s) information for the original FRN (pre and post-split FRN). The post-split FRN will be a request for the amount of the original FRN with the ineligible cost removed.
- Completing Block 5: Discount Funding Request(s) for the new FRN using the blank Block 5: Discount Funding Request(s) form attached to this letter. The new FRN will be a request for the cost associated with the ineligible items. This FRN will then be denied because it represents the cost associated with the ineligible items.

For additional guidance on filling out your Block 5: Discount Funding Request(s), please refer to the FCC Form 471 filing instructions at <http://www.usac.org/sl/tools/forms/default.aspx>.

Please submit the necessary information within the 15 calendar day deadline of this request. Failure to respond may result in the denial or reduction of your funding request(s).

I.B Revised Funding

Issue

Based on the documentation that you have provided during the review of your Funding Year **2015** FCC Form 471 application **1004196** we intend to modify FRN **2757108** to **change the pre-commitment funding request** from **\$75,080.00/month** to **\$74,000.00/month**.

Question

To assist us in the review of your application, we need the following information:

1. Should the change(s) listed above be performed? **X Yes**
2. If the change(s) listed above should not be performed and you have alternative information, please provide documentation that supports your position. Examples of supporting documentation are contracts, vendor quotes, vendor bills, invoices, etc.

Please submit the necessary information within the 15 calendar day deadline of this request. If you fail to respond to this request within 15 days, we will perform the action(s) listed above.

Response Reminders

Please email or fax the requested information to my attention. If you have any questions or you do not understand what we are requesting, please feel free to contact me.

It is important that we receive all of the information requested **within 15 calendar days** so we can complete our review of your application(s). **Failure to send all of the information requested may result in a reduction or denial of funding. If you need additional time to prepare your response, please let me know as soon as possible.**

Additionally, please note that you are required to retain all documents related to the application for, receipt and delivery of supported services as well as any other documents that demonstrate compliance with the requirements of the program for at least 10 years after the latter of the last day of the applicable funding year or the service delivery deadline for the funding request.

Thank you for your cooperation and continued support of the Universal Service Program.

Sincerely,

Marilyn Brown
Program Integrity Assurance
USAC, Schools and Libraries Division
Solix Inc.
30 Lanidex Plaza West
Parsippany, NJ 07054-2717

PIA Information Request
Page 4 of 4
Response due: 12/15/2015

Phone: 973-581-5079
FAX: 973-599-6513 Attn Marilyn Brown
marilyn.brown@sl.universalservice.org



Schools and Libraries Division

FY2015 Selective Review Information Request (SRIR)

DPS Response: Please see our response below.

12/01/2015

CASE SR-2015-BEN# 130944

Contact Name: Jon Brent
Applicant Name: Detroit Public School District
FCC Form 471 Application Number(s): 1004196, 1009527
Response Due Date: 12/08/2015

Subject: Funding Year 2015 E-Rate Selective Review

Dear Applicant:

This letter is a follow up to the information you provided in reference to the E-Rate Selective Review Information Request Funding Year 2015. Please provide the information requested by the close of business **12/08/2015**. If we do not receive the information by that date, your application will be reviewed based on the information we currently have, which may impact the approval of your application.

I. Application #1004196, FRN 2757108

Based on the documentation you provided during the Selective Review, FCC Form 471 **Application # 1004196, FRN 2757108** (Voice Services) will be denied because you did not fairly evaluate bidders based on the cost of eligible services.

When comparing the total bid prices during the price evaluation factor, the bid from CSI/Encore Technology Group includes the cost of ineligible phone costs in the overall implementation price as a key factor in determining the winning vendor.

Applicants must select the most cost-effective provider of the desired products or services eligible for support, with price of the eligible goods and services being the primary evaluating factor. For additional guidance on vendor selection, please refer to the USAC website at <http://www.usac.org/sl/applicants/step03/evaluation.aspx>.

DPS Response: We strongly disagree with this conclusion on two major points.

1. The CSI/ATT/Windstream evaluations were compared based on eligible services only. The second place respondent was AT&T. Even if you factor out the cost of the phones (\$790k) – ATT's Non-Recurring ELIGIBLE costs for Installation (\$875k), Site Survey (\$150k) and others totaled much more than CSI's. These costs would have to be paid up front. Also, even if we allocated a full 30 points for ATT's pricing - the total score would still favor

Response due: 12/08/2015

CSI. Overall – regardless of the ‘free phone’ issues, we contend that the evaluation favored CSI.

2. You are applying today’s criteria (“no free phones”) to a 2013 RFP process where there was no such restriction. We have attached documentation from our Service Provider that references the SLD’s website – see excerpt below:

A cost allocation is not required when the free product or service is available to the public or a class of subscribers broader than just E-rate recipients. For example, many cell phones are free or available at discounted prices with the purchase of a two-year service contract. Applicants are free to take advantage of these deals without cost allocation, but cannot accept other equipment with service arrangements that are not otherwise available to some segment of the public or class of users. <http://www.usac.org/sl/applicants/step02/free-services-advisory.aspx>

DPS made every effort to follow SLD guidelines in the evaluation of these providers including that the evaluation be based mainly on the price of eligible goods and services.

If you disagree with our determination and you have alternative information, please provide the supporting documentation.

If you fail to respond to this email within 7 days, we will perform the action(s) listed above.

Please email or fax the requested information to my attention. If you have any questions or you do not understand what we are requesting, please feel free to contact me.

It is important that we receive all of the information requested **within 7 calendar days** so we can complete our review of your application(s). **Failure to send all of the information requested may result in a reduction or denial of funding. If you need additional time to prepare your response, please let me know as soon as possible.**

Additionally, please note that you are required to retain all documents related to the application for, receipt and delivery of supported services as well as any other documents that demonstrate compliance with the requirements of the program for at least 10 years after the latter of the last day of the applicable funding year or the service delivery deadline for the funding request.

Thank you for your cooperation and continued support of the Universal Service Program.

Sincerely,
Michelle Graham-Lyons
Associate Manager, Selective Reviewer
30 Lanidex Plaza West | Parsippany, NJ 07054
Phone: 973-581-7595
Fax: 973-599-6515
E-mail: michelle.lyons@sl.universalservice.org

Att 4: Encore VoIP 2013 E rate cost eval summary 3-4-2013

Category	Maximum Points Allowed	AT&T - VOIP					Wayne/RESA CSI - VOIP Only				
		1	2	3	4		1	2	3	4	
Total Price and Cost Effectiveness	30	20	20	20			30	30	30		
Meeting Overall Requirements	25	20	20	15			25	25	15		
Vendor's Experience and Demonstrated Support	25	0	15	15			0	20	15		
Technical Merits	10	5	8	10			10	10	8		
Quality/Clarity of Bidder's Response	10	8	9	4			8	8	8		
Total	100	53	72	64	0	0	73	93	76	0	0
Average Score		63.00					80.67				

Att 5: Encore VoIP 2013 E rate cost eval detail 3-4-2013

Pricing Evaluation

3/1/2013

This pricing model reflects monthly recurring service charges , and non recurring one time project charges for the three competing Hosted VOIP Solution.

Lines below have been re-arranged to clarify evaluation process but no changes were made to any bid amounts.

AVERAGE EVALUATION SCORE COST EFFECTIVENESS		10		30		20	
		Windstream - VOIP		Wayne/RESA CSI - VOIP Only		DPS - AT&T - VOIP	
		5 year term		3 year term		3 year term	
E-Rate Eligible %	Line Item Monthly Recurring Charges	Quantity		Quantity		Quantity	
100%	Basic VOIP service	4000	\$140,000	4000	\$70,000	1000	\$6,750
100%	Enhanced VOIP Service	1000	\$35,000	1000	\$25,000	4000	\$32,000
100%	Internet connection			1	\$3,500		
100%	USF Fees	inc		1	\$1,425	1	\$1,425
100%	MRC Total monthly 5000 stations		\$175,000		\$99,925		\$40,175
Non Recurring Charges							
100%	analog / digital gateway (audiocode)	225	\$112,500	0		225	\$72,000
100%	UPS	0		0		225	\$218,250
100%	Broadtouch communicator	0		0		3000	\$69,000
100%	Activation Service internet connection			1	\$8,400		
60%	install charge					1	\$875,000
100%	site survey charge					1	\$150,000
	Project cost one time fee	1	\$1,200,000	1	\$229,200		\$0
	NRC Total one time charges 5000 lines		\$1,312,500		\$237,600		\$1,384,250
	MRC Year One 5000 stations		\$2,100,000		\$1,199,100		\$482,100
	Total Elig Items Year One		\$3,412,500		\$1,436,700		\$1,866,350

Non-eligible items							
0%	sip phone basic	4000	\$760,000	4000	inc	1000	\$90,000
0%	sip phone enhanced	1000	\$240,000	1000	inc	4000	\$700,000
0%	power adapter	5000	\$250,000	0		0	
0%	one time charge IP phones	5000	\$400,000				
Total Non- Elig Items Year One			\$1,650,000		\$0		\$790,000
Total All Items Year One			\$5,062,500		\$1,436,700		\$2,656,350
	MRC Total	36 month	\$6,300,000	36 month	\$3,597,300	36 month	\$1,446,300
	NRC Total		\$2,962,500		\$237,600		\$2,174,250
Total All Items for 36 Months			\$9,262,500		\$3,834,900		\$3,620,550

Att 5a: Encore VoIP 2013 E rate cost eval detail 3-4-2013 Revised 01-23-16

Pricing Evaluation

3/1/2013

Rev 1/23/2016

This pricing model reflects monthly recurring service charges , and non recurring one time project charges for the three competing Hosted VOIP Solution.

Lines below have been re-arranged to clarify evaluation process but no changes were made to any bid amounts.

AVERAGE EVALUATION SCORE COST EFFECTIVENESS		10		30		20	
		Windstream - VOIP		Wayne/RESA CSI - VOIP Only		DPS - AT&T - VOIP	
		5 year term		3 year term		3 year term	
E-Rate Eligible %	Line Item Monthly Recurring Charges	Quantity		Quantity		Quantity	
100%	Basic VOIP service	4000	\$140,000	4000	\$70,000	1000	\$6,750
100%	Enhanced VOIP Service	1000	\$35,000	1000	\$25,000	4000	\$32,000
100%	Internet connection			1	\$3,500		
100%	USF Fees	inc		1	\$1,425	1	\$1,425
100%	MRC Total monthly 5000 stations		\$175,000		\$99,925		\$40,175
Non Recurring Charges							
100%	analog / digital gateway (audiocode)	225	\$112,500	0		225	\$72,000
100%	UPS	0		0		225	\$218,250
100%	Broadtouch communicator	0		0		3000	\$69,000
100%	Activation Service internet connection			1	\$8,400		
60%	install charge					1	\$875,000
100%	site survey charge					1	\$150,000
100%	Project cost one time fee	1	\$1,200,000	1	\$229,200		\$0
	NRC Total one time charges 5000 lines		\$1,312,500		\$237,600		\$1,384,250
	MRC Year One 5000 stations		\$2,100,000		\$1,199,100		\$482,100
	Total Elig Items Year One		\$3,412,500		\$1,436,700		\$1,866,350

<u>Non-eligible items</u>							
0%	sip phone basic	4000	\$760,000	4000	inc	1000	\$90,000
0%	sip phone enhanced	1000	\$240,000	1000	inc	4000	\$700,000
0%	power adapter	5000	\$250,000	0		0	
0%	one time charge IP phones	5000	\$400,000				
Total Non- Elig Items Year One			\$1,650,000		\$0		\$790,000
Total All Items Year One			\$5,062,500		\$1,436,700		\$2,656,350
<hr/>							
	MRC Total	36 month	\$6,300,000	36 month	\$3,597,300	36 month	\$1,446,300
	NRC Total		\$2,962,500		\$237,600		\$2,174,250
Total All Items for 36 Months			\$9,262,500		\$3,834,900		\$3,620,550

E-Rate LOA (Letter of Agency)

To Whom It May Concern:

We have retained BTU Consultants, LLC under contract as Independent Consultants to serve as our agent for working with E-Rate issues for **Funding Year 2016 and all prior funding years**, in all areas of Telecommunications, Internet Services and Internal Connections. They will be assisting us in compliance issues and forms preparation. Their contact information is shown below:

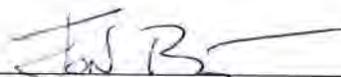
BTU Consultants, LLC
4 Media Court
St. Louis, MO 63146
Phone: 314-983-0292
Fax: 314-983-0415

Lead Consultant: Donald J Dietrich
Additional Consultants: Lori Thompson, Carol Underriner

Please accept their comments, statements and signatures on our behalf. This LOA is in effect from signing through **December 31, 2016**. We trust you will cooperate with BTU Consultants, LLC in every way possible.

Thank you.

Signature of District Authority:



Date: 1-20-2016

Printed Name / Title: Jon Brent Executive Director Technical Services _____

School District Name: **Detroit Public Schools – BEN 130944**

cc: BTU Consultants, LLC

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Schools and Libraries Universal Service Support Mechanism)	CC Docket No. 02-6
)	
A National Broadband Plan For Our Future)	GN Docket No. 09-51
)	
)	
)	

ORDER

Adopted: December 15, 2010

Released: December 15, 2010

By the Chief, Wireline Competition Bureau:

I. INTRODUCTION

1. In this order, we address questions received by the Bureau regarding the Commission's ruling on the eligibility of basic maintenance and the newly codified E-rate program gift rules.¹ Pursuant to the Bureau's delegated authority to "issue orders interpreting [the Commission's] rules as necessary" concerning the E-rate program, we address the questions by topic below.²

II. DISCUSSION

A. Basic Maintenance

2. In the *Sixth Report and Order*, the Commission sought to reduce the inefficient use of E-rate funds by clarifying that certain services are ineligible for funding beginning in funding year 2011.³

¹ *Schools and Libraries Universal Service Support Mechanism and A National Broadband Plan for Our Future*, Sixth Report and Order, CC Docket 02-6, FCC 10-175 at paras. 87-90, 106-107 (rel. Sept. 28, 2010) (*Sixth Report and Order*); see also 75 Fed. Reg. 75393. Some of the questions were received through filings submitted to the Commission or Bureau staff or verbally at the trainings conducted by the Universal Service Administrative Company (USAC). See, e.g., Ex Parte Letter from Melissa E. Newman, Qwest, to Marlene H. Dortch, Secretary, Federal Communications Commission, CC Docket No. 02-6 (dated Dec. 2, 2010); Letter from Charles Keller, Counsel to Cisco, to Marlene H. Dortch, Secretary, Federal Communications Commission, CC Docket No. 02-6 (dated Oct. 25, 2010) (Cisco Ex Parte); Letter from Mary L. Henze, AT&T, to Marlene H. Dortch, Secretary, Federal Communications Commission, CC Docket No. 02-6 (dated Dec. 6, 2010); Letter from USAC, to Federal Communications Commission, CC Docket No. 02-6 (dated Dec. 2, 2010); Letter from Gary Rawson, Chair of State E-rate Coordinators Alliance, to Marlene H. Dortch, Secretary, Federal Communications Commission, CC Docket No. 02-6 (dated Dec. 13, 2010); Letter from Ryan W. King, Patton Boggs, to Rebekah L. Bina, Attorney, Federal Communications Commission, CC Docket No. 02-6 (dated Dec. 13, 2010).

² *Federal-State Joint Board on Universal Service*, Third Report and Order, CC Docket 96-45, 12 FCC Rcd 22485, 22488-89, para. 6 (1997).

³ *Sixth Report and Order* at paras. 102-109.

The Commission explained that requests for basic maintenance of internal connections (BMIC) will continue to be funded for actual work performed.⁴ Subsequent to releasing the *Sixth Report and Order*, we received a number of questions about the scope and implementation of the Commission's decision on reimbursement for BMIC.

3. As explained in the *Sixth Report and Order*, the Commission seeks comment every year on the proposed list of services and products that are eligible for E-rate funding and uses several criteria to determine whether to include a service in the Eligible Services List (ESL) for the E-rate program.⁵ Although the Commission had sought comment on, among other options, whether it should cease funding for BMIC for funding year 2011, it ultimately decided to retain BMIC as an eligible priority 2 service for the upcoming funding year.⁶ In the *Sixth Report and Order*, the Commission explained that “[r]equests for basic maintenance will continue to be funded as internal connections if, but for the maintenance at issue, the service would not function and serve its intended purpose with the degree of reliability ordinarily provided in the marketplace to entities receiving such service.”⁷

4. In order to avoid the potential waste of E-rate resources, however, the Commission concluded that reimbursements for BMIC will be paid only for actual work performed or for hours of labor actually used.⁸ The Commission required applicants and service providers to submit invoices to the Universal Service Administrative Company (USAC) for physical work actually performed, as opposed to invoicing in advance for estimated work that in some circumstances may never be performed. Moreover, the Commission stated that work invoices should be based on a reasonable hourly rate or flat fee for the type of service performed and that this process will ensure that E-rate funds will be used only when actual services are provided.⁹

5. We clarify that fixed price BMIC contracts will continue to be eligible for funding, but only for work that is actually performed under the contract. The Commission's ruling does *not* limit contracts eligible for funding to those that pay service providers on a time and materials basis. For example, if a service provider offers a flat fee for all maintenance and repairs necessary for the upcoming year for specific pieces of equipment, the applicant may apply for E-rate funds for estimated repairs, and funds will be released when repairs or other maintenance is performed and invoices for the actual repairs are submitted to USAC.¹⁰ As work is performed, invoices may be submitted to USAC on a periodic basis during the funding year. We note that USAC, as part of its regular reviews to ensure that funding is being properly disbursed, may request information from applicants or service providers in order to verify the

⁴ *Id.* at paras. 106-107.

⁵ *Id.* at paras. 93-99.

⁶ *Id.* at para 107; see also *Schools and Libraries Universal Service Support Mechanism, A National Broadband Plan for Our Future*, CC Docket No. 02-6, GN Docket No. 09-51, Notice of Proposed Rulemaking, 25 FCC Rcd 6872, 6905-6906, para. 80 (2010).

⁷ *Sixth Report and Order* at para 107.

⁸ *Id.* at para 107.

⁹ *Id.* at para. 108.

¹⁰ An applicant may not invoice the cost of the maintenance contract if no work was performed under the contract. Similarly, this rule may not be circumvented by invoicing a single repair at a rate for the entire price of the fixed maintenance contract. As noted herein, work invoices should be based on a reasonable rate for the type of service performed. If, however, \$20,000 worth of BMIC was performed under the contract due to repairs or maintenance that needed to be made utilizing the standard set forth above, the applicant may submit invoices that total the estimated repair costs of \$20,000.

accuracy of the amounts invoiced.¹¹ We emphasize that applicants should reasonably estimate their anticipated expenses. For example, it is not reasonable to estimate an amount that would cover the cost of every piece of eligible equipment. Instead, the estimated amount must be based on verifiable or historical data, such as previous years' expenses related to maintenance, the cost of previous or current maintenance contracts, and the age of the equipment at issue. If a request for funding seems excessive, especially as compared to requests from previous years, for example, USAC may request additional information from the applicant to support its estimate. We note that an applicant that grossly or knowingly submits a request for funding that is far in excess of its needs will violate the Commission's requirement that applicants make a *bona fide* request for funding.¹²

6. We further clarify that reimbursement is permitted for some other types of BMIC without an applicant having to demonstrate that work was performed. Services such as software upgrades and patches, including bug fixes and security patches, and online and telephone-based technical assistance and tools that are typically standard fixed priced offerings will continue to be funded as BMIC if the service or equipment would not function and serve its intended purpose with the degree of reliability ordinarily provided but for these specific services.¹³ In many cases the costs and frequency of these types of services may be difficult to predict or quantify, so we clarify that reimbursement for these repairs will be permitted without demonstration of work performed, as a matter of administrative convenience. Therefore, applicants will be allowed to seek reimbursement of a one-time charge for these services at any time during the funding year. We explicitly distinguish these types of services from the physical maintenance and repair of equipment, such as the labor and parts needed to repair equipment at the school or library, which, as set forth in paragraph 107 of the *Sixth Report and Order* and clarified above, requires that work be performed before reimbursement can occur.

7. We note that the Commission is committed to eliminating waste, fraud and abuse in the E-rate program. As the Commission made clear in its *Sixth Report and Order*, it will continue to consider other additional changes to the E-rate program to further improve and modernize the program in future funding years.¹⁴

B. Gifts

8. In the *Sixth Report and Order*, the Commission amended section 54.503 of the Commission's E-rate program rules and adopted gift rules consistent with the gift rules applicable to federal agencies.¹⁵ The Bureau has received several inquiries regarding these rules, which fall primarily into four main categories: charitable donations, conferences and training sessions, representation on state

¹¹ See USAC: Invoice Deadlines and Extension Requests, at <http://www.usac.org/sl/applicants/step11/invoice-deadlines-extension-requests.aspx> (last visited Dec. 7, 2010).

¹² 47 U.S.C. § 245(h)(1)(B); See also *Request for Review by Ysleta Independent School District of the Decision of the Universal Service Administrator*, CC Docket Nos. 96-45, 97-21, Order, 18 FCC Rcd 26407, 26409 at para. 5 (2003), citing *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9076 (1997) at para. 570. It is also unfair to other schools and libraries for applicants to seek commitments that exceed their needs, given that demand for E-rate funding always exceeds the amount of funding available.

¹³ We clarify here that standard fixed-priced offerings that provide only software downloads, security patches, bug fixes, and access to online and/or telephone-based technical assistance and tools are not unbundled warranties if they are required to support the functionality of the internal connection.

