

**Puerto Rico Department of Education
Request for Limited Waiver**

Exhibit H

Excerpt from March 3, 2014 Meeting Minutes

**PUERTO RICO DEPARTMENT OF EDUCATION
E-RATE FY2014 EVALUATION COMMITTEE MEETING**

March 3, 2014 (12- 3:00 p.m.)
4th Floor, OSIATD Conference Room

MEETING MINUTES

ATTENDEES:

Lourdes Diaz, PRDE Technology and Curriculum Unit, Evaluation Committee Voting Member
Vilmarys Quiñones, PRDE Legal Division, Evaluation Committee Voting Member
Francisco Alonso, PRDE OSIATD, Tech Advisor
Victor Ortiz, PRDE OSIATD, Tech Advisor
Edgar Estrada, PRDE OSIATD, Tech Advisor
Elaine Williams, Wynndalco Enterprises E-Rate Director
Marissa Crawford, Wynndalco Enterprises Operations Manager (Via Phone Conference)
Ismarie Salas, Wynndalco

ABSENTEES:

Norma Rolon, PRDE Procurement, Evaluation Committee Voting Member

AGENDA: Attached

MATERIAL DISTRIBUTED:

1. Summary of vendor responses to follow up Committee questions/requests - Attached
 2. Updated vendor pricing worksheets - Attached
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DISCUSSION SUMMARY:

The meeting opened with a discussion of the Meeting Agenda and the need to schedule a meeting to vote for Telco-BMICTelco and to begin discussing the Committee member questions/comments regarding the WAN/Internet proposals. The Committee agreed to meet the following day (3/4/14) at 1:00 p.m. (following a status briefing for absent Committee Member Norma Rolon at noon).

1. **Vendor References:** Per the Committee's request, the Wynndalco team had started calling and emailing the references identified by the vendors that responded to both of the FY2014 RFPs. Elaine Williams (Wynndalco) noted that the team was having trouble getting in touch with all of the references for AT&T and PRTC, by phone or email. She noted that one of AT&T's references had responded, but no responses had been received for PRTC. Ms. Williams acknowledged that references can be difficult to contact, and that some clients are reluctant to provide information without first speaking with the companies for whom the references are sought. She said the team would continue to reach out to the references, and noted that if the Committee did not receive any additional responses, the Committee will either have to vote based on what was received or consider eliminating the experience criteria (5%) from the list of evaluation factors if only 1 vendor reference responds.

The Committee members deliberated about voting without more reference responses and the impact of removing a published evaluation criteria at this point in the competitive bidding process. Committee Member Lourdes Diaz expressed concern about changing the criteria after the close of the proposal submittal period which required vendors to give 3 references. Committee Member Vilmarys Quinones expressed similar concerns. Ms. Quinones stated that, because a reference had

- F. AT&T Demarcation Limitation. At the request of the Technical Advisers, AT&T had been asked to clarify the word “unregulated” in their proposal, in reference to connectivity beyond the demarcation point, which the Technical Advisers had stated might be required at some sites. The Committee was informed that AT&T said that its pricing included connections up to the demarcation, and any extensions beyond the demarcation point were considered “unregulated,” meaning they were not included in the costs, but an unregulated extension/connection could be provided at additional cost.
 - G. Insurance Submittal Format. Ms. Diaz asked for clarification on AT&T’s certificate of insurance coverage, citing that there was a difference in format compared to the form submitted by other vendors. Ms. Williams explained that vendors were given two ways to submit the information; and AT&T elected to use the alternate.
 - H. Warranty Breach. Ms. Diaz asked for clarification of a PRTC warranty provision. Ms. Diaz wanted to know if PRTC had the right to cancel the contract if the PRDE tampers with their equipment. Ms. Williams clarified that this shouldn’t invalidate the contract, but would potentially result in a warranty breach, terminating the SLA, and that PRTC would have the right to do so if the PRDE tampers with or alters PRTC’s equipment. The Technical Advisers concurred with Ms. Williams’ explanation, and explained to the Committee members that this was standard in technology contracts – vendors don’t want to be held responsible for delivering services when clients tamper with or hack into their equipment.
 - I. E-Rate Experience. Ms. Diaz asked whether PRTC had provided sufficient information on their E-Rate experience. Ms. Williams explained that the PRDE RFP asked vendors to describe their E-Rate experience and provide resumes/qualifications of their E-Rate resource. She stated that the Committee can ask for additional information, or pose specific questions to the vendors concerning their E-Rate experience. Ms. Diaz stated that she did not think that was necessary, but would let the team know if she has questions.
 - J. AT&T On Premise Equipment. Ms. Diaz pointed out that AT&T does not provide specifics on their equipment, though they were asked to identify specific equipment that needs to be installed on premises, by make and model. AT&T elected not to answer, citing it is proprietary information.
 - K. Vendor Eligibility Certificate. Ms. Diaz requested clarification on the eligibility certificate for AT&T. Ms. Williams clarified that AT&T’s certificate does not expire until August 2014, and that because it is still valid as of today, it is okay. Ms. Diaz noted that the correct business name for AT&T (Mobility, AT&T PR?) would need to be confirmed if AT&T was selected.
 - L. Other Vendor Questions/Responses. Ms. Williams noted that there were additional questions/responses, but the most significant issues were being discussed – transition plan payment/termination issues, the PRDE network connection, etc. She reminded the Committee members and Tech Advisers to read the responses (distributed by email), and to present questions or follow up requests after their review.
4. **Scope Clarification.** Ms. Williams clarified a statement made in the past meeting about contract scope. She stated that there are 1245 eligible sites, and about 300 that are not. She explained that all of the sites are included in the Form 470, RFP (and contract), because the goal is to bring all of the remaining sites/schools up to eligibility during term of the contract. Therefore, in order to be eligible for E-Rate funding in the future, the ineligible sites must be included in the current competitive bidding process. As a result, the total annual contract pricing will be for all schools, but that the actual FY2014 E-Rate application will only include eligible sites -- the contract will include all sites to permit the Department to include sites brought into eligibility on subsequent applications, without re-bidding or having to amend the contract. If not handled this way, Ms. Williams explained that the Department would have to undertake a new competitive bidding process in order to apply for E-Rate funding for new eligible schools that are not included in the FY2014 E-Rate contract.