¹⁴ *Sixth Report and Order* at para. 7.

¹⁵ *Sixth Report and Order* at paras. 87-90, Appendix A, 47 C.F.R. § 54.503(d) as amended.

boards, and timing concerns. Each of these categories is separately addressed below. We have also received questions about the extent to which state or federal agencies that participate in the E-rate program are subject to the gift rules. We note that under our rules, if such entities participate in the E-Rate program (for example, preparing applications or participating in the competitive bidding process for contracts, including state master contracts) such agencies and their employees will be subject to the gift rules in the same manner as any other applicant or service provider, depending upon the capacity in which the agency is acting.¹⁶

9. As an initial matter, the Commission stated in the *Sixth Report and Order* that the newly codified E-rate program gift rules are intended to be consistent with the gift rules applicable to federal agencies.¹⁷ The order explained that the federal rules offer a fair balance between prohibiting gifts that might have undue or improper influence on a procurement decision and acknowledging the realities of professional interactions, which might occasionally involve giving modest refreshments or a token gift.¹⁸ As such, it referred parties to the federal rules and their interpretations as guidance to respond to questions on specific gift offerings.¹⁹ We find that these illustrative examples straightforwardly address many of the questions we have received from E-rate participants, and thus may be instructive on how the Commission might interpret similar situations involving gifts in the E-rate program context; including guidance on the disposal of gifts that an E-rate program participant believes might violate the Commission's rule.²⁰ However, as it is ultimately this agency's responsibility to interpret its rules, we emphasize that the Commission is responsible for determining whether there has been a violation of its E-rate gift rules.

10. *Charitable Donations.* As stated in the *Sixth Report and Order*, the gift rule is not intended to discourage charitable donations to E-rate eligible entities as long as those donations are not directly or indirectly related to E-rate procurement activities or decisions and provided the donation is not given with the intention of circumventing the competitive bidding or other E-rate program rules.²¹ For example, cash donations or donations in the form of electronic equipment, such as laptops, cell phones, or computers, and sporting, musical, or playground equipment may be permissible if they can be said to benefit the school, school district, or library as a whole and broadly serve an educational purpose.²² Furthermore, a paid-for exchange of services at market rates, such as the purchase of advertising space on school or library premises, typically will be deemed neither a gift nor a charitable contribution, provided that such a purchase was not made for the purpose of influencing the competitive bidding process.

¹⁶ *Sixth Report and Order* at para. 90; Appendix A, 47 C.F.R. § 54.503(d) as amended.

¹⁷ *Sixth Report and Order* at paras. 88-89.

¹⁸ *Sixth Report and Order* at para. 89.

¹⁹ *Sixth Report and Order* at para. 89. See generally PART 2635 Standards of Ethical Conduct for Employees of the Executive Branch, subpart B -- Gifts from Outside Sources, 5 C.F.R. § 2635.201-205.

²⁰ See 5 C.F.R. § 2635.205 (Proper Disposition of prohibited gifts).

²¹ *Sixth Report and Order* at para. 90; Appendix A, 47 C.F.R. § 54.503(d) as amended.

²² *Sixth Report and Order* at para. 90 (identifying specific literacy programs, scholarships, and capital improvements). For example, the Commission did not intend to prohibit programs that are unrelated to the provision of E-rate supported services or such long-standing programs like Cable in the Classroom (CIC), which is a public service effort supported by national cable networks and local cable companies that provides free cable connections and commercial-free educational programming to schools across the country. See *Cable in the Classroom*, <http://www.ciconline.org/AboutUs> (last visited Dec. 3, 2010).

11. However, applicants should keep in mind that even if a charitable donation furthers educational programs and purposes, it will violate the E-rate program gift rule if it is provided for the specific purpose of influencing the E-rate competitive bidding process.²³ We provide specific examples of situations where the donation is likely given for the specific purpose of influencing the competitive process. For instance, gifts of equipment that increase the demand for a donor's services, and thus cause a school, school district or library to purchase more E-rate services from the donor, are prohibited because the underlying purpose of such gifts is likely not "charitable" but rather to influence the purchasing patterns of the recipient school or library under the E-rate program.²⁴ Similarly, service providers cannot offer special equipment discounts or equipment with service arrangements to E-rate recipients that are not currently available to some other class of subscribers or segment of the public.²⁵ We also note that the Commission's E-rate rules require applicants to pay the non-discount share of the E-rate services they receive.²⁶ As such, a gift associated with the purchase of E-rate services may effectively decrease the amount the applicant is otherwise required to pay for their E-rate services.²⁷ Thus, charitable donations are prohibited to the extent they function as inducements to make purchases from the donor in violation of competitive bidding requirements, reduce the applicant's share of the payment for its services, or might otherwise serve to increase the demand for an existing donor's services.

12. We presumptively prohibit as indicative of undue influence certain gifts like cash, travel, and equipment provided for the benefit of a specific individual or discrete group of individuals associated with or employed by an E-rate participant.²⁸ For example, a service provider may not give a gift to a teacher who helps draft a district's technology plan, even if that teacher does not ultimately help select the E-rate service provider. Further, such a gift to an individual would not be covered by the charitable donation exception.²⁹

13. *Conference, Seminars and Training Sessions.* The *Sixth Report and Order* identifies certain allowable *de minimis* gifts.³⁰ For example, modest refreshments, items with little intrinsic value

²³ Such gift could be provided directly to the applicant from the service provider or it could be provided indirectly through, for example, a third-party non-profit or foundation.

²⁴ For example, it would be a presumptive violation if a service provider donated computers to a school and the use of those computers had the effect of increasing the school's volume of Internet access services purchased from that service provider and for which E-rate discounts were sought.

²⁵ For example, many cell phones are free or available to the general public at a discounted price with the purchase of a two-year service contract. Schools and libraries are free to take advantage of these deals, without cost-allocation, but cannot accept other equipment with service arrangements that are not otherwise available to some segment of the public or class of users. Therefore, a service provider may not offer free iPads to a school with the purchase of telecommunications or Internet access services eligible under E-rate, if such an arrangement is not currently available to the public or a designated class of subscribers.

²⁶ See 47 C.F.R. § 54.505.

²⁷ See USAC: Free Services Advisory, at <http://www.usac.org/sl/applicants/step06/free-services-advisory.aspx> (last visited Dec. 8, 2010) ("An applicant may not receive free or discounted services from a service provider that have the effect of providing a discount level to the applicant greater than the discount allowed for Schools and Libraries support").

²⁸ *Sixth Report and Order* at para. 90; Appendix A, 47 C.F.R. § 54.503(d) as amended; see generally 5 C.F.R. §§ 2635.202, 203(f).

²⁹ See 5 C.F.R. § 2635.203(f) (defining a gift that is solicited or accepted indirectly).

³⁰ *Sixth Report and Order* at para. 88.

intended solely for presentation, and items that are worth \$20 or less, as long as those items do not exceed \$50 per employee from any one source per funding year, are permissible gifts.³¹ Accordingly, raffle tickets, raffle gifts and door prizes provided at industry events must have a retail value under \$20,³² unless the raffle is open to the public.³³ Additionally, the federal gift rules identify other exceptions to the gift rules for personal relationships, discounts,³⁴ honors, and outside business relationships and provide detailed examples of the limitations on gifts associated with sponsorship of industry events, speaking engagements, and other widely attended gatherings.³⁵ These rules and examples generally reflect the intention and spirit of the newly codified E-rate gift rules and can be considered good guidance for how the Commission might interpret gift actions related to widely attended gatherings including conferences, seminars, and training sessions attended by E-rate program participants. Note that a widely attended gathering does not simply mean an event with a large number of attendees.³⁶ A training or conference regarding one vendor's services or a few vendors' services would not be a widely attended event even if many people attended. A widely attended event would be, for example, a trade show featuring presentations, demonstrations or information by multiple vendors. Therefore, we clarify that service provider sponsorship of an E-rate related conference, seminar or training session is permissible when the involved parties otherwise adhere to the E-rate program gift rules.³⁷ Likewise, food, refreshments, instruction and documents furnished to all attendees during the widely attended conference, seminar, or

³¹ *Id.* at para. 88.

³² The cost of a gift should be determined by its retail value and not the wholesale value. *See* 5 C.F.R. § 2635.203(c) (definition of Market Value). *See also* 5 C.F.R. § 2635.203(a)(5) (“Gift...does not include...[r]ewards and prizes given to competitors in contests or events, including random drawings, open to the public unless the employee’s entry into the contest or event is required as part of his official duties”).

³³ Open to the public means that attendance to the event is free of charge and that members of the public at large typically attend such a gathering. For example, a conference that is designed for government agency IT directors or for school or library employees involved in developing the technology needs for their school or library would not be viewed as “open to the public.”

³⁴ “Discounts” in this context does not mean the “discounts” that are statutorily required by the E-rate program.

³⁵ *See generally*, 5 C.F.R. § 2635.204 (Exceptions).

³⁶ *See generally*, 5 C.F.R. § 2635.204 (Exceptions). *See also, e.g.*, 5 C.F.R. § 2635.204(g),(h)(widely attended gatherings are defined as follows:

A gathering is widely attended if it is expected that a large number of persons will attend and that persons with a diversity of views or interests will be present, for example, if it is open to members from throughout the interested industry of profession or if those in attendance represent a range of persons interested in a given matter.

The federal rules further state that a determination must be made that the employee’s attendance at the gathering is in the interest of the agency because it will further agency programs and operations.);

Advisory Opinion Regarding Widely Attended Gatherings, 07x14 (Dec. 5, 2007), *available at* http://www.usoge.gov/ethics_guidance/opinions/advop_files/2007/07x14.html (last visited Dec. 7, 2010); Ethics Guidance, Advisory Opinions and DAEOgrams, <http://www.usoge.gov> (last visited Dec. 7, 2010) (providing guidance on federal gift rules).

³⁷ We note that training sessions may be treated differently dependant upon the host and purpose of the training session. For example, E-rate trainings sponsored, organized or conducted by a state, regional or local governmental body, such as a department of education; by applicants or a group of applicants; or by a non-profit or trade association that includes those entities, such as the American Library Association or the Gates Foundation will not be considered “vendor promotional training” for the purposes of the E-rate gift rules. *See also* 5 C.F.R. §202(c)(5), 2635.203(g) (vendor promotional training).

training sessions are permissible. However, as identified in the federal rules, travel expenses, lodging, meals and entertainment collateral to the event would be considered inappropriate gifts.³⁸ Service providers, therefore, can sponsor, organize or conduct trainings, including E-rate trainings; they cannot provide any gift that exceeds the amounts detailed in the *Sixth Report and Order*.

14. We further clarify, however, that under the E-rate program gift rules, a service provider cannot solicit the attendance, or pay the attendance fee, of an employee of an E-rate school, school district, or library to speak at a service provider's conference, seminar, panel, training session, or other event when the primary purpose of the speaker's attendance is to promote and discuss the benefits of using the service provider's E-rate services. Additionally, the employee cannot accept free attendance at such an event even if the school or library has assigned the employee to participate or present information on behalf of the school or library. We find there is no E-rate program or public interest furthered by allowing an E-rate service provider to pay an E-rate applicant representative to promote the service provider's E-rate products. However, a service provider may offer an "educational discount" on the attendance fee to employees of schools or libraries for widely attended gatherings if that discount is available to all employees of schools or libraries.

15. *Representation on Boards.* We have been advised that sometimes employees of schools are required by law to sit on the governing boards of other governmental agencies that may act as E-rate service providers and are provided meals, lodging, airfare and other travel-related expenses as part of their board duties.³⁹ We clarify such travel expenses are not gifts that violate E-rate program rules when provided to a state or regional education board member by the board in effectuation of that member's official position and duties on the board. We also clarify that an individual associated with or employed by an E-rate service provider may sit on a school or library's fundraising board without violating the Commission's competitive bidding rules, provided that the individual's service on the board does not unfairly influence the competitive bidding process or provide the service provider with inside knowledge of the applicant's E-rate program that would undermine the competitive bidding process. We understand that some state agencies or subdivisions apply for E-rate funding on behalf of member schools or libraries. We note that if those agencies or subdivisions become service providers, that agency or subdivision cannot provide assistance to their members or clients related to the competitive bidding process for the services for which they will submit bids. That assistance is not a gift, but it would be a violation of the Commission's competitive bidding rules, unless the agency or subdivision has properly established a firewall separating those individuals involved in submitting the bid from those providing assistance.⁴⁰

16. *Timing.* As stated in the *Sixth Report and Order*, the newly codified E-rate program gift rules take effect 30 days after publication of the order in the Federal Register.⁴¹ The *Sixth Report and Order*, including Appendix A, was published on December 3, 2010.⁴² Additionally, if an applicant or

³⁸ See 5 C.F.R. § 2635.204(g)(4). Collateral to the event means that the item of value is not provided during the actual event or outside the event room or rooms. For example, a meal eaten at a restaurant in the same hotel where the event is held but that is not provided by the event would be considered collateral to the event, even if it occurs during the same time that the event is conducted.

³⁹ See Ohio E-rate Consortium Ex Parte.

⁴⁰ See 47 C.F.R. § 54.503; see also <http://www.usac.org/sl/applicants/step01/esa-guidelines/>.

⁴¹ *Sixth Report and Order* at para. 118.

⁴² See *Schools and Libraries Universal Service Support Mechanism and A National Broadband Plan for Our Future*, Sixth Report and Order, 75 Fed. Reg. 75393 (Dec. 3, 2010).

eligible entity is seeking E-rate funds for the first time or is, for the first time, seeking E-rate funds for a new category of service, the applicant or entity must be in compliance with the Commission's gift rules beginning at least six months prior to the posting date of its Form 470.⁴³ We remind all program participants that the Commission has long held that the competitive bidding process must be fair and open.⁴⁴

III. ORDERING CLAUSES

17. ACCORDINGLY, IT IS ORDERED, that pursuant to the authority contained in sections 1 through 4, 254, 303(r), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154, 254, 303(r), and 403, this order IS ADOPTED.

FEDERAL COMMUNICATIONS COMMISSION

Sharon Gillett
Chief
Wireline Competition Bureau

⁴³ For example, a school that has not previously participated in the E-rate program has decided to apply for E-rate support for FY2012. If that school posts its Form 470 on November 1, 2011, it must be in compliance with the Commission's E-rate gift rules beginning at least six months prior to the 470 posting, or May 1, 2011.

⁴⁴ See *Request for Review by Ysleta Independent School District of the Decision of the Universal Service Administrator*, CC Docket Nos. 96-45, 97-21, Order, 18 FCC Rcd 26407 (2003); *Sixth Report and Order* at paras 85, 87; see also FCC Form 470 certification (requiring applicant to certify that it has not received anything of value or been promised anything of value other than the service and equipment on the form).



Schools and Libraries Service Provider Conference Call – January 9, 2013

AGENDA

1. Funding Commitments for FY2012, FY2011, and FY2010
2. FY2013 Filing Window Update
3. Update on New FCC Form 470 Download Tool
4. Invoicing Update
5. Other
6. General Questions Received by Email

MINUTES

1. Funding Commitments for FY2012, FY2011, and FY2010

For FY2012, USAC is funding approved Priority 2 (Internal Connections and Basic Maintenance) requests at 90 percent and denying for cap at 89 percent and below. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
022	12/18/2012	\$31.3 M
023	12/26/2012	\$25.6 M
024	1/3/2013	\$52.0 M
025	1/9/2013	\$ 8.3 M

For FY2011, USAC is funding approved Priority 2 requests at 88 percent and above and denying for cap at 87 percent and below. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
073	12/19/2012	\$ 3.2 M
074	12/27/2012	\$ 5.6 M
075	1/10/2013	\$ 5.3 M

For FY2010, USAC is funding approved Priority 2 requests at all discount levels. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
106	12/27/2012	\$ 1.7 M

2. **FY2013 Filing Window Update**

The FCC Form 471 application filing window for FY2013 opened at noon EST on Wednesday, December 12, 2012 and will close at 11:59 pm EDT on Thursday, March 14, 2013.

FCC Forms 470 must be posted to the USAC website on or before February 14, 2013, for applicants to be able to wait the required 28 days, select a service provider, sign a contract (if applicable), and submit and certify their FCC Forms 471 by the close of the filing window. Applicants filing on paper are encouraged to submit their forms in time for USAC to RECEIVE them by February 7. This allows USAC to reach out to the applicant for any necessary information or corrections in time for the form to be posted to the website by the deadline.

REMINDER: Starting with FY2013, applicants filing FCC Forms 470 can list Priority 1 services in EITHER Telecommunications Services OR Internet Access. If you provide Priority 1 services, be sure to check postings in both of these categories of service, not just the category of service that will be featured on the FCC Form 471.

3. **Update on New FCC Form 470 Download Tool**

You can access the [new Form 470 download tool](#) from the link at the top of the main page of the [old tool](#). Service providers who want to use the old tool should bookmark it, as we will at some point change the link on the [Search Tools](#) page to the new tool.

We will decommission the old tool after the FY2013 filing window closes.

4. **Invoicing Update**

Payments for the month of December totaled \$121,347,834.34 against requests for \$163.7M. In total, 9,511 invoices were processed for 1,358 service providers. This represented 27,085 lines in December with 95 percent being completed within 30 days.

There were 964 lines in process as of January 8.

Invoice rejections

In the past month, the most common reasons for invoices being rejected were:

- The invoice is or appears to be a duplicate.
- This SPIN/FRN combination is not in our database.
- The entire commitment amount was already paid.
- This FCC Form 471/FRN combination is not in our database.
- There is no FCC Form 486 on file.

The FY2011 recurring services invoice deadline has been extended. Applicants and service providers have until January 28, 2013 to submit invoices for FY2011 recurring services. The invoice deadline has been extended for everyone, not just for those affected by Superstorm Sandy. January 28 remains the invoice deadline for FY2011 non-recurring services.

BEAR Form Reminders

- Encourage your customers to submit BEAR Forms online.
- Log in to the [E-File System](#) to review any online BEAR Forms filed by your customers. If you need help accessing the system, call (888) 641-8722 and choose the "Form 498" option.
- Some service providers are not receiving email notifications for BEAR payment electronic transfers. We are working on the problem and hope to have it fixed soon.
- Remember that remittance statements and BEAR Notification Letters are issued first, followed in about two weeks by BEAR payment electronic transfer email notifications. The former should be used to prepare reimbursements to applicants, as the emails are simply notifications that the funds already approved will be transferred to your bank.

5. Other

We expect to announce the May service provider training sessions on the next call. Please watch the website and read the SL News Brief for an announcement.

6. General Questions Received by Email

Q1. Could you please clarify the rules for when the service provider is supplying the router that is needed for Internet Access. Assuming that the router is needed for Internet access and does not affect the internal network, are the following P1, P2 or not eligible. For B & C please provide a response based on the Service Provider retains ownership and the Entity retains ownership.

- (A) The router is owned and managed by the Service Provider and there is a separate fee associated. The router will remain the property of the service provider.
- (B) There is a one-time fee for the router provided by the service provider.
- (C) There is one time "setup" fee for the router provided by the service provider

A1. To be considered as part of a Priority 1 funding request, a router owned by the service provider must meet **all** of the eligibility conditions described in the [On-premise Priority 1 Equipment](#) website guidance. We refer to the entire group of eligibility conditions collectively as the “Tennessee test.” Specifically:

- (A) The router in this situation can be eligible as Priority 1 if it meets the “Tennessee test.”
- (B) The router in this situation can be eligible as Priority 1 if it meets the “Tennessee test” and it is owned by the service provider. If it is owned by the applicant, it is considered Priority 2 Internal Connections.
- (C) Same answer as (B).

Q2. USAC’s Free Services Advisory has been modified to say “A cost allocation is not required when the free product or service is available to the public or a class of subscribers broader than just E-rate recipients.” However, our understanding is that USAC is not approving funding requests that are consistent with this policy except in the case of cell phones. Rightly or wrongly, many E-rate constituents believe that they can rely on official program information. Could you please clarify the current process, and also consider making the website information fully consistent with that process?

A2. Here is the complete text added to the Free Services Advisory:

A cost allocation is not required when the free product or service is available to the public or a class of subscribers broader than just E-rate recipients. For example, many cell phones are free or available at discounted prices with the purchase of a two-year service contract. Applicants are free to take advantage of these deals without cost allocation, but cannot accept other equipment with service arrangements that are not otherwise available to some segment of the public or class of users.

This text comes from a footnote in the FCC Order [DA 10-2355](#). We do not yet have clarification on free products or services other than cell phones, and we will share any additional guidance when we receive it.

Q3. Have not received transaction notification of pending deposits since the end of November. This is the email that gives the transaction ID and the date the deposit will be. I used to receive it a day before the deposit (ACH) hit our bank. Was told last week that there was an issue with the system. Any update on this? We have multi spins and have already spoken to cust svc and ruled out a 498 issue.

A3. We are aware of the problem and hope to have it resolved soon. You should call:

- the Client Service Bureau at (888) 203-8100 for BEAR Notification Letter copies and similar information
- USAC Billing, Collections, and Disbursements at (888) 641-8722 for remittance information.

REMINDER: Please send your questions for the next Service Provider Conference Call by following the instructions outlined on the [Conference Call webpage](#) of the USAC website.

Also, please watch the [USAC website](#) for other program updates.



News

Funding

Menu



USAC Service Provider Call Notes - January 2013 1/10/2013

USAC's Schools and Libraries Division hosts monthly service provider conference calls, providing information and guidance for vendors participating in the E-rate program. Highlights from January 9, 2013 service provider call include:

December 2012 Commitments

Funding Commitments Issued Since Last USAC Service Provider Call

Year	Requested Amount	Committed Amount	Rejected Amount	Pre-Discount Amount
2008	\$4,911,078.63	\$8,172.34	\$4,902,906.29	\$7,776,406.56
2009	\$24,468,410.50	\$9,806,922.60	\$14,661,487.90	\$28,447,319.15
2010	\$44,584,731.28	\$38,540,451.33	\$6,044,279.95	\$50,007,700.81
2011	\$86,876,340.42	\$32,338,046.92	\$54,538,293.50	\$103,219,679.07
2012	\$217,039,849.27	\$165,782,574.04	\$51,257,275.23	\$274,119,875.28
Totals	\$377,880,410.10	\$246,476,167.23	\$131,404,242.87	\$463,570,980.87

FY 2013 Form 471 Window Open

The Funding Year 2013 Form 471 filing window is now open and will continue through 11:59 EST on Thursday, March 14, 2013. The filing window will be open for 93 days. Thursday, February 14, 2013 is the last date on which a Form 470 may be filed in time to be referenced on a Funding Year 2013 request.

Invoicing Update

Payments for the month of December totaled \$121.34 million against \$163.7 million in requests. Invoices were submitted by 1,358 service providers, and 95% were processed within 30 days. The top invoice denial reasons for the month include:

- Duplicate invoicing
- Invalid SPIN
- Invalid FRN
- Total commitment paid
- Form 486 not processed

FY 2011 Invoice Deadline Extended

Due to Hurricane Sandy, USAC is extending two important E-rate program deadlines. The FY 2011 recurring services invoicing deadline was Oct. 29th. For all applicants, regardless of their location, the deadline will now be Jan. 28, 2013. The SLD will make this change automatically, and no further action or request will be required. The new invoice deadline for recurring services will now be the same as the typical deadline for non-recurring services.

In addition to the invoice deadline extension, the FCC Form 486 deadline for FY 2012 will also be moved to January 28, 2013 for all E-rate program participants. Applicants who may have missed either of these deadlines will now have additional time to prepare the necessary forms and submit them to USAC for processing.

Any applicants in the impacted federal disaster locations will be allowed extra time for other program related deadlines, such as PIA. The full announcement can be found on the Schools and Libraries Division [website](#).

Q&A

A question arose about how to properly comply with on-premise regulations. Documentation about on-premise

equipment can be found on the [SLD website](#).

There is still confusion over the [Free Services Advisory](#) and whether or not cost allocation is required when the free product is available to the public or a class of subscribers broader than just E-rate recipients. The SLD clarified that while a decision has been made on cell phones, the matter is still be discussed at the FCC regarding other products.

The SLD responded to questions tied to the [Queen of Peace Order](#) and clarified that if an applicant posts a Form 470 and requests a particular manufacturer, they must also state they will evaluate any equivalent product or solution as well.

Note: The information above is not the official minutes from the call, but simply notes from Funds For Learning. The official minutes for this call, as well as call minutes from previous months, can be found [here](#).



[Switch To Full Site](#)

REQUEST FOR PROPOSAL (RFP)

RFP #13-0334-C

VOICE SERVICES – E-RATE

RFP Release Date: Friday, January 4, 2013

Written Questions Due: Wednesday, January 16, 2013
On or before 10:00 a.m.

Proposals Due: Monday, February 4, 2013

On or before 1:00 p.m. to the
DETROIT PUBLIC SCHOOLS
OFFICE OF PROCUREMENT AND LOGISTICS
FISHER BUILDING – 11TH FLOOR – SECOND AVENUE ELEVATORS
3011 WEST GRAND BLVD
DETROIT, MICHIGAN 48202
(See Section L, Paragraph 2, „Submission Instructions“)

Detroit Public Schools
3011 West Grand Blvd.
Detroit, Michigan 48202

PREFACE

Background

DPS Operations and Demographics

DPS provides a standard, traditional curriculum to a student body of approximately 55,000 students ranging from pre-kindergarten through the 12th grade. DPS also provides adult education at a variety of facilities during non-school hours. In addition to the standard curriculum, DPS offers a variety of specialized technical training programs for the higher-grade levels. The District encompasses an area of approximately 139 square miles. DPS operates 100 schools, including elementary (K-5), combination (K-8), middle schools, high schools and technical center schools. In addition to the schools there are 11 buildings that provide supporting services.

RFP Document

Suppliers need to review this document carefully. An explanation of the sections and parts are outlined below:

- o Section A-J (Parts I, II & III) will form the body of the contract once both parties have signed Section A. Upon award and acceptance of the proposed work, these sections become the contract with the Offeror (Vendor/Contractor) and DPS and may include attachments containing terms, conditions and/or pricing specific the product or service being rendered. Section J (Part III) contains all attachments or additional supporting information.
- o Section K-M (Part IV) contains the representations and certifications all Suppliers must complete to meet the eligibility requirements (Section K). It also contains the format instructions to Suppliers for both the specific product or service and general terms and conditions for all RFPs (Section L). Section M outlines specific information about the eligibility requirements, evaluation criteria and general selection process.

DETROIT PUBLIC SCHOOLS

The Board of Education of the City of Detroit
Office of Procurement and Logistics
Fisher Building 11th Floor
3011 West Grand Blvd.
Detroit, MI 48202

Section A Contract Cover Page & Signatures



- 1. Contract No.: 13-0334-C
- 2. ITB/RFP No.: 13-0334-C
- 3. Contract Title:
Voice Services – E-Rate
- 4. Contract Amount:
\$ TBD
- 5. Contract Term:
July 1, 2013 – June 30, 2016

6. Supplier Name:

Address:

City/State/Zip:

Contact:

Telephone:

Fax:

7. Contract Table of Contents:

Section A:	Contract Cover Page & Signatures
Section B:	Schedule
Section C:	Scope of Work/Service
Section D:	Packaging and Marking (<i>Reserved</i>)
Section E:	Inspection and Acceptance
Section F:	Deliveries or Performance
Section G:	Contract Administrative Data
Section H:	Special Contract Requirements (<i>Reserved</i>)
Section I:	General Contract Clauses
Section J:	List of Attachments

8. Signature of Authorized Supplier Representative:

Signature Date Signed

Print Name: _____

Title: _____

9. Signature of DPS Chief Procurement and Logistics Officer:

Signature Date Signed

Print Name: Tracy Joshua

Title: Chief Procurement & Logistics Officer

SECTION B SCHEDULE & PRICING

Supplier shall provide necessary labor, material, equipment, transportation, and supervision for contracted products for Voice Services under an E-Rate contract. Pricing must be all-inclusive of labor, materials, supplies, travel or any other necessary items.

-----End of Section B-----

SECTION C SCOPE OF SERVICE

C.1 Voice Services & Service Requirements

C.1.1 Plain Old Telephone Lines (POTs)

C.1.2 CENTREX Lines

C.1.3 T1 and PRI with DID/DOD

C.1.4 E911

C.1.5 New Service Orders and or Service Modification

C.1.6 Other Requirements

C.1.7 VoIP OPTIONS

C.2 Existing Conditions

C.3 Customer Premise Equipment

C.4 Configuration

C.5 Implementation Plan

C.6 Support

C.7 Documentation

C.8 E-Rate Requirements

C.9 Current line/circuit information

C.10 Vendor Questionnaire

C.1 Voice Services & Service Requirements

The Detroit Public Schools, (DPS) is requesting proposals from qualified vendors for the provisioning of voice services. The requirements herein need to be met and/or exceeded for the duration of the contract.

In addition, the Mission of the Detroit Public Schools is to develop a customer and data-driven, student-centered learning environment in which students are motivated to become productive citizens and lifelong learners, equipped with skills to meet the needs

of their next customer, higher education in the world of work. The successful vendor is also expected to participate as a partner to ensure the success of this main objective.

DPS currently uses voice services from AT&T and XO and Long distance service from Century Link. DPS wishes to consolidate its voice services into a single contract from a single provider. Vendor shall be responsible for all costs of conversion to their proposed system and shall clearly call out any charges associated with the implementation.

A complete list of existing lines, phone numbers and locations is included in this RFP in Section C.9. Proposers shall provide equivalent services at all locations and shall include all cutover/start-up costs in their proposals.

The district is also interested in converting all existing voice services to Hosted VoIP technology. VoIP proposals must meet all of the relevant requirements in this RFP. See section C.1.7 for additional details.

Acknowledge Compliance	Non-Compliance Explanation

C.1.1 Plain Old Telephone Lines (POTs)

Currently the Centrex and POTS service is provided on channelized T1s (24 lines per channel). The Vendor should provide approximately of 1,700 Plain Old Telephone lines distributed throughout the district. This service will be referred to as POTs.

- Basic service with no features is required for the Plain Old Telephone lines.
- At a minimum these features include dial-tone, Direct Inward Dialing and Direct Outward Dialing.
- Any and all regulations pertaining to public buildings needs to be met with regards to the Plain Old Telephone service. This includes any requirements for the passing of Automatic Number Identification (ANI) and Automatic Location Identification (ALI.)

Acknowledge Compliance	Non-Compliance Explanation

C.1.2 CENTREX Lines

Currently the Centrex and POTS service is provided on channelized T1s (24 lines per channel). The vendor should provide approximately 11,000 CENTREX lines terminated on PBX and Key Systems as well as connected directly to CENTREX Phones. CENTREX service includes the following features:

- 5 Digit dialing plan with no usage cost for calls to other CENTREX lines.
- Direct Inward Dialing and Direct Outward Dialing

- Voice Mail Services at no additional charge with a minimum of 30 minutes of storage per CENTREX line.
- No usage charges for local calls
- Access to the public switched telephone network for dialing outside the network.
- Automatic access to the District's vendor of choice for Long Distance Service.
- No monthly recurring PICC or carrier access charges
- Remote call forward within 2 hours of notice with a limit of at least 150 call paths

- All other standard CENTREX features offered to clients within service area. Identify these features in the proposal.
- The District reserves the right to independently monitor network availability on an ongoing basis to ensure contracted commitments are met.

- Following features should be included for all users:
 - Call Transfer
 - Conference Call Hosting
 - Caller ID from every phone
 - Call Hold
 - Speaker Phone
 - Voicemail (including archiving and retrieval—describe the capacity)
 - Intercom
 - Paging
 - Do not disturb
 - Speed dials
 - Call pickup
 - Call recording
 - Instant Messaging
 - Panic Button
 - Internal calling
 - External calling
 - Ring again (to call a busy Centrex number automatically)
 - Three way calling
 - Consultation hold (to talk privately with a third party)
 - Directed call pickup (to answer any ringing phone that allows call pickup, not just in your group like call pickup)
 - Call forwarding, call forwarding variable
 - Remote access to call forwarding
 - Call forward busy
 - Call forward don't answer
 - Call waiting
 - Call waiting ID

- Assume 9
- Dial 9
- Call transfer disconnect
- Hunting
- Station Line ID (internal)
- Delay call forwarding
- Message waiting
- Anonymous call rejection
- Call return
- Call screen
- Call trace
- Priority/distinctive ringing
- Repeat dialing

Acknowledge Compliance	Non-Compliance Explanation

C.1.3 T1 PRI with DID/DOD

Currently the district terminates CENTREX T1 PRIs to district-owned Private Branch Exchanges, (PBXs.) The district anticipates that over the course of the contract there will be a shift from the quantity of CENTREX Lines needed to an increase in the number of T1 PRIs with DID/DOD required. T1 PRI service includes the following features:

- Access to other CENTREX lines through 5 digit dialing plan with no usage cost for calls to other CENTREX lines.
- Multiple DID/DOD numbers assigned per T1.
- Access to the public switched telephone network for dialing outside the network.
- Automatic access to Districts vendor of choice for Long Distance Service.
- All other standard features offered to clients within service area for CENTREX T1 PRI. Identify these features within the proposal.
- At least one vendor representative will be trained by vendor on the Nortel Meridian Option 11c PBX and Avaya BCM400/450 PBX and be familiarized with the DPS configuration.

Acknowledge Compliance	Non-Compliance Explanation

C.1.4 E911

The district anticipates the need for automatic number identification (ANI) and automatic location identification (ALI) to be accurately collected and passed to the PSAP in the

event of a 911 call. The district expects the vendor to inform the district of changes to regulations as well as keep the data for ANI and ALI accurate and secure to meet, if not exceed, state regulations pertaining to 911 and Enhanced 911.

Acknowledge Compliance	Non-Compliance Explanation

C.1.5 New Service Orders and or Service Modification

Throughout the duration of the contract it is anticipated that both service additions and modifications to existing service will occur. The vendor is responsible for the following at a minimum:

- Coordinate with district representatives for schedule and service needs. Average order interval; order to completion will not exceed 15 calendar days.
- Vendor agrees that the District reserves the right to cancel service for events that include but are not limited to facility closings and/or changes in technology.

Acknowledge Compliance	Non-Compliance Explanation

C.1.6 Other Requirements

Respondents shall respond to each statement / question below.

- Do you agree to waive any/all late payment charges?
- There should be no charges for administrative type fees, paper bills, etc.
- Do you have a separate department for E-rate tracking, questions, etc?
- Other than expedite requests, all installation charges should be waived
- There shall be no minimum service or dollar commitment and no early termination fee on any circuit or service proposed.
- DPS expects a direct team to be assigned to them: direct sales rep, direct order rep, direct implementation rep, direct billing rep, direct e-rate rep
- Written escalation procedures and a list of contacts will be given to DPS before any contract is signed

- Carrier access charges/Long Distance Access charges/PICC charges should be waived
- All lines (Centrex, POTs, PRI) should allow for unlimited local usage and IntraLATA calling at no charge.
- If your company charges any additional charges for the services being bid on that has not been listed in this RFP, you must clearly state those charges in your response or agree to waive them
- Vendor agrees that the District reserves the right to cancel service for events that include but are not limited to facility closings and/or changes in technology.
- Physical installation of the circuit and porting of numbers will not occur on the same date. The district reserves the right to re-schedule these dates into the future as may be necessary due to extenuating circumstances.
- **Intercepts and recorded announcements.** The provider shall provide commercially available network intercepts to recorded announcements when a call cannot be completed. The following scenarios shall be supported:
 - Calls to disconnected numbers
 - Trunk or common equipment feature
 - Misdialed numbers to unavailable non-working numbers
 - Unauthorized calls
- **Local Number Portability (LNP).** LNP allows the subscriber to retain his telephone number after changing service providers or physical locations in accordance with guidelines established by the Number Portability Administration (NP AC).
- **Retention of current phone number.** The contractor shall work with the district's current dial-tone provider to ensure the smooth transition of service of the current installed phone numbers.
- **Provide a maximum of one (1) hour response time** for any problem causing significant interruption or impediment of the services. This shall be one (1) hour from the time the district or contractor detects the system problem.
- **Provide proactive management of the ISDN PRI and all digital line services.** This management shall include providing immediate remedial action to resolve service interruption. The action shall include advising the Contracting Officers Technical Representative (COTR) of any significant outage, re-routing of traffic, utilization of redundant facilities, and all other steps required for the immediate re-instituting of services.
- The contractor shall provide recurring telecommunications fees and surcharges expected to be incurred by the district.
- The contractor shall coordinate the seamless port of phone numbers with existing carriers. These numbers will be provided at time of award.

- The district will furnish a ~~letter of agency~~ to the contractor to allow them to coordinate the port with the previous carrier. The contractor shall provide porting procedures and any reason existing numbers would not be eligible for porting.
- The contractor shall work with the district to schedule an after-hours cutover as specified by the district.
- The contractor shall port all numbers associated with services.
- PRIs should be configured as (23 B + D channels). D channel shall not be shared with any another ISDN PRI trunk.
- Access to 911 service. Subscriber shall be able to obtain emergency service/assistance by dialing 911. The contractor shall administer the associated database.
- Automatic route selection: Allows call to be routed automatically in accordance with a provider specified routing plan approved by the district.
- Caller ID. Provides the basic capability of passing the calling number and name to the terminating station as well as the PRI ANI on all inbound/outbound calls.
- Dual tone multi-frequency (DTMF) or touch tone dialing.
- The district requires that the successful vendor provide IntraLATA as well as InterLATA service.
- Each Quote shall include a rate program for a five-year plan (one year with four optional one-year extensions).
- Detroit Public Schools is exempt from federal taxes.
- Proposers shall complete and return the ~~Vendor Questions~~ in section C.10

Acknowledge Compliance	Non-Compliance Explanation

C.1.7 VoIP Options

The district is also interested in converting all existing voice services to VoIP technology. VoIP proposals must meet all of the relevant requirements above and must contain at least the following as part of their proposal

- A detailed Statement of Work (SOW) including a detailed implementation and cutover plan and timeline
- Proposers should include in their SOW the methods and options for dealing with power and survivability issues.
- A list of all new equipment required, including handsets POE and the unit and

installed price for each

- In the event of outside loss of primary connectivity or power, system must be able to provide fail over dial tone and connectivity internally and externally for designated users.
- Onsite training and setup for users and DPS administrators shall be included.
- Proposed system shall have a method of attaching existing analog or digital phones with minimal cost and effort. Proposers shall describe their methods in their response.
- Proposers shall fill out the table below (include separate sheets as required) – break out all costs as E-Rate eligible or non-eligible.
- Proposer shall detail their management and troubleshooting plans. Detail will be provided to explain the extent and limits to vendor maintenance responsibilities.

Acknowledge Compliance	Non-Compliance Explanation

**Proposers of VoIP Services must fill out the pricing sheet below
attach additional sheets as required.**

CLIN	Description	Current Quantity (est.)	Non-recurring One-Time Charge	Recurring Monthly Cost	Fee Unit of Measure	Additional recurring charges (describe)
1	IP Phone Service - Standard User		\$	\$	per Line	\$
2	IP Phone Service - Receptionist		\$	\$	per Line	\$
3	Analog Phone Service		\$	\$	per Line	\$
4	IP Fax Line		\$	\$	per Line	\$
5	Federal Access Charge/Subscriber Line Charge		\$	\$	per Line	\$
6	IP Trunk between Data Center and Service Provider		\$	\$	per Line	\$
7	Expedite Order Charges		\$	\$	per order	
8	Long Distance Inbound Toll free (800 Svc)		\$	\$	per min	\$
9	Long Distance outbound/switched		\$	\$	per min	\$
10	E911 Support and Maintenance		\$	\$	per Line	\$
11	Administrative Percentage added on to USF%		\$	\$		\$
12	Property Tax Percentage		\$	\$		\$
13	Other Taxes		\$	\$		\$
14	LNP - Local Number Portability Charges		\$	\$		\$
15			\$	\$		\$
16			\$	\$		\$
17			\$	\$		\$
18			\$	\$		\$
Purchased Equipment						
1	2-Line Classroom Phone - w/Speaker, two RJ45 ports, inline power		\$		each	
2	Wall Mount Kit		\$		each	
3	Power Adapter		\$		each	
4	Premium IP Desk Phone -(Describe)		\$		each	
5	Power Adapter		\$		each	
6	IP Conference Phone - Hands Free (describe)		\$		each	
7	Power Adapter		\$		each	
8	Analog / Digital Gateway		\$		describe	
9	Headsets					
10	Call Center Agent Phones					
11	Paging System Interface					

C.2 Existing Conditions

DPS provides a standard, traditional curriculum to a student body of approximately 58,000 students in DPS schools ranging from pre-kindergarten through the 12th grade. In addition, DPS provides technology services to 23 additional k-12 schools as part of the DPS Charter Consortium. DPS also provides adult education at a variety of facilities during non-school hours. In addition to the standard curriculum, DPS offers a variety of specialized technical training programs for the higher-grade levels.

The District encompasses an area of approximately 139 square miles. DPS and the DPS Consortium operate 144 instructional and operational sites.

For purposes of this RFP all references to “DPS” and/or “The District” shall be assumed to include DPS and all members of the DPS Charter Consortium.

The Operations Departments are responsible for maintaining the physical facilities of the District, provide security, student transportation, food service, construction services, environmental services and District-wide contracting services.

The district voice network is made up of both Centrex lines and POTs lines. There are approximately 30 schools that have a PBX and or Key system in which the Centrex lines terminate and approximately 100 schools that have no voice switch, and have the Centrex or Pots lines homerun to the handset.

C.3 Customer Premise Equipment

In order to provide end-to-end voice service to Detroit it may be necessary for the vendor to locate vendor owned equipment at various locations within the Detroit Public Schools. This equipment is referred to as customer premise equipment (CPE.) At a minimum the vendor is responsible for the following related to CPE:

- Customer premise equipment provided by the successful Vendor will have a minimum of 10,000- hour mean-time-between-failure (MTBF.)
- Vendor is responsible to ensure that the vendor owned equipment is protected from lightning, power surges and/or brown outs.
- Vendor must have in place a repair and replacement process to return faulty equipment to fully operational status to meet the up-time requirements. Coordinate directly with district representatives to account for facility and network security requirements.
- ALL CPE proposed must be “E-Rate” eligible equipment and must satisfy the criteria for such eligibility as defined by current SLD guidelines. (See E-Rate Requirements below). Any goods and/or services that are not 100% eligible shall be clearly called out and cost-allocated.

Acknowledge Compliance	Non-Compliance Explanation

C.4 Configuration

Proposer shall provide a bound, detailed engineering plan prior to project implementation.

Acknowledge Compliance	Non-Compliance Explanation

C.5 Implementation Plan

Develop and include in the proposal an implementation plan that provides a seamless transition from the existing goods, services and systems to those proposed, should the proposal be accepted. A successful implementation plan minimizes or eliminates disruption to staff, systems and existing business processes. Build the plan to include both proposer and DPS participation, accounting for, at a minimum:

- Details of district calendar, employee and facility schedules
- Logistics, material handling, staging and security
- Difficulty of user acceptance, delivery of training and support
- Adaptation of information systems, business processes, administrative forms and personal methods including resources and cost to accomplish same.
- Timeline of the transition so that the proposed goods and services are fully delivered, functional and in use prior to end of existing contracts.
- Coordination with existing vendors, suppliers, makers and regulatory agencies to secure and complete necessary forms, notifications and releases required by the transition.
- Coordination with DPS to select options, codes, preferences and other discretionary elements Strategies to mitigate disruptions caused by problems of delivery, weather and other risk factors relevant to the proposed goods and services.

Acknowledge Compliance	Non-Compliance Explanation

C.6 Support

- Guaranteed time to respond by phone to a Total Outage condition must be under 30 minutes.
- Guaranteed time to respond to a Partial Outage condition must be under two business hours.
- The Vendor shall provide a Service Level Agreement with details on the District's recourse for loss of service, either partial or total. This should include the amount of time of an outage, both partial and total, and the particular recourse available. At minimum there should be one day's credit to the District for downtime exceeding one hour in any day. The proposed system must maintain 99.999% up time statistic. Vendor must be able to demonstrate this

performance level upon request.

Acknowledge Compliance	Non-Compliance Explanation

C.7 Documentation

- Vendor is responsible for documentation of passwords, configuration files and warranty information related to Customer Premises Equipment. Documentation will be stored at the Schools Center Building (SCB), and be provided by the vendor no later than one month after the service start date.
- Vendor is responsible for monthly reporting of any full or partial outages as well as a summary of overall operations including inbound and outbound demand.
- Vendor will make available voice traffic requested by DPS as part of a court order or in support of internal investigations.

Acknowledge Compliance	Non-Compliance Explanation

C.8 E-Rate Requirements

District anticipates that some or all of the Services provided by the Contractor may be eligible for certain E-Rate discounts made available on a program year basis pursuant to Orders issued by the Federal Communications Commission (~~FCC~~) in connection with the Universal Service Order. The District intends to apply to the Schools and Libraries Division (~~SLD~~) of the Universal Service Administration Company (~~USAC~~) for discounts on the eligible services in this contract on an annual basis. If the District does not receive a Funding Commitment Decision Letter from the SLD for the next program year or if the SLD has ruled that the district has not fully complied with all requirements of the program, the District, at its sole option, may cancel this agreement at the beginning of the next program year.

- **E-Rate Compliance:** Respondent must assure that its response is in compliance with all current E-Rate program guidelines established by the Federal Communications Commission (FCC). Information regarding eligibility of goods and services, invoicing requirements, documentation requirements and other program rules are available from the SLD by calling Schools and Libraries Division (SLD) of the Universal Service Administration Corporation (USAC) at 1-888-203-8100 or see their website at www.sl.universalservice.org.
- **Eligibility of Goods and Services:** Goods and services provided shall be clearly designated as ~~E-Rate Eligible~~. Non-Eligible goods and services shall be clearly called out as 100% non-eligible or shall be cost-allocated to show the percentage of eligible costs per SLD guidelines.
- **E-Rate Funding Year Boundaries:** The annual E-Rate Funding Year begins on July 1 and expires on June 30 of each calendar year. Regardless of contract signing date, goods and services requested in this RFP shall be delivered no earlier than the start of the 2013 Funding Year (July 1, 2013). To assure that all charges are eligible for E-Rate

funding, contract renewal and expiration dates shall coincide with the start/end dates of the E-Rate funding years.

- **SLD Invoicing:** Respondents agree to conform to all E-RATE guidelines for the billing of discounts to the SLD and the processing of Billed Entity Application for Reimbursement (BEAR) Forms by DPS. Responder must also provide the name, title and telephone number for single point of contact for E-Rate questions.
- **SPIN Number:** Respondents shall document the ability to participate in the E-Rate program by supplying their current SPIN (Service Provider Identification Number) and current FCC Registration Number (FRN) as part of their proposal.
- **FCC/SLD Auditability:** The E-Rate program requires that all records be retained for at least five years. Respondent hereby agrees to retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audited by SLD and or DPS, whichever is sooner. DPS, its authorized agents, and/or auditors reserves the right to perform or have performed an audit of the records of the contractor and therefore shall have full access to and the right to examine any of said materials within a reasonable period of time during said period.
- **Lowest Corresponding Price:** Service Provider acknowledges and agrees to comply with all FCC guidelines regarding the Lowest Corresponding Prices for services provided.
- **Evaluation Criteria:** The E-Rate program requires that price be the major factor, but not the only factor in awarding this proposal. The following criteria will be used:
 - 30% Total Price and Cost Effectiveness of Solution
 - 20% Meeting Overall Requirements and Contract Performance Measurements
 - 20% Vendor’s Experience and Demonstrated Support
 - 20% Technical Merits
 - 10% Vendor’s Demonstrated Ability to work with E-Rate
- **Contract Performance Measurement** will include review of the following criteria:
 - price of eligible services (proposed rates, discounts and fees)
 - term plan commitments
 - quality of service
 - reliability of service
 - customer service support
 - accurate billing that provides specialized reports
 - financial stability and long-term viability
 - References
 - SLA performance

Acknowledge Compliance	Non-Compliance Explanation

C.9 Existing Services

E-Rate Eligible	Location Name	Location Address	Business Lines	Centre x	PRI
1	Academy of the Americas	5680 Konkell St	5	33	0
1	Admin Offices	7430 Second Ave	0	105	12
1	Adult Ed	3770 PULFORD			
1	Adult Education 075	16164 Asbury Park	3	20	1
1	Adult Education Eastside	13840 Lappin	2	13	0
1	Ann Arbor Trail	7635 Chatham			
1	Ann Arbor Trail Magnet Middle	7635 Chatham	16	0	0
1	Bagley Elementary	8100 Curtis St	0	16	1
0	Barbour	4209 Seneca		3	
1	Barbour Magnet Middle	4209 Seneca	1	0	0
1	Barsamian Preparatory Center	7650 Second Ave	6	3	2
1	Barton Elem	8530 Joy Road	1	29	0
1	Bates Academy	16661 Greenlawn	0	1	0
1	Bates Academy	19701 Wyoming	7	44	0
0	Beard ECC	840 Waterman	11	51	0
1	Beckham William Academy	9860 Park Drive	0	25	1
1	Bennett Elem	2111 Mullane St	4	26	1
1	Bethune Academy 141	13001 Fenkell	0	2	0
0	Biddle	4601 Seebaldt	3		
0	Birney	4055 Richton		3	
1	Blackwell Institute	9330 Shoemaker	7	21	0
0	Board Member	19424 Anglin	1		
0	Board Member	8944 Appoline Drive	1		
0	Board Member	8523 Outer Drive	1		
0	Board Member	15835 Rosemont Rd	1		
0	Board Member	18944 Parkside	1		
0	Board Member	721 Chicago	1		
0	Board Member	527 W Lafayette Blvd, Apte 15E	1		
0	Board Member	27885 Flanders			
1	Bow Elementary	19801 Prevost St	7	19	0
	Breithaupt CTC	9300 Hubbell St	0	58	0
1	Brewer Elementary	18025 Brock St	6	28	1
1	Bunche Elem 032	2601 Ellery	3	0	0
1	Burns Elementary	14350 Terry St	0	35	0
1	Burton International	2001 Myrtle	1	33	0
	Burton International	1333 Pine	8	2	0
1	Camp Burt Shurly	15100 Goodband Road	5		
0	Campbell Elementary	2301 E Alexandrine	0	1	0
1	Carleton Elementary	11724 Casino St	5	37	0

1	Carstens Elementary	2592 Coplin St	1	36	0
1	Carver	18701 Paul			
	Carver Elem	18701 Paul St	34	0	0
	Cass Technical HS	2501 Second	20	0	2
	CDC Warehouse	9800 Mt Elliot	0	16	0
1	Central High	2425 Tuxedo	10	0	2
1	Central Office	8770 W CHICAGO			
1	Chadsey High	12744 Elmira	3	0	0
0	Chandler	9227 Chapin		2	
1	Charles R Drew Transition Center	9600 Wyoming St	5	0	1
	Childrens Museum	6134 Second	0	25	0
	Chrysler Elem	1445 E Lafayette	1	18	0
1	Clark Elem	15755 Bremen St	18	0	0
	Clark Park Elem	1000 Scotten St	10	1	1
1	Clippert Academy	1981 McKinstry ST	5	27	1
0	Closed School	20500 Wadsworth		4	
0	Closed School	15125 Schoolcraft		4	
0	Closed School	9600 Mettetal		2	
0	Closed School	13130 Grove		3	
0	Closed School	8950 St. Cyril		1	
1	Cody Academies 516	18445 Cathedral St	9	95	1
1	Coffey Middle	17210 Cambridge Rd	0	2	0
1	Communication Media Arts	14771 Mansfield St	5	27	1
1	Cooke Elementary	18800 Puritan St	4	15	0
0	Coolidge	16501 Elmira	2		
	Crockett CTC	571 Mack Ave	6	50	0
	Crockett HS	8950 Cyril	0	66	2
0	Crossman	9027 John C Lodge		3	
1	Davis Aerospace	10200 Erwin St	5	35	1
	Davison Elem	2800 E Davison	3	25	0
	Davison Elem	13210 Maine	0	19	0
1	Denby Tech	12800 Kelly Road	16	47	1
1	Detroit City HS	3500 McGraw	0	6	0
	Detroit City HS	13141 Rosa Parks	12	6	2
1	Detroit Day School for Deal	4555 John C Lodge Freeway	7	41	0
1	Detroit International Acad	9026 Woodward	18	128	0
	Detroit Lions Alt	10101 E Canfield	4	28	0
	Detroit School of the Arts	123 Selden	6	14	2
	Detroit Transition Center East	13000 Dequindre St	0	3	0
1	Detroit Transition Center West	4800 Collingwood	0	3	0
1	Dist Ctr	9800 MT ELLIOTT			
	Dossin Elementary	16650 Glendale St	3	25	0
1	Douglas Academy for Young Men	2001 W Warren	7	82	0

1	DSA Radio	9345 LAWTON			
	Duffield Elem	2715 Macomb St	8	48	1
0	Durfee	2001 La Belle		1	
	Durfee Middle	2470 Collingwood St	10	129	0
	Eastside Bus Terminal	10105 Mack	0	69	0
	Eastside Maint Hub	7365 E Davison	0	39	0
	Edison Elementary	17045 Grand River Ave	1	16	1
	Edmonson Elem	1300 W Canfield St	8	42	0
1	Edward (Duke) Ellington Conservatory	8030 East Outer Dr	0	42	0
0	Elmdale Elementary	12844 Elmdale	2		
	Emerson Elem	18240 Huntington Rd	0	13	2
	Emerson Elem Middle	19500 Curtis	13	0	0
	Farwell Middle	19955 Fenelon St	9	39	0
1	Ferguson Academy	2750 Selden St	7	21	0
1	Field, Moses Trainable	1100 Sheridan	6	20	0
	Finney HS	4180 Marlborough St	39	0	0
0	Fisher	15600 E State Fair		3	
1	Fisher Campus SIS IVR	3011 GRAND BLVD W	0	0	1
1	Fisher Magnet Lower	15510 E State Fair	4	13	1
	Fitzgerald Elementary	8145 Puritan St	8	1	1
1	Fleming Office 119	18501 Waltham St	3	22	1
	Foreign Language Immersion	6501 West Outer Dr	0	15	1
1	Gardner Elem	6528 Mansfield	16	1	1
0	Garvey	7701 Sylvester		3	
	Garvey Academy	2301 Van Dyke St	13	1	1
	GED Testing Ctr	1300 Rosa Parks Blvd	0	20	0
1	Glazer Elem	2001 La Belle Street	2	25	0
	Golightly Career Tech	900 Dickerson Ave	30	35	1
1	Golightly Greenhouse Belle Isle	7200 E Jefferson	4		
1	Golightly VOC Center	7200 E Jefferson	1		
	Golightly Educ Center	5536 S Antoine St	9	0	1
1	Gompers Elementary	20601 West Davison	2	12	0
1	Gompers Elementary II	14450 Burt Rd	10	0	1
0	Greenfield Park	17501 Brush		3	
	Greenfield Union Elem	19150 Blake	2	0	0
	Greenfield Union Elem	420 W Seven Mile Rd	8	20	1
0	Guyton	355 Philip		3	
1	Hally Magnet Middle	2585 Grove St	7	25	1
1	Hamilton Elementary	14223 Southampton St	2	0	1
	Hancock Elem	2200 Ewald Circle	3	0	0
1	Hanstein Elem	4300 Marseilles	1	0	0
	Harding Elem	14450 Burt Rd	0	2	0
1	Harms Elementary	2400 Central St	1	30	0

	Harris Bldg	3700 Pulford	0	52	0
0	Healy Int'l Acad	22701 W Davison	2		
1	Heilman Middle Fisher Mag Upper	15491 Maddelein St	0	23	2
1	Henderson Academy	16101 W Chicago	4	35	0
0	Henderson Lower	9600 Mettetal	4		
1	Henry Ford High	20000 Evergreen Rd	10	14	1
0	Higgins	9200 Olivet	2		
	Holcomb Elementary	18100 Bentler	0	2	0
1	Holmes OW Elementary	4833 Ogden St	11	0	0
1	Holmes, A L Elementary	8950 Crane St	8	28	0
	Howe Elementary	2600 Garland	6	21	1
	Hughes Langston Academy	19900 McIntyre	2	3	0
0	Hutchins Elementary	6050 Linwood	1	28	1
0	Hutchinson Elementary	5221 Montclair St	0	34	0
0	Intl Inst Proj Read	111 E Kirby	2		
1	Jamieson Elementary	2900 W Philadelphia	3	3	0
	Jemison School of Choice	16400 Tireman	37	0	0
0	John Marshall Elem	2425 Tuxedo	5		
1	John R King Acad and Perf Arts	15850 Strathmoor St	9	0	1
0	Joyce	8411 Sylvester		3	
	Keidan Elementary	4441 Collingwood	4	29	0
1	Kettering High	6101 Van Dyke Ave	7	76	1
0	Kosciusko	20220 Tireman	3		
	Law Academy	19411 Cliff	8	24	1
	Law Elem	19490 Carrie	5	23	0
	Lawton Bldg	9345 Lawton	7	0	0
1	Lessenger Middle	8401 Trinity St	26	0	1
1	Logan Elem	3811 Cicotte Street	5	27	0
0	Lothrop Landing	66 Lothrop	0	31	0
1	Loving Elementary	1000 Lynn St	2	23	0
	Luddington Magnet Middle	19355 Edinborough Rd	0	20	0
1	M L King High	3200 E. Lafayette St	0	10	0
	MacDowell Elem	4201 W Outer Dr	5	24	0
1	Malcolm X Academy	6311 W Chicago	0	15	0
1	Mann Elementary	19625 Elmira St	4	12	0
1	Mark Twain Elem	12800 Visger Street	16	0	0
	Marquette Elem	6145 Canyon St	39	0	1
1	Marshall Thurgood Elem	15531 Linwood St	5	32	0
	Martin Luther King High	3200 E Lafayette	9	0	1
1	Marybury Elementary	4410 Porter St	1	20	0
1	Mason Elementary	19635 Mitchell	5	29	0
	McColl Elem	20550 Cathedral	6	2	0
??	McFarlane Elementary	8900 Cheyenne	0	3	0

0	McGregor	16206 Edmore		2	
	McKenny Elem	20833 Pembroke	2	0	0
0	Miller	1445 E Lafayette	2		
0	Monnier	13600 Ward		1	
1	Monnier Elementary	13600 Ward	0	3	0
	Mumford HS	17525 Wyoming	8	85	2
	Murphy Middle	3901 Fenkell St	6	32	0
	Murray Wright HS	2001 W Warren	0	0	1
	Neinas Elem	6021 McMillan St	3	20	0
1	Nichols Elementary	3000 Burns St	0	23	0
	Nienas Elem	6021 McMillan St	0	6	0
1	Noble Elementary	8646 Fulerton St	7	29	0
1	Nolan Elementary	1150 E Lantz St	9	51	1
1	Northwestern HS	6050 Linwood	8	4	0
1	Northwestern HS	2200 West Grand Blvd	5	83	0
1	Oakman Elementary	12920 Wadsworth St	4	25	0
1	Osborne High	11600 E Seven Mile Rd	5	71	0
1	Palmer Park Preparatory	3901 Margareta	4	48	0
1	Parker Elementary	12744 Elmira St	0	26	0
1	Pasteur Elementary	19811 Stoepel St	3	36	0
1	Pershing	18875 Ryan Rd	0	99	1
	Pershing High School	18875 Ryan Rd	1	7	0
1	Phoenix Elem	7735 Lane	14	0	0
	Priest Elem	7840 Wagner St	9	23	1
	Public Safety	8500 Cameron	10	0	2
	Pulaski Elem	19725 Strasburg St	3	53	0
	Randolph CTC	17101 Hubbell St	7	56	0
0	Redford	21431 Grand River Ave	1		
1	Redford HS	21431 Grand River Ave	0	5	0
1	Remus Robinson Academy	13000 Essex Ave	7	45	1
1	Renaissance High	6565 W Outer Dr	21	0	2
1	Roberto Clemente Academy	1551 Beard	7	17	1
1	Robeson Academy	2701 Fenkell St	0	61	0
	Robeson ECC	14900 Parkside	0	2	0
	Ron Brown Academy	11450 E Outer Dr	0	15	0
	Ron Brown Academy	11500 E Outer Dr	0	14	1
	ROTC Admin	4400 Oakman Blvd	0	15	0
0	Ruddiman	7350 Southfield Road	2		
	Rutherford Elem	16411 Curtis	0	16	0
0	Sampson	6075 Begole		2	
	Sampson Acad	4700 Tireman	15	55	1
	Schulze Elementary	10700 Santa Maria St	5	23	1
	Scott Brenda Middle	18400 Hoover	5	12	2
	Scott Brenda Middle	18400 Hoover	0	17	0

0	Sherrill	7300 Garden		4	
1	Sherrill Elem	7300 Garden St	1	24	0
	Shoemaker Learning Ctr	13840 Lappin	3	0	0
	Southeastern HS	2962 Fairview St	0	1	2
	Southeastern HS	3030 Fairview St	28	60	0
1	Southwestern High	6921 Fort St	12	90	0
	Spain Elementary and Middle	3700 Beaubain St	15	27	0
0	Stark	12611 Avondale		2	
0	Stephens	6006 Seneca	2		
0	Stewart	12701 Fourteenth		3	
	Stewart Elementary	13120 Wildemere St	1	24	0
1	SubFinder	3011 W Grand	144		
	Support Services Complex - TAV	1425 E Warren	12	80	4
	Taft Middle	19501 Berg	2	43	0
	Thirkell Elem	7724 14th St	1	19	1
1	Trix Elementary	13700 Bringard Dr	0	37	0
1	Trombly Alternative HS	1095 Hibbard	2	1	0
1	Truancy Office	66 LOTHROP			
1	Turning Point Academy	12300 Linhurst St	6	59	1
0	Unknown	12844 Elmdale		1	
	Van Zile Elem	2915 E Outer Dr	20	8	0
1	Vernor Elementary	13726 Pembroke Ave	5	21	0
1	Vetal Elementary	14200 Westwood St	5	39	0
	Wayne Elem	10633 Courville St	0	28	0
0	Webster Elementary	1450 25th St	4	32	0
	West Side Acad Alt Ed	4700 Vinewood St	9	5	1
1	Western International High	1500 Scotten St	1	1	1
	Westside Bus Terminal II	8145 Greenfield Rd	7	17	3
	Westside Maint Hub	9100 Hubbell	0	22	0
1	White Elementary	5161 Charles St	3	23	0
	Wilkins Elementary	12400 Nashville St	0	25	0
	Winship Elem	14717 Curtis	0	1	0
	Wright Charles Academy	19299 Berg Rd	13	0	1
	Young Coleman A Elem	15571 Hubbell St	7	19	0
	ANTICIPATED EXPANSION	VARIOUS	500	500	
		Totals	1790	5124	95

Point A

123 SELDEN (Radio Station)
3011 W GRAND BLVD
3011 W GRAND BLVD
3011 W GRAND BLVD
3011 W GRAND BLVD

Point B

9345 LAWTON - Detroit School of Arts Radio Station
9800 MT ELLIOTT - Distribution Center
3770 PULFORD - Adult Ed
13210 MAINE - Jacoby School of Observ
1300 ROSA PARKS BLVD - MI Works GED Testing

.DHZA.374413..MB
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.DHZA.868741.001.MB
.DHZA.928270.001.MB

C.10 Vendor Questions

(Fill in this column)

Are your services provided on a re-sale basis, co-location or facilities based?

Describe interconnection with LEC process, if applicable.

Are your quoted local service rates based upon customer utilizing your long distance service?

Do you provide customer service records and traffic studies on these lines? Any charge for these services? How often can traffic studies be run and at what, if any, cost.

What are the Customer Service Department hours and days of operation.

Who is called in case of trouble on lines?

What is your average response time for trouble tickets and there is a cost?

Describe the implementation process.

Would the customers' telephone numbers continue to be listed in the directory and available through Directory Assistance, and if not listed, is there a cost that would permit the customer to be in it?

Will customers' dialing pattern change?

Provide description of all local line features available and charges associated with those features.

Does access to 9-1-1 emergency service remain the same? _____

If a customer is unhappy with your local services, will your company pay to switch all of the services back to their original

LEC?

How long has your company been in business?

What other taxes/fees will appear on the bill?

Does your company provide 0+ outbound
Dialing to a local operator? Whose?

Are there any outbound LD monthly fees?

Validated or non-validated account code
monthly fees?

Any one-time, non-recurring fees?

Term plan length and dollar commitment
that you are proposing?

Are discounts (if applicable) built into rates?
Describe.

Please provide information on your
company and provide a list of references in
our area

Please provide a sample bill copy so that
determination can be made as to whether
your bill format is acceptable.

Cost Summary Sheet

CLIN	Description	Current Quantity (est.)	Non-recurring Setup Fee	Service Cancellation fee	Recurring Monthly Svc Fee	Fee Unit of Measure	Additional recurring charges
1	POTS (Plain Old Telephone Service) Lines--Single	1790	\$	\$	\$	per Line	\$
2	Federal Access Charge/Subscriber Line Charge for POTS		\$	\$	\$	per Line	\$
3	CENTREX Lines - Single	5124	\$	\$	\$	per Line	\$
4	Federal Access Charge/Subscriber Line Charge for Centrex		\$	\$	\$	per Line	\$
5	PRI T1 (23 B Channels, 1 D Channel, 100 DID telephone numbers)	95	\$	\$	\$	per Line	\$
6	Federal Access Charge/Subscriber Line Charge for PRI		\$	\$	\$	per Line	\$
7	Additional blocks of 100 DID numbers	1	\$	\$	\$	per Block	\$
8	Additional blocks of 20 DID numbers	1	\$	\$	\$	per Block	\$
9	Point-to-Point T-1 Circuits	5	\$	\$	\$	per Circuit	\$
10	Directory Listing		\$	\$	\$	per Listing	\$
11	Directory Assistance (411)		\$	\$	\$	per call	\$
12	Call Forward busy don't answer		\$	\$	\$	per call	\$
13	Remote Call Forwarding (initial and additional paths)		\$	\$	\$	per call	\$
14	Expedite Order Charges		\$	\$	\$	per Order	\$
15	Long Distance Inbound Toll free (800 Svc)		\$	\$	\$	per call	\$
16	Long Distance outbound/switched		\$	\$	\$	per minute	\$
17	Administrative Percentage added on to USF%		\$	\$	\$	%	\$
18	Property Tax Percentage		\$	\$	\$	%	\$
19	Other Taxes		\$	\$	\$	describe	\$
20	LNP - Local Number Portability Charges		\$	\$	\$	describe	\$

-----End of Section C-----

**SECTION D
PACKAGING AND MARKING
(Reserved)**

-----End of Section D-----

SECTION E
INSPECTION AND ACCEPTANCE

Jon Brent, Executive Director of Deployment and Technical Support for the Office of Technology and Information Systems, is the Chief Procurement and Logistics Officer's Technical Representative and shall perform or designate other persons or entities to perform inspection, acceptance, and quality assurance.

-----End of Section E-----

SECTION F
DELIVERIES OR PERFORMANCE

The primary place of performance and/or delivery for program in Section B shall mostly be at the Detroit Public School District. Monday through Friday except Holidays.

-----End of Section F-----

SECTION G
CONTRACT ADMINISTRATION DATA

1. The Chief Procurement and Logistics Officer shall be responsible for all contractual matters and is the only individual authorized to make changes of any kind to the contract. The Supplier shall not rely upon any oral change from anyone, or a written request for change from someone other than the Chief Procurement and Logistics Officer. All changes must be in writing, signed by the Chief Procurement and Logistics Officer.

2. **Invoicing and Payment**

a. Invoices shall be submitted to:

Detroit Public Schools
Fisher Building
Accounts Payable Department
3011 West Grand Blvd.
Detroit, MI 48202

And shall conform to policies or regulations adopted from time to time by the District. Invoices shall be legible and shall contain, as a minimum, the following information: (1) the contract number and purchase order number; (2) a complete itemization of all costs including quantities ordered; and (3) any discounts offered to the District under the terms of the contract. A copy of the invoice shall also be forwarded to the Chief Procurement and Logistics Officer, Detroit Public Schools, Fisher Building, Office of Procurement and Logistics, 3011 West Grand Blvd., 11th Floor, Detroit, MI 48202.

b. Subject to any withholding provisions of the contract, payment shall be made after the District's receipt of a properly prepared invoice.

- c. The Supplier shall provide to the Chief Procurement and Logistics Officer a fully executed W-9 Form. It is the Supplier's responsibility to notify the Chief Procurement and Logistics Officer of any changes in the remittal address. Failure to provide this information may impact payment of invoices by DPS. In order that this Form is the current version at time of submittal, the Supplier shall download this Form from the Internal Revenue Service website shown below, complete the Form and submit as specified herein. The website from which to obtain this Form is:

http://www.irs.gov/prod/forms_pub/whatshot.htm

SECTION H
SPECIAL CONTRACT REQUIREMENTS
-----End of Section H-----

SECTION I
GENERAL CONTRACT CLAUSES *(if applicable)*

I.01	Type of Contract
I.02	Term of the Contract
I.03	Option to Extend the Term of the Contract
I.04	Availability of Funds (Multi-Year)
I.05	Holidays
I.06	Compliance with Applicable Laws
I.07	Licenses and Permits
I.08	Licensed Personnel
I.09	Criminal Background Screening
I.10	Equal Opportunity
I.11	Subcontractors and Outside Consultants
I.11	Drug Free Workplace
I.13	Standards of Performance
I.14	Materials and Equipment
I.15	Patents and Royalties
I.16	Warranty of Services and Goods
I.17	Adjustment and Cleaning
I.18	Federal, State, and Local Taxes
I.19	Removal of Employees, Agents or Subcontractors
I.20	Project Personnel
I.21	Photo Identification Badge
I.22	Performance Meeting
I.23	Independent Contractor
I.24	Insurance
I.25	Changes
I.26	Notices
I.27	Indemnification
I.28	District Restrictions
I.29	Assignment or Transfer
I.30	Audit, Examination and Retention of Records
I.31	Award Certificates
I.32	Conflict of Interest
I.33	Gratuities
I.34	Interest of Public Officials
I.35	Order of Precedence
I.36	Confidentiality and Protection of District Property
I.37	Publicity Releases
I.38	Suspension of Work
I.39	Termination and Non-Compliance
I.40	Insolvency
I.41	Dispute Resolution
I.42	Notice of Labor Disputes
I.43	Disputes
I.44	Anti-Kickback Procedures
I.45	Pending Legal Dispute with District
I.46	Governing Law
I.47	Supplier Authorization
I.48	Bid, Performance Bond (<i>Reserved</i>)
I.49	Liquidated Damages (<i>Reserved</i>)
I.50	Supplemental Provisions for Contract Using Title I - American Recovery and Reinvestment Act of 2009 Funds
I.51	Miscellaneous

I.01 Type of Contract

This will be a fixed price contract. Unless the parties otherwise agree in writing, the prices agreed upon by the parties will remain fixed for the duration of the initial term of the Contract. The parties shall agree in writing to the prices to be charged and paid for any extension period.

I.02 Term of Contract

This contract is for the period commencing on July 1, 2013 and ending on June 30, 2016, with the option for two (2) one-year renewals.

I.03 Option to Extend the Term of the Contract

1. The District may unilaterally extend the term of this contract by written notice to the Supplier no later than May 1 prior to the start of the applicable summer. If the options are exercised by the District, the District shall provide the Supplier with the applicable start and end dates of the summer program, and the parties shall agree to any change in the scope of work or the summer academic program.
2. The total duration of this contract, including the exercise of any options under this clause, shall not exceed three years.

I.04 Availability of Funds (Multi-Year)

Funds are presently available for performance under this Contract. The District's obligation for performance of this Contract beyond the current fiscal year is contingent upon the availability of authorized funds from DPS. No legal liability on the part of the District for any payment may arise for performance under this Contract, until the Supplier receives notice of such availability of funds or notice to proceed, in writing, from the Chief Procurement and Logistics Officer.

I.05 Holidays:

DPS observes the following Holidays (Note: The radio station will operate during all Holidays):

New Year's Day
Martin Luther King's Birthday
Good Friday
Memorial Day
Independence Day
Labor Day
Veterans Day
Thanksgiving Day
Day after Thanksgiving
Christmas Day

I.06 Compliance with Applicable Laws

The Supplier agrees to adhere to and comply with any and all Federal and State laws, applicable to its operation, its execution, delivery and performance of this Contract and the operation of school buildings in the State of Michigan, including, but not limited to, Federal laws and regulations pertaining to Equal Employment Opportunity, Fair Employment Practices, Anti-Kickback Act, Clean Water Act, Environmental Protection Agency laws and regulations, Energy Policy and Conservation Act, Elementary and Secondary Education Act, the No Child Left Behind Act, American Disabilities Act, the Asbestos Hazardous Emergency Response Act, America Recovery and Reinvestment Act, federal and state privacy laws and federal and state health regulations. The Supplier shall also adhere to all rules and regulations, including any reporting requirements thereof, from any regulatory body, including Department of Education (DOE) and Department of Labor, regarding the operations of such programs. Supplier acknowledges this Contract may be funded by funds from a federal agency or program. Supplier certifies that neither it, its principals nor its subcontractors are currently debarred, declared ineligible or voluntarily excluded from participation in transactions by any federal department or agency.

I.07 Licenses and Permits

The Supplier shall, without additional expense to the District, be responsible for obtaining any necessary licenses, permits, and approvals for complying with any federal, state, county, municipal, and other laws, codes, and regulations applicable to the performance of the work or to the products or services to be provided under this contract including, but not limited to, any laws or regulations requiring the use of licensed Contractors to perform parts of the work.

I.08 Licensed and Qualified Personnel

The Supplier agrees to use only licensed personnel to perform work required by law to be performed by such personnel. Lack of knowledge by the Supplier will in no way be a cause for relief from responsibility. The Supplier represents that all persons performing services under this Contract shall be qualified to do so and licensed if required.

I.09 Criminal Background Screening

The Supplier agrees that any and all Supplier employees, subcontractors, independent contractors or other agents working on or under this Contract shall be free and clear of any sexual and drug related convictions, and from any felony convictions. Prior to execution of this Contract, and every time there is a change in the employees subcontractors, independent contractors or other agents providing service under this Contract, the Supplier shall provide a statement certifying that a criminal background check has been conducted and the record(s) of all the employee(s), subcontractors, independent contractors or other agents working on this Contract are clear of all of the aforementioned criminal convictions.

The Supplier understands and agrees that each employee, subcontractor, independent contractor or other agent, who is or shall be assigned to regularly and continuously work under this Contract in any of the District's schools, as determined or defined by the Michigan Revised School Code, (each a "Covered Employee or Agent"), must provide written consent to the District to enable the District to conduct the federal and state criminal history check and the federal and state criminal records check required by the Michigan Revised School Code. The Supplier further agrees that each Covered Employee or Agent must submit his or her fingerprints for the purposes of the federal and state criminal records check. The Supplier understands and agrees that the cost of the criminal

background check is the responsibility and expense of the Supplier and its Covered Employees or Agents and not the responsibility and expense of the District.

The Supplier understands and agrees that any of its Covered Employee or Agent, who does not meet or comply with the requirements of this Section may not provide services to the District under this Contract or otherwise. Failure by any Covered Employee or Agent of Supplier to comply with the provisions of this Section constitutes a breach of this Contract and the District may seek all applicable remedies.

I.10 Equal Opportunity

During the performance of this Contract, the Supplier agrees that it will, in good faith, afford equal opportunity required by applicable federal, state or local law to all employees and applicants for employment without regard to race, color, religion, sex, handicapping conditions, or national origin. The Supplier further agrees to afford equal opportunity required by applicable federal, state, or local law to subcontractors and vendors, which are —disadvantaged business enterprises” or —women owned enterprises” (both as defined by federal law or regulation in effect on the date of this contract). The Supplier agrees to insert the substance of this clause in all subcontracts and purchase orders.

I.11 Subcontractors and Outside Consultants

Supplier agrees that any subcontractors and outside consultants required or utilized by the Supplier in connection with the services covered by the Contract will be limited to such individuals or firms as were specifically identified and agreed to by the District in connection with the award of this Contract, and who will assist the Supplier in performing the Contract in accordance with its terms, including, but not limited to, the provisions relating to insurance, the right to audit, confidentiality, and background checks. Any substitution in such subcontractors or consultants is subject to the prior written approval of the Chief Procurement and Logistics Officer. The Supplier shall inform any subcontractors of the terms and conditions of this Contract and have the subcontractors written agreement to be bound by the terms thereof.

I.12 Drug-Free Workplace

1. Definitions. As used in this clause –
 - a. —Controlled substance” means a controlled substance including but not limited to marijuana, heroin, LSD, concentrated cannabis or cannabis oils, hashish or hash oil, morphine or its derivatives, mescaline, peyote, phencyclidine (PCP, Angel Dust), opium, opiates, cocaine, methadone, Quaaludes, amphetamines, _exotic designer’ drugs, benzodiazepines, seconal, codeine, barbiturates, Phenobarbital or valium.
 - b. —Conviction” means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of federal or state criminal drug statutes.
 - c. —Criminal drug statute: means a federal or non-federal criminal statute involving the manufacture, distribution, dispensing, possession, or use of any controlled substance.
 - d. —Drugfree workplace” means the site(s) for the performance of work done by the Supplier in connection with a specific contract.
 - e. —Alcohol” means ethyl alcohol and any beverage containing ethyl alcohol.

- f. —Employee” means an employee of a Supplier or of a permitted Subcontractor or outside consultant directly engaged in the performance of work under a DPS contract. —Directly engaged” is defined to include all direct cost employees and any other Supplier employee who has other than a minimal impact or involvement in contract performance.
 - g. —Individual” means a Supplier that has no more than one employee including the Supplier.
2. The Supplier, if other than an individual, shall – within 30 days after award (unless a longer period is agreed to in writing for contracts of 30 days or more performance duration), or immediately for contracts of less than 30 days performance duration
- a. Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Supplier’s workplace and specifying the actions that will be taken against employees for violations of such prohibition;
 - b. Establish an ongoing drug-free awareness program to inform such employees about -
 - i. The dangers of drug abuse in the workplace;
 - ii. The Supplier’s policy of maintaining a drug-free workplace;
 - iii. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - iv. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - c. Provide all employees engaged in performance of the contract with a copy of the statement required by subparagraph (2) (a) of this clause;
 - d. Notify such employees in writing in the statement required by subparagraph (2) (a) of this clause that, as a condition of continued employment on this contract, the employee will:
 - i. Abide by the terms of the statement; and
 - ii. Notify the employer in writing of the employee’s conviction under a criminal drug statute for a violation occurring in the workplace no later than 5 days after such conviction.
 - e. Notify the Chief Procurement and Logistics Officer in writing within 10 days after receiving notice under subdivision (2) (d) (ii) of this clause, from an employee or otherwise receiving actual notice of such conviction. The notice shall include the position title of the employee;
 - a. Within 30 days after receiving notice under subdivision (2)(d)(ii) of this clause of a conviction, take one of the following actions with respect to any employee who is convicted of a drug abuse violation occurring in the workplace:
 - i. Taking appropriate personnel action against such employee, up to and including termination; or
 - ii. Require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency; and
 - b. Make a good faith effort to maintain a drug-free workplace through implementation of subparagraphs (2) (a) through (2) (f) of this clause.

- i. The Supplier, if an individual, agrees by award of the contract or acceptance of a purchase order, not to engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance while performing this contract.
- ii. In addition to other remedies available to the District, the Supplier's failure to comply with the requirements herein renders the Supplier subject to suspension of contract payments, termination of the contract or default, and suspension or debarment.

I.13 Standards of Performance

- 1. The Supplier shall be responsible for maintaining satisfactory standards of its employees' competence, conduct, courtesy, appearance, honesty, and integrity. It shall be responsible for taking such disciplinary action with respect to any of its employees as may be necessary.
- 2. The Supplier shall perform all services required by this Contract in accordance with high professional standards prevailing in the Supplier's field of work.

I.14 Materials and Equipment

The Supplier is expected to supply all tools, equipment, materials and supplies necessary to complete the services specified, beyond normal and routine equipment provided at schools and administrative office facilities. Materials and supplies used will be reputable name brands and kept in excellent condition. Occupational Safety and Health Act of 1970 (OSHA) training, if applicable, will be provided to all employees required to operate equipment. The Supplier will be held responsible for damages resulting from improper use of tool, materials and equipment, unless such damages result from the negligence of the District, and shall repair or pay for such damages, at its sole cost.

I.15 Patents and Royalties

The Supplier, without exception, shall indemnify the hold harmless DPS and its employees from liability of any nature or kind, including cost and expenses for or on account of any copyrighted, patented, or unpatented invention, process, or article manufactured or used in the performance of the contract, including its use by DPS. If the Supplier uses any design, device, or materials covered by letters, patent, or copyright, it is mutually understood and agreed without exception that the Contract prices shall include all royalties or cost arising from the use of such design, device or materials in any way involved in the work.

I.16 Warranty of Services and Goods

- 1. Acceptance," as used in this clause, means the act of an authorized representative of the District by which the District assumes for itself, or as an agent of another, ownership of existing and identified supplies, or approves specific services, as partial or complete performance of the contract. —Correction," as used in this clause, means the elimination of defect.
- 2. Notwithstanding inspection and acceptance by the District or any provision concerning the conclusiveness thereof, the Supplier warrants that all services performed and goods provided under this Contract will, at the time of acceptance, be free from defects in workmanship and conform to the requirements of this contract. Contract further warrants that the goods will be fit and sufficient for the purchased purpose intended. The Chief

Procurement and Logistics Officer shall give written notice of any defect or nonconformance to the Supplier within 30 days. This notice shall state either (1) that the Supplier shall correct or re-perform any defective or nonconforming services or goods, or (2) that the District does not require correction or re-performance.

3. I
If the Supplier is required to correct or re-perform, it shall be at no cost to the District, and any services corrected or re-performed or any goods replaced by the Supplier shall be subject to this clause to the same extent as work initially performed. If the Supplier fails or refuses to correct or re-perform, the Chief Procurement and Logistics Officer may, by contract or otherwise, correct or replace with similar services and goods and charge to the Supplier the cost occasioned to the District thereby, or make an equitable adjustment in the Contract price.

4. S
Supplier will deliver and transfer all manufacturer's warranties related to the goods to the District and will execute all paperwork and instruments necessary to effectuate such delivery and transfer.

I.17 Adjustment and Cleaning

1. The Supplier shall clean exposed surfaces of all grease, oil, dirt, and other foreign matter and remove all packaging materials.
2. The Supplier shall at all times keep the work area, including storage areas, free from accumulations of waste materials. Before completing the work, the Supplier shall remove from the work area and premises any rubbish, tools, scaffolding, equipment, and materials that are not the property of the District. Upon completing the work, the Supplier shall leave the work area in clean, neat and orderly conditions satisfactory to the District. Dumpsters will not be provided by the District.

I.18 Federal, State, and Local Taxes

The Contract price includes all applicable federal, state, and local taxes and duties. The District is exempt from Michigan State and local sales and use taxes, and any such taxes included on any invoice or voucher received by the District shall be deducted from the amount of the invoice or voucher for purposes of payment.

I.19 Project Personnel

The Supplier shall provide adequate and competent supervision at all times during the performance of the contract. The Supplier shall identify key personnel and telephone numbers for those who will be actually managing the Contract. Changes in staffing must be proposed in writing to DPS and approved by the Chief Procurement and Logistics Officer.

I.20 Removal of Employees, Agents or Subcontractors

DPS may request the Supplier to immediately remove from assignment to DPS any employees, agent, or subcontractor found unfit to perform duties, as determined by DPS. Failure by DPS to make such request shall not excuse Supplier from complying with the terms of this Contract or applicable law.

I.21 Photo Identification Badge

The Supplier shall provide any individual assigned to DPS, a company photo identification badge, which must be worn at all times while on DPS property. DPS reserves the right to require the Supplier to pay fingerprinting fees for personnel assigned to work in sensitive areas. Upon completion of the service and prior to final payment of invoice, all employees shall turn in their photo identification badges to the Supplier.

I.22 Performance Meetings/Reports

The Supplier shall be readily available to meet with representatives of DPS as often as necessary to resolve any performance problems identified during the term of the Contract. The Supplier shall provide the District with such agreed upon reports or such reports as are required by law in Supplier's performance of this Contract or to assist the District in assessing the Supplier's performance.

I.23 Independent Contractor

The Supplier at all times shall be an independent contractor. The Supplier shall be responsible for the payment of all federal, state, and local taxes, including, but not limited to income taxes, which may be payable by Supplier as a result of its performance of this Contract and/or the revenues earned hereunder. The Supplier shall be fully responsible for all acts and omissions of its employees, subcontractors, and their suppliers, and shall be specifically responsible for sufficient supervision and inspection to ensure compliance in every respect with the contract requirements. There shall be no contractual relationship between any subcontractor or supplier of the Supplier and the District by virtue of this contract. No provision of this contract shall be for the benefit of any party other than the District and the Supplier.

I.24 Insurance

1. General. The Supplier is required to maintain the insurance, meeting the specifications set forth herein for the entire duration of the Contract with the District.
2. Insurance. Prior to the execution of this Contract, the Supplier shall submit a certified copy of the policies or Certificate of Insurance satisfactory to the District at the following address: Detroit Public Schools, Office of Procurement and Logistics, Fisher Building, 3011 West Grand Blvd, 11th Floor, Detroit, Michigan 48202.
3. Requirements. The insurance required of Supplier by this Section must meet the following specifications:
 - a. **Worker's Compensation** coverage limits in the statutory amount as required in the State of Michigan and **Employer's Liability** coverage limits in the amount of \$500,000.00 (Five Hundred Thousand Dollars) each accident, each disease and each employee.
 - b. **Automobile Liability Insurance** (covering all owned, hired and non-owned vehicles with personal and property protection insurance including residual liability insurance under Michigan No Fault Insurance Law) coverage limits in an amount with a combined single limit not less than \$5,000,000.00 (Five Million Dollars).

- c. **Commercial General Liability Insurance** coverage limits in the amount of \$2,000,000.00 (Two Million Dollars) per occurrence and \$4,000,000.00 (Four Million Dollars) aggregate.
- d. **Professional Liability Insurance** coverage limits in the amount of \$2,000,000.00 (Two Million Dollars) per occurrence and \$4,000,000.00 (Four Million Dollars) aggregate.
- e. **Pollution Liability Insurance** coverage limits in the amount of \$2,000,000.00 (Two Million Dollars) per occurrence and \$4,000,000.00 (Four Million Dollars) aggregate.
- f. **Umbrella / Excess Liability Insurance** coverage limits in the amount of \$5,000,000.00 (Five Million Dollars) per occurrence and \$5,000,000.00 (Five Million Dollars) aggregate.
- g. **Builder's Risk Insurance** coverage limits in the amount of: Property: \$4,000,000.00 (Four Million Dollars); Property in transit: \$1,000,000.00 (One Million Dollars), and Property at off-site storage location: \$1,000,000.00 (One Million Dollars).

4. Approval of Forms and Companies. The Certificate of Insurance must state the Policy Number, date of expiration and limits of liability there under. No party subject to the provisions of this Contract shall violate or knowingly permit to be violated any of the provisions of the policies of insurance described herein. All insurance should be provided by insurance companies licensed to do business in the State of Michigan with a Best's Service rating of no lower than B+.

5. Additional Insurance Endorsement. The policies required hereunder, with the exception of 3a. (Workers Compensation and Employer's Liability) shall name the District and its mortgagee, if any, as an additional insured. The minimum amounts of coverage set forth in Section 3 above are subject to periodic review and amendment by the District's Risk Management Office, in the exercise of its reasonable discretion. Any excess liability coverage utilized to satisfy any increased requirements hereunder must be at least "flow form" in scope of coverage, placed with an authorized carrier and name the District, its officers, representatives, agents and employees, as an additional insured..

6. Certificate Holder: DPS should be addressed as the Certificate Holder using the following address: Detroit Public Schools, Risk Management, 3011 W Grand Blvd, Detroit, MI 48202.

7. Notice of Cancellation or Material Changes. Policies and/or certificates shall specifically provide for a thirty (30) day written prior notice of cancellation, non-renewal, or any material change to be sent to the District.

8. Multiple Policies. The limits of liability as required above may be provided by a single policy of insurance or a combination of primary, excess or umbrella liability policies. But in no event shall the total limit of liability of any one occurrence or accident be less than the amount shown above.

9. Deductibles. Companies issuing the insurance policies and the Supplier shall have no recourse against the District for payment of any premiums or assessments for any deductibles, as all such premiums and deductibles are the sole responsibility and risk of the Supplier.

10. Subcontractors. If any part of the work is subcontracted, Supplier shall require any and all subcontractors performing work under this Contract to carry worker's compensation insurance and other types of insurance with limits of liability as Supplier shall deem appropriate and adequate for

the duration of the subcontracting arrangement. In the event a subcontractor is unable to furnish adequate insurance required under the Contract, the Supplier shall endorse the subcontractor as an Additional Insured and/or become an Alternate Employer, prior to the subcontractor performing any work for or on behalf of the Supplier in performance of this Contract. The Supplier shall obtain and furnish to the District certificates of insurance evidencing subcontractors' workers' compensation insurance coverage. If a subcontractor's certificate of workers' compensation insurance expires during the period of performance, Supplier shall obtain a renewal certificate. All other insurance certificates for subcontractors shall be furnished to the District.

11. Waiver. The selected Supplier shall not hold the District liable for any personal injury incurred by its employee, agent or consultant, Supplier or subcontractor while working on this project. The Supplier agrees to hold the District harmless from any such claim by its employees, agents, consultants, Supplier or subcontractor.

I.25 Changes

1. The Chief Procurement and Logistics Officer may, at any time, by written order, make changes within the general scope of the contract in the services to be performed. If such changes cause an increase or decrease in the Supplier's cost of, or time required for, performance of any services under this Contract, whether or not changed by any order, an equitable adjustment shall be made and the Contract shall be modified in writing accordingly. Any claim of the Supplier for adjustment under this clause must be asserted in writing within 30 days from the date of receipt by the Supplier of the notification of change unless the Chief Procurement and Logistics Officer grants a further period of time before the date of final payment under the Contract.

2. No services for which an additional cost or fee will be charged by the Supplier shall be furnished without the prior written authorization of the Chief Procurement and Logistics Officer.

I.26 Notices

All written notices required under the terms of the contract shall be addressed to the Supplier at the address set forth in Section A of this Contract. Notices to this District shall be addressed as follows:

Attention: Chief Procurement and Logistics Officer
Detroit Public Schools
Office of Procurement and Logistics
3011 West Grand Blvd., 11th Floor
Detroit, Michigan 48202

I.27 Indemnification

The Supplier agrees to indemnify, hold harmless and defend the School District, its Board of Education, and all administrators, employees, students, volunteers, agents, or servants of the District, against all suits, actions, legal proceedings, claims and demands, and against all damages, loss, costs, expenses (including attorney's fees), in a manner caused by, arising from, incidental to, connected with or growing out of their performance of this Contract or breach thereof, to the extent that such actions are not caused by the sole negligence of the School District, its Board of Education, or its employees.

I.28 District Restrictions

In the event that, as result of new regulation, the Supplier seeks to impose any restrictions on DPS which would necessitate alteration of material, quality, workmanship, or performance of the good or services offered, it shall be the responsibility of the Supplier to immediately notify the Chief Procurement and Logistics Officer in writing specifying the regulation which requires alteration. DPS reserves the right to accept any such alteration, including any reasonable price adjustments occasioned thereby, or to cancel the Contract at no expense to DPS.

I.29 Assignment or Transfer

The Supplier shall not assign or transfer the whole or any part of this Contract or any monies due or to become due hereunder without the prior written approval of DPS.

I.30 Audit, Examination and Retention of Records

The Supplier shall maintain all books, records, documents, and other instruments, related to the provision of goods and services hereunder, and shall maintain accounting records, procedures and practices, sufficient to reflect properly all direct and indirect cost of whatever nature claimed to have been incurred for the performance of the Contract. The Supplier shall maintain these documents for five (5) years from the later of the date termination or final payment under the Contract, or such longer period as required by law. Such records shall include any records in electronic form, including but not limited to computer hard drives, tape backups and other such storage devices.

The Supplier agrees that such Supplier records shall be open to inspection and subject audit and /or reproduction, during normal working hours, by the District, its Procurement and Logistics/Auditing/or Inspecting Officer, or its other agents or authorized representatives, as well as the District's state and federal regulatory and/or funding agencies, including, but not limited to, the Michigan Department of Education and the U.S. Office of the Comptroller and the U.S. Office of the Inspection General (together the —Examiners/Auditors”) to the extent necessary to adequately permit evaluation and verification of any invoices and the services provided, payments or claims submitted by the Supplier and any of its payees (including sub-contractors) pursuant to this Contract, including but not limited to at least once annually. If an audit, inspection or examination in accordance with this section discloses overcharges of any nature, the actual costs of the audit, inspection or examination shall be paid by the Supplier. The rights of the Examiners/Auditors hereunder shall also include timely (i.e., at least one business day) and reasonable access to Supplier's personnel for the purpose of interview and discussion related to such records. The Examiners/Auditors' audit or inspection or lack thereof, or the existence of this contractual provision, shall not relieve Supplier of its responsibility to comply with this Contract. Further the failure by any of Examiners/Auditors to notify Supplier of detection, or failure to require Supplier remediation of any unsatisfactory practice, does not constitute acceptance of such practice, or a waiver of the District's rights under this Contract.

I.31 Award Certificates

Supplier agrees that the information provided in Section K and, specifically, the Certificate of Independent Price Determination, the Suspension and Debarment Certification, the Clean Air and Water Act Certificate and the Disclosure of Lobbying Activities, is true and correct as of the date of this Contract and will remain true and correct as during the term of this Contract. Supplier agrees to provide the District with updated information as soon as the information in any certificates and disclosure becomes materially false or misleading and on the date of any renewal of this Contract.

I.32 Conflict of Interest

1. The Supplier warrants that, except as otherwise disclosed in writing, it does not have any conflict of interest. Conflict of interest is defined as a situation in which the nature of work under this Contract and the Supplier's organizational, financial, contractual or other interests are such that:
 - a. Award of the Contract may result in an unfair competitive advantage; or
 - b. The Supplier's objectivity in performing the contract work may be impaired.
2. The Supplier agrees that, at any time after the award of this Contract and during the term thereof, it discovers an organizational conflict of interest with respect to this Contract, it shall make an immediate and full disclosure in writing to the Chief Procurement and Logistics Officer, Office of Procurement and Logistics, which disclosure shall include a description of the action which the Supplier has taken or intends to take to eliminate or neutralize the conflict. DPS may however terminate the Contract if it is deemed in DPS' best interest to do so.
3. In the event the Supplier did not and does not disclose the conflict to the Chief Procurement and Logistics Officer, DPS may terminate the Contract for default.
4. The provisions of this clause shall be included in all permitted subcontracts and consulting agreements wherein the work to be performed is similar to the service provided by the Supplier. The Supplier shall include in such subcontracts and consulting agreements any necessary provisions to eliminate or neutralize conflicts of interest.
5. DPS reserves total discretion to determine the proper treatment of any conflict of interest disclosed under this provision.

I.33 Gratuities

The Supplier represents and warrants that neither it, its agent nor any other representative has offered or given gratuities (in the form of entertainment, gifts, or otherwise) to any employee, official, or member of the Board (Executive Committee) of the District with a view toward securing favorable treatment in the awarding, amending, or evaluating the performance of this Contract. For breach of any representation or warranty in this clause, the District shall have the right to annul this Contract without liability and/or have recourse to any other remedy it may have at law.

I.34 Interest of Public Officials

The Supplier represents and warrants that no employee, official, or member of the Board (Executive Committee) of the District, no member of the governing body of the locality in which the project is situated, no member of the governing body in which DPS was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project shall, during his or her tenure, or for one year thereafter is or will be pecuniarily interested or benefited directly or indirectly in this Contract or the proceeds thereof.

I.35 Order of Precedence

Any inconsistency in this Contract shall be resolved by giving precedence in the following order:

1. Contract Sections, including scope of services and general contract clauses.
2. Other exhibits and attachments to the Contract.
3. Any applicable purchase order.

I.36 Confidentiality, Ownership and Protection of District Property

The Supplier acknowledges that certain data, material, or other information which originated from this Contract may consist of confidential records owned by the District or confidential personally identifiable information subject to the federal Family Educational Rights and Privacy Act or other privacy laws, and that disclosure to or use by third parties would be damaging. The Supplier, therefore, agrees to hold all such material and information in strictest confidence, not to make use thereof other than for the performance of this Contract, to release it only to authorized employees and agents requiring such information or as required by law and not release or disclose it to any other party. The Supplier agrees to release such information or material only to employees and agents who have signed a written agreement expressly prohibiting redisclosure.

The parties acknowledge that should the performance of this Contract result in the development of any new proprietary, secret, or trade concepts, methods, techniques, processes, adoptions, discoveries, improvements and ideas, the same shall be promptly be reported to the District and shall be the sole and exclusive property of the District without further or additional consideration and without regard to the origin thereof, and the Supplier will not, other than in the performance of this Contract make use or disclose the same to any third party. At the District's request or upon the expiration or earlier termination of this Contract, Supplier shall execute all documents, papers and shall furnish all reasonable assistance requested in order to establish in the District all rights, title, and interest in such inventions, discoveries and improvements or ideas or to enable the District to apply for state and federal patents, trademarks or other protection of the District's intellectual property, if the District so elects.

The Supplier shall use reasonable care to avoid damaging existing buildings, equipment, and vegetation on or about premises owned by, or under the control of, the District. If the Supplier's failure to use reasonable care causes damage to any of this property, the Supplier shall replace or repair the damage at no expense to the District as the Chief Procurement and Logistics Officer directs. If the Supplier fails or refuses to make such repair or replacement, the Supplier shall be liable for the cost, which may be deducted from the contract price.

I.37 Publicity Releases

All publicity releases or releases of reports, papers, articles, maps, or other documents in any way concerning this contract or the work hereunder which the Supplier or any of its subcontractor's desires to make for purposes of publication in whole or in part, shall be subject to written approval by the Chief Procurement and Logistics Officer prior to release.

I.38 Suspension of Work

1. The Chief Procurement and Logistics Officer may order the Supplier in writing to suspend all or any part of the work for such period of time as he may determine to be appropriate for the convenience of the District.

2. If the performance of all or any part of the work is, for an unreasonable period of time, suspended or delayed by an act of the Chief Procurement and Logistics Officer in the administration of this Contract, or by his failure to act within the time specified in this contract (or, if no time is specified, within a reasonable time), an adjustment shall be made for any increase in cost of performance of this contract (excluding profit) necessarily caused by such unreasonable suspension or delay, and the contract modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension or delay to the extent (1) that performance would have been suspended or delayed by any other cause, including the fault or negligence of the Supplier, or (2) for which an equitable adjustment is provided for or excluded under any other provision of this contract.
3. No claim under this clause shall be allowed (1) for any costs incurred more than 20 days before the Supplier shall have notified the Chief Procurement and Logistics Officer in writing of the act or failure to act involved (but this requirement shall not apply to a claim resulting from a suspension order), and (2) unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of suspension or delay, but not later than the date of final payment. No part of any claim based on the provisions of this clause shall be allowed if not supported by adequate evidence showing that the cost would not have been incurred but for a delay within the provisions of this clause.

I.39 Termination and Non-Compliance

1. The Chief Procurement and Logistics Officer may, by written notice to the Supplier, terminate this Contract in whole or in part at any time, either for the District's convenience (including non-availability of funding) or because of the failure of the Supplier to fulfill its Contract obligations. Upon receipt of such notice, the Supplier shall: (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to the Chief Procurement and Logistics Officer all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by the Supplier in performing this contract, whether completed or in process.
2. If the termination is for the convenience of the District and if this is a Contract wherein the Supplier is to be compensated by a fixed firm amount, an equitable adjustment in the Contract price shall be made, but no amount shall be allowed for anticipated profit on unperformed services. Otherwise where the Contract is not for a fixed firm amount, in the event of termination for convenience, Supplier shall only be entitled to amounts earned by it up to including the date of the termination and no amounts shall be allowed for anticipated profit on unperformed services.
3. If the termination is for default (failure to fulfill contract obligations), the District may take over the work and complete the same by contract or otherwise. In such case, the Supplier shall be liable to the District for any additional/re-procurement cost occasioned to the District.
4. If, after notice of termination for default, it is determined that the Supplier had not so failed, the termination shall be deemed to have been effected for the convenience of the District. In such event, adjustment in the contract price shall be made as provided in paragraph (2) of this clause.
5. In addition to its right to terminate this Contract in the event of default, if a recipient materially fails to comply with the terms and conditions of this Contract, whether stated in a statute, regulation, assurance, or notice of award, the District shall have the right to take one or more of the following actions, as appropriate in the circumstances: (1) temporarily

withhold cash payments pending correction of the deficiency by the Supplier, (2) disallow all or part of the cost of the activity or action not in compliance, or (3) wholly or partly suspend the Contract.

6. The rights and remedies of the District provided in this clause are in addition to any other rights and remedies provided by law or under this Contract. Time is of the essence for all delivery, performance, submittal, and completion dates in this contract.

I.40 Insolvency

In the event the Supplier enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Supplier agrees to furnish, by certified mail or electronic commerce method authorized by the contract, written notification of the bankruptcy to the Chief Procurement and Logistics Officer responsible for administering the contract. This notification shall be furnished within five days of the initiation of the proceedings relating to bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of DPS contract numbers and contracting offices for all DPS contracts against which final payment has not been made. The District shall have the right to immediately terminate this Contract in the event of Supplier's insolvency or bankruptcy.

I.41 Disputes

In the event of any disputes, including disputes concerning a question of fact or law (~~—disputes~~), claims, issues, questions, or disagreement arising from or relating to this contract or the breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement in a timely manner. Initially, the Program Manager and Chief Procurement and Logistics Officer shall discuss the issue with the Supplier. If resolution is not reached, then Supplier shall meet with the Chief Procurement and Logistics Officer, his successor, or designee, to resolve the issue. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interest(s), attempt to reach a just and equitable solution satisfactory to both parties.

Any disputes, claims, issues, questions, or disagreement arising under or related to this Contract which is not disposed of by agreement shall be decided by the Chief Procurement and Logistics Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Supplier, which decision shall be binding and conclusive on the parties unless the Supplier gives written notice of its objection to the decision with ten (10) business days of receipt of the decision.

If the Supplier gives written notice of its objection to the decision of the Chief Procurement and Logistics Officer as set forth above, then the parties shall try to settle the dispute, claim or questions through alternative dispute resolution within 60 days of the written objection to the Chief Procurement and Logistics Officers decision.. DPS will be allowed to choose the forum for the alternative dispute resolution. The parties shall agree on any mediator(s) or facilitator(s). The parties shall equally share all of the cost of alternative dispute resolution. If, after such alternative dispute resolution, the parties still are unable to resolve the disputes, issues claims, questions, or disagreement arising from or relating to this contract or the breach thereof, then upon notice by either party to the other, all disputes, issues claims, questions, or disagreement arising from or relating to this contract or the breach thereof shall be finally settled by submission to the American Arbitration Association in accordance with the provisions of it Arbitration Rules, and judgment on the award rendered by the arbitrator(s) shall be binding and may be entered in any court having jurisdiction thereof.

Nothing contained in this Section shall be construed to prevent a party from exercising its right to terminate the Contract under Section I.39 hereof.

I.42 Notice of Labor Disputes

1. If the Supplier has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Contract, the Supplier immediately shall give notice, including all relevant information, to the Chief Procurement and Logistics Officer.

2. The Supplier agrees to insert the substance of this clause, including this paragraph, in any subcontract under which a labor dispute may delay the timely performance of this contract; except that each subcontract shall provide that in the event its timely performance is delayed or threatened by delay by any actual or potential labor dispute, the subcontractor shall immediately notify the next higher tier subcontractor or the Supplier, as the case may be, of all relevant information concerning the dispute. T

I.43 Disputes

1. Except as otherwise provided in this Contract, any dispute concerning a question of fact or law arising under or related to this Contract which is not disposed of by agreement shall be decided by the Chief Procurement and Logistics Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Supplier. The decision of the Chief Procurement and Logistics Officer shall be final and conclusive unless, on or before the 90th day from the date of receipt of such copy, the Supplier mails or otherwise furnishes a written appeal addressed to the District. No action challenging such decision shall be brought more than two years from the date of the Supplier's receipt of such decision. In connection with any appeal of the Chief Procurement and Logistics Officer's decision, the Supplier shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending the final resolution of a dispute hereunder, the Supplier shall proceed diligently with the performance of the Contract and in accordance with the Chief Procurement and Logistics Officer's decision.

2. If it is determined, on appeal, that the Chief Procurement and Logistics Officer's interpretation of the Contract direction to the Supplier, or any other action required by the Chief Procurement and Logistics Officer's decision was an erroneous determination of the rights and obligations of the parties under the Contract, the Supplier's remedy shall be the same as if such action were a change order under the Changes Clause of this contract.

I.44 Anti-Kickback Procedures

(1) *Definitions*
"Kickback," as used in this clause, means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any prime Supplier, prime Supplier employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract.

"Person," as used in this clause, means a corporation, partnership, business association of any kind, trust, joint-stock company, or individual.

"Prime contract," as used in this clause, means a contract or contractual action entered into by the District for the purpose of obtaining supplies, materials, equipment, or services of any kind.

"Prime Supplier" as used in this clause, means a person who has entered into a prime contract with the District.

"Prime Supplier employee," as used in this clause, means any officer, partner, employee, or agent of a prime Supplier.

"Subcontract," as used in this clause, means a contract or contractual action entered into by a prime Supplier or subcontractor for the purpose of obtaining supplies, materials, equipment, or services of any kind under a prime contract.

"Subcontractor," as used in this clause,

(a) means any person, other than the prime Supplier, who offers to furnish or furnishes any supplies, materials, equipment, or services of any kind under a prime contract or a subcontract entered into in connection with such prime contract, and

(b) includes any person who offers to furnish or furnishes general supplies to the prime Supplier or a higher tier subcontractor.

"Subcontractor employee," as used in this clause, means any officer, partner, employee, or agent of a subcontractor.

- (2) The Anti-Kickback Act of 1986 (the Act), prohibits any person from --
- (a) Providing or attempting to provide or offering to provide any kickback;
 - (b) Soliciting, accepting, or attempting to accept any kickback; or
 - (c) Including, directly or indirectly, the amount of any kickback in the contract price charged by a prime Supplier to the District or in the contract price charged by a subcontractor to a prime Supplier or higher tier subcontractor.
- (3)
- (a) The Supplier shall have in place and follow reasonable procedures designed to prevent and detect possible violations described in paragraph (2) of this clause in its own operations and direct business relationships.
 - (b) When the Supplier has reasonable grounds to believe that a violation described in paragraph (2) of this clause may have occurred, the Supplier shall promptly report in writing the possible violation. Such reports shall be made to the CEO.
 - (c) The Supplier shall cooperate fully with any investigation of a possible violation described in paragraph (2) of this clause.
 - (d) The Chief Procurement and Logistics Officer may
 - (i) offset the amount of the kickback against any monies owed by the District under the prime contract and/or
 - (ii) direct that the Prime Supplier withhold from sums owed a subcontractor under the prime contract the amount of the kickback. The Chief Procurement and Logistics Officer may order that monies withheld under subdivision (3) (d) (ii) of this clause be paid over to the District unless the District has already offset those monies under subdivision (3) (d) (i) of this clause. In either case, the Prime Supplier shall notify the Chief Procurement and Logistics Officer when the monies are withheld.
 - (e) The Supplier agrees to incorporate the substance of this clause, including subparagraph (3) (e) but excepting subparagraph (3) (a), in all subcontracts under this contract which exceed \$100,000.

I.45 Pending Legal Dispute with District

It is the policy of the District that one factor, among others, that is to be considered when awarding a contract or approving a purchase order is the existence of a pending legal dispute - whether in court or an alternative dispute forum - with any Supplier or vendor which has submitted a bid or proposal. Before including a consideration of the legal dispute as a factor, a Chief Procurement and Logistics Officer shall seek the advice of the Office of General Counsel regarding the legal dispute and shall obtain the concurrence of the Chief Executive Officer or his or her designee.

I.46 Governing Law

This Contract shall be governed by the laws of the State of Michigan without giving effect to the principles of conflicts of laws.

I.47 Supplier Authorization

All persons executing and delivering this Contract on behalf of Supplier have been duly authorized by Supplier and all corporate or other action has been taken which is required for Supplier to execute, deliver, and perform this Contract

I.48 Bid, Performance Bond (Reserved)

I.49 Liquidated Damages (Reserved)

I.50 Supplemental Provisions for Contract Using Title I - American Recovery and Reinvestment Act of 2009 Funds

To the extent that this Contract or grant involves the use of American Recovery and Reinvestment Act of 2009, Pub. L. 111-5 (~~—ARRA~~) funds, the following terms and conditions apply.

a. **Compliance.** Supplier shall comply with all applicable provision of ARRA and the regulations issued pursuant thereto, including but not limited to these Supplemental Provisions and will maintain adequate records to verify its full compliance with those requirements. Any revisions to such provisions or regulations shall automatically become a part of the Contract without the necessity of either party executing any further instrument. The District may provide written notification to Supplier of such revisions, but such notice shall not be a condition precedent to the effectiveness of such revisions.

b. **Reporting.** The Supplier agrees to supply the District with the necessary information to provide the report that, at a minimum, contains the information specified in Section 1512 of the ARRA in a timely manner. Each Supplier must supply their DUNS number OR Supplier Name and the zip + 4 digit code of the Supplier's headquarters. In addition, upon request, Suppliers may have to report an estimate of the number of jobs created and number of jobs retained as a result of the award of ARRA fund.

c. **Title 1 - ARRA Subcontracts and Assignments.** Supplier shall include these provisions in all of its permitted subcontracts or assignments of the Contract. Supplier shall ensure that all subcontractors and assignees comply with applicable provisions of ARRA.

d. **Conflict of Laws.** In the event of a conflict between the laws of the Sate of Michigan or these provisions in this Section and ARRA, ARRA shall control.

e. **Posting with Michigan Talent Bank.** In addition to any other job postings Supplier normally utilizes, Supplier shall post with Michigan Talent Bank, www.michworks.org/mtb, all positions for which it intends to hire workers as a result of being awarded this Contract.

f. **Whistle Blower Protection.** Section 1553 of ARRA provides protections for employees who make specific covered disclosures (whistleblowers) about uses of ARRA funds. Any Supplier employer receiving ARRA funds must print and post the following poster or a similar notice to employees of section 1553 and shall include the substance of this clause in all subcontracts. <http://www.oig.dol.gov/recovery/Section1553WhistleblowerProvisions.pdf>. Whistleblower information can be found at: <http://www.recovery.gov/CONTACT/REPORTFRAUD/Pages/WhistleBlowerInformation.aspx>.

g. **False Claims Act, 31 U.S.C. §§3729-3733.** Supplier shall promptly refer to an appropriate federal inspector general any credible evidence that a principal, employee, agent, contractor, subcontractor or other person has committed a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining for fraud, conflict of interest, bribery, gratuity, or similar misconduct involving the Contract funds.

h. **Reporting of Fraud, Waste, and Abuse.** Supplier shall also refer promptly to the District any credible evidence that a principal, employee, agent, contractor, subcontractor, or other person has committed a criminal or civil violation of laws pertaining to fraud, waste, and abuse involving Title 1 - ARRA funds.

i. **Audit and Access of Government Officials.** The Supplier shall permit the United States Comptroller General or his representative or the appropriate federal inspector general appointed under section 3 or 8G of the Inspector General Act of 1998 or his representative to:

(a) Examine any records of the Supplier or any of its subcontractors, or any state or local agency administering such contract, that directly pertain to, and involve transactions relating to this contract or any contract or subcontract using ARRA funds; and

(b) Interview any officer or employee of the Supplier or any of its subcontractors, or of any state or local agency administering such contract, regard such transactions.

j. **One Time Funding.** Supplier acknowledges and understands that ARRA funding is one time funding.

k. **Segregation of Costs.** The Supplier shall segregate obligations with respect to and expenditures of ARRA funds from other sources of funding.

l. **Event of Default.** Failure to comply with these provisions shall constitute an event of default under the Contract and the District may terminate the Contract as provided in the applicable termination section of the Contract.

I. 51 Miscellaneous.

This Contract can be extended, modified or amended only by a written agreement signed by the District and the Supplier, except that the District can unilaterally amend this Contract for any new requirements imposed by law. The District will provide Supplier with written notice of any such amendment.

If any provision of this Contract is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any

provision of this Contract held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

In the event of any breach by Supplier or in the event of a disputed amount, District shall have the right to set-off any amounts owed by it to Supplier for any purpose, against any amounts due to District by Supplier under this Contract or otherwise or withhold payment due hereunder, pending resolution of the dispute or the breach.

The provisions of this Contract are for the parties hereto only and are not for the benefit of any third party, and accordingly, no third party shall have the right to enforce the provisions of this Contract.

The parties acknowledge that the parties and their counsel have reviewed (or their counsel has had the opportunity to review) and revised this Contract and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Contract or any exhibits or amendments hereto.

This Contract, including the exhibits, contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the parties pertaining to such subject matter.

-----End of Section I-----

SECTION J
LIST OF ATTACHMENTS
(Reserved)

-----End of Section J-----

SECTION K
REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS
OF CONTRACTORS OR RESPONDENTS

- K.1** By submission of this Proposal, the Contractor certifies that neither it nor its principals it presently debarred, suspended, proposed for debarment, declare ineligible, or voluntarily excluded from participation in this transaction by any Federal, State or Local departments or agencies.
- K.2** Should the Contractor be unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this Proposal.
- K.3** The following forms are required to be completed to validate the Proposal and upon acceptance of the contract will confirm compliance with DPS eligibility requirements.

FORMS REQUIRED OF ALL CONTRACTORS:

- Contractor's Cover Sheet
- Pre-Award Survey Documents
- Hold Harmless, Copyrighted Material, Trade Secrets and Disclosure of other Proprietary Information
- Proof of Insurance
- Equal Employment Opportunity Documents:
 - Affidavit for Vendor/Contractor – Form 7506 (must be notarized)
 - Conflict of Interest Disclosure Statement – Form 7507 (must be notarized)
 - Subcontractors and/or Proposed Subcontracting Areas
 - Detroit-based Business - Must include copies of Certifications
 - Personnel Survey – Form 4450 Revised
 - Statement of Ownership
 - Internship Program Description
- Suspension and Debarment and Other Responsibility Matters Certification
- Certificate of Independent Price Determination [
- Clean Air and Water Certificate
- Disclosure of Lobbying Activities (Notice and Certification)

CONTRACTOR'S COVER SHEET

Legal Status of Contractor:

1. Name _____ of _____ Firm:

2. Type of Business: The Contractor represents as part of its offer that it operates as (*Mark one with an 'X'*) An Individual ____; A Corporation ____; Partnership ____; Joint Venture ____; or Other: _____ (please specify).
3. If incorporated or organized, please identify State of incorporation or organization: _____ . If not Michigan, Contractor represents that it is or, prior to the commencement of any work for the District, will be qualified to do business in the state of Michigan.
4. Date _____ of _____ incorporation _____ or _____ organization:

Date of qualification to do business in Michigan (if not a Michigan organized company): _____ .
5. The ID Number/Registration Number assigned to your company by the State named above: _____. Data Universal Numbering System (DUNS) & BRADSTREET Number: _____.
6. Office which will be responsible for providing the Detroit Public Schools the specified services:
Address:

Contact Person/Telephone Number: _____ Fax Number:

E-Mail Address:

7. Name, title, and signature of individual duly authorized as representative to execute contracts:
Name: _____
Title: _____
Signature: _____
8. The undersigned understands that the Detroit Public Schools reserves the right to reject any and all solicitation and to waive informalities and irregularities if there is a mistake in the offer.

- 8a. The undersigned further understands that the contents within this solicitation will become a part of the contract when awarded to the above named proposed contractor.
- 8b. The signature below certifies that the proposal as submitted complies with all terms and conditions as set forth within the Request for Proposal.
- 8c. The signature also certifies that the accompanying solicitation is not the result of, or affected by, any unlawful act of collusion with another person or company engaged in the same line of business, or any act of fraud. Furthermore, the company understands that fraud and unlawful collusion are crimes under Federal Law, and can result in fines and/or civil damage awards.

I hereby certify that I am a duly authorized representative of the forenamed firm and have the authority to enter an agreement if so awarded by the Detroit Public Schools:

Authorized Representative Signature: _____

Printed Name: _____

Position: _____

Dated this _____ day of _____, 2013.

PRE-AWARD SURVEY DOCUMENTS

This statement is an integral part of a Contractor’s proposal. All references and information shall be current and traceable. If the Contractor is a joint venture, each vendor, who is part of the joint venture, shall prepare a separate form.

SOLICITATION NUMBER: _____

NAME OF CONTRACTOR: _____

ADDRESS: _____

TELEPHONE: _____

- 1. Name your principal financial institution for financial reference:

Name of Bank: _____

Point of Contact: _____

Address: _____

Telephone Number: _____

Contractor hereby authorizes the release of credit information for verification of financial responsibility.

Contractor’s Signature

(Date)

Name (typed or written)

- 2. State your firm’s average receipts over the past 3 years: \$ _____

- 3. Please list names and addresses of the persons in control of the company (e.g., If your firm is a partnership, list names and addresses of partners; if a corporation, list names of directors and addresses of corporation; if a joint venture, list names and addresses of ventures).

(Name) (Address)

(Name) (Address)

(Name) (Address)

4. How many years has your firm been in business as a contractor under your present name?
_____ years.
5. How many people are currently employed by your firm? _____
6. Have your firm failed to complete a contract? Yes ___ No ___ (check one)

If yes, give details _____

7. List the names of four references for whom you have furnished the same or similar type services and of equal magnitude:

LIST OF REFERENCES

Reference #1

Name of Entity:

Contact Person:

Phone No:

Reference #2

Name of Entity:

Contact Person:

Phone No:

Reference #3

Name of Entity:

Contact Person:

Phone No:

Reference #4

Name of Entity:

Contact Person:

Phone No:

**HOLD HARMLESS COPYRIGHTED MATERIAL, TRADE SECRETS OR
DISCLOSURE OF OTHER PROPRIETARY INFORMATION**

The undersigned duly authorized representative, on behalf of the named Contractor declares:

~~that~~ the Contractor will indemnify the Detroit Public Schools and hold it harmless from any claim or liability and defend any action brought against the Detroit Public Schools for its refusal to disclose copyrighted material, trade secrets, or other proprietary information to any person making a request therefore relative to the solicitation and subsequent determination of awarding the desired contract”.

Name of Firm

Signature of Authorized Representative

Printed/Typed Name

Date

PROOF OF INSURANCE

- Attach a copy of your Commercial General Liability declaration page, which illustrates the coverage and limits for this solicitation, following this cover page.
- Attach a copy of your Automobile Liability declaration page, which illustrates the coverage and limits for this solicitation, following this cover page.
- Attach a copy of your Workers' Compensation declaration page, which illustrates the coverage and limits for this solicitation, following this cover page.
- Attach a copy of your Employer's Liability declaration page, which illustrates the coverage and limits for this solicitation, following this cover page.
- Attach a copy of your Professional Liability declaration page, which illustrates the coverage and limits for this solicitation, following this cover page.
- Attach a copy of your Pollution Liability declaration page, which illustrates the coverage and limits for this solicitation, following this cover page.
- Attach a copy of your Umbrella/Excess Liability declaration page, which illustrates the coverage and limits for this solicitation, following this cover page.
- Attach a copy of your Builder's Risk Liability declaration page, which illustrates the coverage and limits for this solicitation, following this cover page.

The undersigned duly authorized representative, on behalf of the named Contractor declares that the attached declaration pages are true copies of the specific policies.

Name of Firm

Signature of Authorized Representative

Printed/Typed Name

Date

EQUAL EMPLOYMENT OPPORTUNITY DOCUMENTS

MISSION

The procurement policy of Detroit Public Schools is to acquire goods, services, materials and programs for its students based upon a matrix award system of quality, cost, cycle time and human resources.

EQUAL EMPLOYMENT OPPORTUNITY

The General Superintendent of the Detroit Public Schools is committed to ensure that as a condition of doing business with DPS, all contractors and subcontractors must certify that their firm's employment practices comply with the District's Equal Employment Opportunity Department. All Contractors must submit with their Proposal:

- 1) A copy of their company's equal employment policy, or non-discrimination policy prohibiting discrimination based on race, sex, religion, color, national origin, age or handicap that is unrelated to the individual's ability to perform the duties of a particular job position.
- 2) Complete, sign, notarize and return the following forms:
 - i) Affidavit for Vendor/Contractor – Form 7506 (must be notarized)
 - ii) Conflict of Interest Disclosure Statement – Form 7507 (must be notarized)
 - iii) Subcontractors and/or Proposed Subcontracting Areas
 - iv) Detroit-based Business, Minority Business Enterprise and Women Business Enterprise
- 3) Identify business opportunities with Detroit-based businesses by: name of firm, contact person, address, telephone, award amount and services to be rendered.

RIGHT TO REJECT

The Contracting Officer expressly reserves the right to reject, in its sole discretion; any Contractor for any contract that the Contracting Officer determines is not an offer that is capable of providing quality service to the district. The Contracting Officer further expressly reserves the right to reject all proposals in response to the Request for Proposal.

EQUAL EMPLOYMENT OPPORTUNITIES AND CONTRACT RELATIONS
Detroit Public Schools
Fisher Building 10th Floor
7307 Second
Detroit, MI 48202
(313) 873-6531

AFFIDAVIT FOR VENDOR/CONTRACTOR

This form must be notarized as a condition of being awarded business by Detroit Public Schools.

I, the undersigned, being first duly sworn, depose and say that I have read the STANDARDS RELATED TO CONFLICTS OF INTEREST INVOLVING MEMBERS OR EMPLOYEES OF THE DETROIT PUBLIC SCHOOLS, understand them and that neither I, nor the owner/officers of the firm, nor any member of it, is involved, directly or indirectly, in a business relationship with any member or employee of the Detroit Public Schools, and that, to the best of my knowledge, a conflict of interest situation, within the meaning of the STANDARDS RELATED TO CONFLICTS OF INTEREST INVOLVING MEMBERS OR EMPLOYEES OF THE DETROIT PUBLIC SCHOOLS does not exist.

Name: _____
(type or print)

Signature: _____
(Must be signed by President or Vice President)

Social Security Number or Federal ID Number: _____

Position: _____

Firm: _____

Subscribed and sworn to before me this _____ day of _____ 2013

Notary Public, _____

My Commission expires: _____

Form 7506

EQUAL EMPLOYMENT OPPORTUNITIES AND CONTRACT RELATIONS
Detroit Public Schools
Fisher Building – 10th Floor
7307 Second
Detroit, MI 48202

CONFLICT OF INTEREST DISCLOSURE STATEMENT

This form must be notarized as a condition of being awarded business by Detroit Public Schools.

I, the undersigned, being first duly sworn, depose and say that I have read the standards related to Conflicts Of Interest involving members or employees of the District, understand them and make the following disclosures concerning myself, the owners/officers of the firm I represent, or any member of it. The statement prohibits public servants from directly or indirectly soliciting any contract between his or her public entity employer and any of the following:

- (a) Him or Herself.
- (b) Any firm, meaning a co-partnership or other unincorporated association, of which one is a partner, member or employee.
- (c) Any private corporation in which one is a stockholder owning more than 1% of the total outstanding stock of any class if the stock is not listed on a stock exchange, or stock with a present total market value in excess of \$25,000 if the stock is listed on a stock exchange or of which one is a Executive Director officer, or employee.
- (d) Any trust of which he or she is a beneficiary or trustee.
- (e) Do not take part in the negotiations for such a contract or the renegotiation or amendment of the contract, or the approval of the contract.
- (f) Represent either party in the transaction.
- (g) Promptly discloses any pecuniary interest in the contract to the official body that has power to approve the contract, which disclosure shall be made a matter of record in its official proceedings.

Name (type or print): _____

Signature: _____
(Must be signed by President or Vice President)

Position: _____

Firm: _____

Subscribed and sworn to before me this day of, _____

Notary Public, _____

My Commission expires: _____ 2013

Form 7507

SUBCONTRACTORS AND SUBCONTRACTING AREAS

Note: This form must be filled out in full with signatures and date. If the Contractor is not subcontracting any of the work described in this solicitation, put N/A in the sections below. Complete a new form for each subcontractor's effort

Name of Contractor (Prime Contractor): _____ Contract Number: _____

Description: _____

Name and Address of Subcontractor: _____ Telephone Number: _____

As part of the procedures for the submission of proposals, all Contractors are required to identify participating subcontractors and proposed subcontracting areas. Please identify such areas for the above project, if applicable. Use additional sheets if necessary.

Supplies, Goods or Service	Name & Address of Company Performing Work	Detroit Based Business Enterprise (DBBE)	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Dollar Amount
					\$
					\$
					\$
					\$
					\$
Dollar Amount of Work to be Completed by Contractor's Own Work Force					\$
TOTAL					\$
(The Total Amount shall equal the Amount Offered on the —Schedule— in Section B)					\$

All DBBE, MBE and WBE shall identify themselves as being certified by the city or through an acceptable organization. It is understood and agreed that, if awarded a contract by the District, the Contractor will not make additions, deletions, or substitutions to this list without the consent of the District's Office of Procurement and Logistics through the submission of a letter, subject, "**Request for Approval of Change to Original List of Subcontractor**". It is understood that the District may audit any and/or all records of the contract and conduct interviews of owners, principals, officers, employees and applicable subcontractors participating on the contract. The Office of Procurement and Logistics reserves the right to ensure compliance with the Subcontracting Plan to include status reports and audit of submitted DBBE, MBE and WBE information as deemed necessary.

CONTRACTOR'S CERTIFICATION

The above information is true and complete to the best of my knowledge and belief. I further understand and agree that if awarded the contract, this certification shall be attached thereto and become a part thereof. Failure to provide accurate information or exercise positive, good faith efforts in support of the Subcontracting Plan for Detroit-based, minority business, women business intent and objective may result in being considered non-responsive to the District's requirements. The Office of Procurement and Logistics reserves the right to recommend an audit on the submitted DBBE, MBE, and WBE information as deemed necessary.

Signature of Subcontractor: _____ Date: _____

Signature of Offerer/Prime Contractor: _____ Date: _____

DETROIT-BASED VENDORS/CONTRACTORS

Please complete the following:

Is your firm located in the City of Detroit? (Put a check mark in one of the boxes below)

YES NO

Is your firm certified as Headquartered in the City of Detroit?

YES NO

Name: (type or print) _____

Firm: _____

Social Security, Certification or Federal ID Number: _____

Title: _____

Signature: _____

Submit copy of Certification

SUPPLIER REFERENCES

(Must be completed by all brokers, individuals and companies who are not classified as manufacturers, wholesalers or retailers)

Contractor shall verify of their ability to obtain the merchandise specified herein, from a recognized supplier.

CERTIFICATION

This statement shall be executed by each Contractor or Consultant and attached to each Detroit Public Schools Agreement.
--

This is to certify that we have a written agreement(s) with a recognized supplier(s) on file and are available for inspection upon demand by the Detroit Public Schools, Office of Procurement and Logistics.

Signature: _____

Title: _____

Company: _____

The submitting firm shall provide the statement commensurate with their form of organization.
i.e. Corporation, Sole Proprietor, Joint venture, Partner

SUBMITTED BY: (Firm Name)

STATEMENT:

STATEMENT OF FACT:

The undersigned certifies, attests and agrees that:

1. The information provided in this Statement of Ownership is true, accurate and sufficiently complete so as not to be misleading as of the date of Agreement execution.
2. Detroit Public Schools will be informed of any changes in Ownership during the period of performance of the Agreement.
3. Failure to comply with these provisions will be a basis for termination of the Agreement and forfeiture of services performed.

Print Name: _____ Signature: _____
Authorized Representative

Print Title: _____ Date Signed: _____

STATEMENT OF OWNERSHIP

INTERNSHIP PROGRAM DESCRIPTION

In furtherance of its Internship Program, Detroit Public Schools strongly encourages job training opportunities for its students in District Contracts. Contractor shall submit a plan regarding the hiring of Detroit Public Schools students with their bids/proposals.

Name of Firm

Signature of Authorized Representative

Printed/Typed Name

Date

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT, AND OTHER RESPONSIBILITY MATTERS

- (a) The Contractor certifies, to the best of its knowledge and belief, that --
- (1) The Contractor and/or any of its Principals --* **(Circle response)**
 - (i) Are * are not * presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any public (Federal, State, or Local) agency;
 - (ii) Have * have not *, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public contract or subcontract; violation of Federal, State or local antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and
 - (iii) Are * are not * presently indicted for, or otherwise criminally or civilly charged by a public entity with, commission of any of the offenses enumerated in paragraph (a)(1)(ii) of this provision.
 - (2) The Contractor has* has not*, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal, State or local agency.
 - (3) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity.

This Certification Concerns a Matter Within the Jurisdiction of the District and the Making of a False, Fictitious, or Fraudulent Certification May Render the Maker Subject to Prosecution.

- (b) The Contractor shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Contractor learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- (c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Contractor's responsibility. Failure of the Contractor to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Contractor non-responsible.
- (d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of

this provision. The knowledge and information of an Contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Contractor knowingly rendered an erroneous certification, in addition to other remedies available to the District, the Contracting Officer may terminate the contract resulting from this solicitation for default.

Name of Firm

Signature of Authorized Representative

Printed/Typed Name

Date

CERTIFICATE OF INDEPENDENT PRICE DETERMINATION

Both the District and Contractor (offeror) shall execute this Certificate of Independent Price Determination.

Detroit Public Schools

Contractor

(A) By submission of this offer, the offeror certifies and in the case of a joint offer, each party thereto certifies as to its own organization, that in connection with this procurement:

- (1) The prices in this offer have been arrived at independently, without consultation, communication or agreement, for the purpose of restricting completion, as to any matter relating to such prices with any other offeror or with any competitor;
- (2) Unless otherwise required by law, the prices which have been quoted in this offer have not been knowingly disclosed by the offeror and will not knowingly be disclosed by the offeror prior to opening in the case of an advertised procurement or prior to award in the case of a negotiated procurement, directly or indirectly to any other offeror or to any competitor; and
- (3) No attempt has been made or will be made by the offeror to induce any person or firm to submit or not to submit, an offer for the purpose of restricting competition.

(B) Each person signing this offer on behalf of the Contractor certifies that:

- (1) He/she is the person in the Supplier's organization responsible within the organization for the decision as to the prices being offered herein and has not participated, and will not participate, in any action contrary to (A)(1) through (A)(3) above; or
- (2) He/she is not the person in other Supplier's organization responsible within the organization for the decision as to the prices being offered herein, but that he or she has been authorized in writing to act as agent for the persons responsible for such decision in certifying that such persons have not participated and will not participate, in any action contrary to (A)(1) through (A)(3) above, and as their agent does hereby so certify; and he or she has not participated, and will not participate, in any action contrary to (A)(1) through (A)(3) above.

To the best of my knowledge, the Contractor, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last three years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to proposing on any public contract, except as follows:

Print/ Signature
Company's Authorized Representative

Title

Date

In accepting this offer, the District certifies that no representative of the District has taken any action which may have jeopardized the independence of the offer referred to above.

Print/Signature of District's
Authorized Representative

Title

Date

CLEAN AIR AND WATER CERTIFICATE

Applicable if the contract exceeds \$100,000 or the Chief Contracting Officer has determined that the orders under an indefinite quantity contract in any one year will exceed \$100,000 or a facility to be used has been the subject of a conviction under the Clean Air Act (41 U.S.C. 1857c-8(c)(1) or the Federal Water Pollution Control Act 33 1319(d) and is listed by EPA or the contract is not otherwise exempt. Both the District and Contractor (offeror) shall execute this Certificate.

Detroit Public Schools

Contractor

THE CONTRACTOR AGREES AS FOLLOWS:

A. To comply with all the requirements of Section 114 of the Clean Air Act, as amended (41 U.S.C. 1857, et seq., as amended by Public Law 91-604) and Section 308 of the Federal Water Pollution Control Act (33 U.S.C. 1251, et seq., as amended by Public Law 92-500), respectively, relating to inspection, monitoring, entry, reports and information as well as other requirements specified in Section 114 and Section 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder before the award of this contract.

B. That no portion of the work required by this prime contract will be performed in a facility listed on the Environmental Protection Agency List of Violating Facilities on the date when this contract was awarded unless and until the EPA eliminates the name of such facility or facilities from such listing.

C. To use his/her best efforts to comply with clean air standards and clean water standards at the facilities in which the contract is being performed.

D. To insert the substance of the provisions of this clause in any nonexempt subcontract, including this paragraph.

THE TERMS IN THIS CLAUSE HAVE THE FOLLOWING MEANINGS:

A. The term "Air Act" means the Clean Air Act, as amended (41 U.S.C. 1957 et seq., as amended by Public Law 91-604).

B. The term "Water Act" means Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq., as amended by Public Law 92-500).

C. The term "Clean Air Standards" means any enforceable rules, regulations, guidelines, standards, limitations, orders, controls, prohibitions, or other requirements which are contained in, issued under, or otherwise adopted pursuant to the Air Act or Executive Order 11738, an applicable implementation plan as described in section 110(d) of the Clean Air Act (42 U.S.C. 1957c-5(d)), an approved implementation procedure or plan under Section 111(c) or Section 111(d), respectively, of the Air Act (42 U.S.C. 1857c-6(c) or (d)), or approved implementation procedure under Section 112(d) of the Air Act (42 U.S.C. 1857c-7(d)).

D. The term "Clean Air Standards" means any enforceable limitation, control, condition, prohibition, standard, or other requirement which is promulgated pursuant to the Water Act or contained in a permit issued to a discharger by the Environmental Protection Agency or by a State under an approved program, as authorized by Section 402 of the Water Act (33 U.S.C. 1342) or by local government to ensure compliance with pretreatment regulations as required by Section 307 of the Water Act (33 U.S.C. 1317).

E. The term "Compliance" means compliance with clean air or water standards. Compliance shall also mean compliance with a schedule or plan ordered or approved by a court of competent jurisdiction, the Environmental Protection Agency or an Air or Water Pollution Control Agency in accordance with the requirements of the Air Act or Water Act and regulations issued pursuant thereto.

F. The term "facility" means any building, plant, installation, structure, mine, vessel, or other floating craft, location or sites of operations, owned, leased or supervised by the Contractor.

Print/Signature	Title	Date
Contractor's Authorized Representative		

NOTICE TO APPLICANTS – CERTIFICATION/DISCLOSURE REQUIREMENTS RELATED TO LOBBYING

Section 319 of Public Law 101-121 (31 U.S.C.), signed into law on October 23, 1989, imposes new prohibitions and requirements for disclosure and certification related to lobbying on recipients of Federal contracts, grants, cooperative agreements, and loans. Certain provisions of the law also apply to Federal commitments for loan guarantees and insurance; however, it provides exemptions for Indian tribes and tribal organizations.

Effective December 23, 1989, current and prospective recipients (and their subtier contractors and/or subgrantees) will be prohibited from using Federal funds, other than profits from a Federal contract, for lobbying Congress and any Federal agency in connection with the award of a particular contract, grant, cooperative agreement or loan. In addition, for each award action in excess of \$100,000 (or \$150,000 for loans) on or after December 23, 1989, the law requires recipients and their subtier contractors and/or subgrantees to: (1) certify that they have neither used nor will use any appropriated funds for payment to lobbyists; (2) disclose the name, address, payment details, and purpose of any agreements with lobbyists whom recipients or their subtier contractors or subgrantees will pay with profits or **nonappropriated** funds on or after December 23, 1989; and (3) file quarterly updates about the use of lobbyists if material changes occur in their use. The law establishes civil penalties for noncompliance.

If you are a current recipient of funding or have an application, proposal, or proposal pending as of December 23, 1989, the law will have the following immediate consequences for you:

- You are prohibited from using appropriated funds (other than profits from Federal contracts) on or after December 23, 1989, for lobbying Congress and any Federal agency in connection with a particular contract, grant, cooperative agreement or loan;
- You are required to execute the attached certification at the time of submission of an application or before any action in excess of \$100,000 is awarded; and
- You will be required to complete the lobbying disclosure form if the disclosure requirements apply to you.

Regulations implementing Section 319 of Public Law 101-121 have been published an Interim Final Rule by the Office of Management and Budget as Part III of the February 26, 1990, **Federal Register** (pages 6736-6746).

CERTIFICATION REGARDING LOBBYING - CONTRACTS, GRANTS, LOANS AND COOPERATIVE AGREEMENTS

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of any Federal grant, the making of a Federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement;
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, —Disclosure Form to Report Lobbying,” in accordance with its instructions;
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Organization Name

Award Number or Project Name

Name and Title of Authorized Representative

Signature

Date

-----End of Section K-----

SECTION L INSTRUCTIONS, CONDITIONS AND NOTICES TO SUPPLIERS

The acceptance of the Supplier's proposal for the services specified herein will be made by issuance of a duly authorized contract prepared by DPS. Suppliers are cautioned to make no assumptions or accept any representations by any employee, member, officer or representative of DPS concerning the award until a contract is executed.

L.1 Pre-Proposal Conference

1. a. There will not be a Pre-Proposal conference for this solicitation.

b. All questions relating to the proposal request for clarification shall be submitted in writing no later than the timeframe stated below to allow sufficient time for answers to be considered and prepared by the District. All written inquiries will be formally answered and distributed to all Suppliers on www.demandstar.com
2. Written inquiries must be received by **10:00 a.m. EST on Wednesday, January 16, 2013.**

Telephone inquiries will not be accepted.

Inquiries must be submitted to:

Office of Procurement and Logistics
Detroit Public Schools
Attention: Michelle Peterson
Fisher Building – 11th Floor – Second Avenue Elevators
Detroit, Michigan 48202
Facsimile Number: (313) 873-6491
RFP No.: 13-0334-C

Email to: michelle.peterson@detroitk12.org

L.2 Additional Instructions

1. Supplier's Mailing Address

It is the responsibility of every Offeror to register and maintain their current mailing address with www.demandstar.com.

2. Submission Instructions

Please submit one (1) original and three (3) complete copies of your proposal documents in sealed envelopes or cartons. **In addition, please include an electronic copy of your proposal in (MS word/excel) with the original package.** The original proposal must be clearly marked, signed (use blue ink) and submit in a separate sealed envelope, with all copies being addressed to:

**DETROIT PUBLIC SCHOOLS
OFFICE OF PROCUREMENT AND LOGISTICS
FISHER BUILDING – 11TH FLOOR
3011 WEST GRAND BOULEVARD
DETROIT, MICHIGAN 48202**

If hand carried, proposals must be delivered by
**1:00 p.m. EST on Day, Month, Year. Late Proposals delivered/received after
1:00 p.m. will not be accepted.**

The outside of each envelope or package must be labeled:

- a. RFP Description
- b. RFP No. 13-0334-C
- c. Name of Offeror
- d. Package x of y

3. Firm Offer Period

Offers submitted shall remain firm for a period of 150 calendar days from the submission deadline date.

4. Detailed Proposal

A detailed proposal must be submitted along with those forms identified in Section K for the proposal to be complete. The documents should be prepared in single-spaced type on 8 ½ x 11” paper, using one side of the paper only. The original proposal must contain a signature of an authorized representative of the Offeror. The authorized representative must initial all corrections made on the proposal sheets. The company name must appear on each sheet where a correction is made. The proposal must include all documents materials and information required herein. Pages should be numbered at the bottom to show page numbers and total number of pages should be no more than 25 pages. This does not include resumes or descriptive literature. (eg. Page 1 of xx, etc.)

5. Schedule

The unit of measure specified in the Schedule is descriptive only used as a basis to determine award of Contract.

- a. The pricing must include any and all warehousing, freight, delivery, pickup, financing, carrying charges, and all other such charges to accommodate the supply/service and delivery requirements.
- b. Offeror shall insert a unit price, and extended amount for each line item specified on the schedule, if applicable. Additionally, Suppliers shall calculate and insert the total offer price, where appropriate on the schedule.

- c. Suppliers are cautioned that the item description in the Schedule is not intended as complete descriptions of the required supplies or services to be purchased under this solicitation. Each Offeror must consult the Specifications of the solicitation document for complete descriptions of the required supplies or services.

6. Options

- a. The District will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. The District may determine that an offer is unacceptable if the option prices are significantly unbalanced. Evaluation of options shall not obligate the District to exercise the option(s).
- b. A written notice of award or acceptance of an offer, mailed or otherwise furnished to the successful Offeror within the time for acceptance specified in the offer, shall result in a binding contract without further action by either party. Before the offer's specified expiration time, the District may accept an offer (or incorporate the accepted option price), whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award.

7. Awards

Multiple awards are anticipated under this solicitation, however, DPS reserves the right to make a single or multiple awards. In addition, DPS reserves the right to make award(s) based upon location, the geographic area to be serviced by the contract and company capacity.

8. Contact after Supplier's Submittal

All Suppliers who submitted a proposal for a project are prohibited from having any communication concerning the RFP with any DPS Board Member, the General Superintendent, and the Evaluation Committee Member after the submittal of their proposal and prior to the Contract being awarded with the exception of communications with the Office of Procurement and Logistics. A proposal from any Offeror will be disqualified when the Offeror violates this condition of the RFP.

9. Acceptance and Rejection of Proposals

- a. Acceptance: All proposals properly completed and submitted shall be considered by DPS.
- b. Rejection: A proposal may be rejected if it does not conform to the rules or the requirements contained in this RFP. Examples for rejection include, but are not limited to the following:
 - i. The proposal is time-stamped at the Office of Procurement and Logistics after the deadline specified in the RFP.
 - ii. Failure to execute and return the required forms.

- iii. Failure to respond to all subsections within the RFP. All proposals that are materially unbalanced, (i.e. that contain unreasonably high unit prices for some items and/or unreasonably low unit prices for other items).
- iv. Proof of collusion among Suppliers, in which case all suspected proposals involved in the alleged collusive action shall be rejected, and any participants to such collusion shall be barred from future procurement opportunities until reinstated.
- v. The proposal shows non-compliance with applicable laws or contains any unauthorized additions, deviations or deletions, is a conditional proposal, is an incomplete proposal, or contains irregularities of any kind which make the proposal incomplete, indefinite, or ambiguous as to its meaning.
- vi. The Offeror adds provisions reserving the right to accept or reject an award or to enter into a contract pursuant to award or adds provisions contrary to those in the RFP.

L.3 RFP Proposal Format and Organization

Suppliers shall compile and organize the responses according to the tabs listed below. Within the tabbed section, clearly organize and mark your responses according to the topics outlined below. It is very important for you to follow the format outlined below to assist us in the evaluation process. **All proposals should be securely bound (does not apply to the electronic document), and must include the following items. Responses must be in the same order as, and responsive to, the information requested.** Unnecessarily elaborate proposals and/or lengthy presentations are not desired or required by the District.

1. **Tab A - Representations and Certifications.** Offeror shall complete all verification statements and required forms found in Section K.
 - a. Supplier's Cover Sheet
 - b. Pre-award Survey
 - c. Certification regarding debarment, suspension, proposed debarment, and other responsibility matters
 - d. Hold Harmless Copyrighted Material, Trade Secrets and Disclosure of Other Proprietary Information
 - e. Proof of Insurance
 - f. Equal Employment Opportunity Policy and Forms

2. **Tab B - Executive Summary.** Offeror shall provide the following information in the order outlined below:
 - a. A title page
 - b. A table of contents
 - c. Executive Summary – This summary, limited to one typewritten page, should provide a high level description of the Supplier's ability to meet the requirements of the RFP and a statement describing why the Offeror believes itself to be best qualified to provide the identified services.
 - d. List any exceptions to this RFP. Exceptions listed elsewhere will not be recognized. Any exceptions determined to be material by the District may cause the proposal to be not further considered.

3. **Tab C – Qualifications and Experience**

a. **Qualifications:** Provide a brief description of your firm, including:

- (1) Qualification of Firm
- (2) Qualification of Staff
- (3) Industry Knowledge and Expertise
- (4) Project Management and Special Services pertinent to this Solicitation; and
- (5) Past Performance (The evaluation should take into account past performance information regarding predecessor companies, key personnel who have relevant experience, or subcontractors that will perform major or critical aspects of the requirement when such information is relevant to this acquisition. Past performance information should also include recent and relevant contracts for the same or similar items and other references including contract numbers, points of contact with telephone numbers and other relevant information).

b. **Service Team and Resume**

- (1) Provide an organizational chart of the team that would serve DPS, including all contact information.
- (2) Provide detailed descriptions of each team member's role, responsibilities, experience and education. Also provide a current resume for each member.
- (3) Provide information on the relevant experience of each team member.
- (4) Describe what approach the team would take in providing services to DPS. Indicate type and frequency of meetings and other forms of communications.

4. **Tab D - Subcontracting Plan:** The Offeror shall submit a subcontracting plan with the proposal.

The plan shall specifically identify names of potential sub-contractor(s), or area to be sub contracted, field of expertise, number of years in the field, proposed dollars amounts of subcontracting effort by category and references. This plan will be incorporated into the winning contractor's contract, and monitored throughout the life of the contract for compliance.

5. **Tab E- Signed Contract:** The Offeror shall complete Section A, Contract Cover Page & Signatures (block 6 and 8) and Section B in its entirety to include all options, and return a completed copy of the contract (Section A-J). Unless the District conducts discussions and /or request a Best and Final Offer (BAFO), this shall become the official contractual document for award, once signed by the Contracting Officer. If a BAFO is requested, the Contractor shall complete a revised Section A, Contract Cover Page & Signatures (blocks 6 and 8), sign and return the contractual documents. Any changes that result from the BAFO shall be

clearly identified and justified in a cover letter containing the revised Contractual document.

6. Cost/Price Proposal
Please provide the Price Proposal in a Separate Document
----- **End of Section L** -----

SECTION M
EVALUATION PROCESS

M.1 Evaluation for Options

Except when it is determined to be in the District's best interests, the District shall evaluate offers for award purposes by evaluating the qualifications of firms submitting a response to this solicitation.

M.2 Process for Award

DPS will award a contract to the responsible Contractor whose offer conforms to the solicitation and whose offer best meets our needs and are most likely to assist DPS in achieving its objectives. The combined relative merit of the evaluation criteria listed below will be used in the selection of the Contractor. Furthermore, the cost or price listed in Sections A and B must be agreed to by virtue of the Contractor's submission of a response and execution of a Contract. DPS reserves the right to seek clarification of information submitted in response to this RFP. DPS also reserves the right to make award without further discussion. DPS reserves the right to make a single or multiple award(s) as necessary based upon the factors such as location, contractor's geographic coverage area and contractor capacity.

M.3 Evaluation Panel:

- a. Based on the evaluation criteria outlined in M.4, all technical proposals shall be evaluated and scored by the Source Selection Evaluation Committee designated by the District. Written or oral discussions may be conducted with Suppliers to resolve uncertainties relating to their proposals and to arrive at a complete agreement on all requirements. The Source Selection Evaluation Committee, upon completion of evaluating the technical proposals, will recommend to the Contracting Officer that negotiations be entered into with the selected highest technically qualified ranked firm(s).
- b. The District reserves the right to investigate the qualifications of all Suppliers under consideration and to confirm any part of the information furnished by an Offeror, or to require other evidence of managerial, financial or technical capabilities which are considered necessary for the successful performance of the work.

M.4 Evaluation Criteria In addition to cost, the following elements represent the evaluation criteria that will be considered during the evaluation process:

- **Evaluation Criteria:** The E-Rate program requires that price be the major factor, but not the only factor in awarding this proposal. The following criteria will be used:
 - 30% Total Price and Cost Effectiveness of Solution
 - 20% Meeting Overall Requirements and Contract Performance Measurements
 - 20% Vendor's Experience and Demonstrated Support
 - 20% Technical Merits
 - 10% Vendor's Demonstrated Ability to work with E-Rate

All responsive proposals will be evaluated in accordance with the evaluation factors specified above. The evaluation criteria are weighted as indicated above.

- **Contract Performance Measurement** will include review of the following criteria:
 - price of eligible services (proposed rates, discounts and fees)
 - term plan commitments
 - quality of service
 - reliability of service
 - customer service support
 - accurate billing that provides specialized reports
 - financial stability and long-term viability
 - References
 - SLA performance

It is the policy of the District that one factor, among others, that are to be considered when awarding a contract or approving a purchase order is the existence of a pending legal dispute - whether in court or an alternative dispute forum - with any contractor or vendor which has submitted a bid or proposal. Before including a consideration of the legal dispute as a factor, a Contracting Officer shall seek the advice of the Office of General Counsel regarding the legal dispute and shall obtain the concurrence of the General Superintendent or his or her designee.

M.5 Eligibility Requirements

M.5.1 Have a demonstrated record of providing services that is of high quality

M.5.2 The Offeror must have no conflict of interest with regard to any other work performed by the firm for DPS.

M.5.3 The Offeror must adhere to the instructions in this RFP on preparing and submitting the response.

M.6 Selection Process DPS also reserves the right to make award without further discussion. In addition, DPS reserves the right to seek clarification of information submitted in response to this RFP and/or to request additional information during the evaluation process.

-----**End of Section M**-----

-----**End of Request for Proposal**-----