5. **Pricing Comparisons.** Wynndalco advised the Committee that CIO Maribel Pico had previously requested that published Telco and Internet market pricing be used for comparison with the vendor pricing. Tech Adviser Francisco Alonso stated that the technical team had done some preliminary research on published pricing and found that AT&T and PRTC are the primary Telco companies in PR, and that PR rates are generally higher than the mainland. He also noted that on the Internet side, most published rates are for homes (e.g., 15 mg), and are not at the higher level needed by the Department. Because of the difficulty the team was having finding appropriate pricing for comparison purposes, the CIO agreed that the requested research was not required if the data wasn't available. However, the CIO asked that the Tech Advisers, with the assistance of the Committee members, continue to look for published pricing that could provide a frame of reference or a scale to determine whether the pricing proposed by the vendors were cost-effective, as required by the E-Rate program.

Other pricing points discussed were –

- Ms. Williams reported on how the one-time installation (or special construction) costs are to be considered when the Committee evaluates vendor pricing. She stated that she spoke with Kathy, a USAC customer service representative, on Friday, 2/28/14 at 1:30 P.M. for confirmation of the program rules. Ms. Williams stated that Kathy confirmed that special construction costs must be included in the vendor's total proposal pricing, and that applicants cannot exclude "special construction costs" when doing a price comparison, even though incumbent vendor costs would almost always be lower than non-incumbent vendors that have to connect all of the sites. Kathy confirmed with her supervisor (Jackie) that the construction costs must be included when vendor pricing of eligible services is evaluated.
- AT&T does not provide inside wiring maintenance; PRTC's proposal included \$5.00 per line each month (\$600k/year).
- For basic maintenance, PRTC's quote was \$78,000/year; ATT's quote was \$65,850/year. The Committee instructed Wynndalco to request a best and final offer from both vendors.

Ms. Williams stated that a final worksheet would be sent to PRTC and AT&T to verify final pricing, after receipt of vendor clarifications. Committee Member Norma Rolon stated that she supported Wynndalco's plan to obtain final, signed pricing sheets from the vendors before the Committee vote, because doing so would minimize the risk of miscalculations and inadvertent omissions.

The Committee then began reviewing the preliminary vendor pricing comparison chart distributed by Wynndalco at the meeting. Ms. Williams said that Teresa Rodriguez of Wynndalco and Edgar Estrada were going to continue working to confirm the actual number of Telco lines, by site. She also noted that there was still a question concerning the number of elevator lines, but that the team had confirmed that there are no alarm lines at the schools (so those counts had been zeroed out on the comparison spreadsheet). Ms. Williams also explained that the comparison chart included a column showing the rates currently paid by the Department for requested services. She also noted that PRDE currently pays for call waiting, caller id, etc., but that both PRTC and AT&T confirmed that neither will charge for those services if selected, saving the Department considerable dollars.

6. **Contract Scope.** Ms. Williams described the difference in the total contract counts and the counts that will be ultimately included in the FY2014 E-Rate applications. **Under the contract, the vendor will invoice the Department for 10% of the pricing for eligible entities, and 100% for the ineligible entities.** She explained that while somewhat complex, the goal is to be clear that all schools are included in the contract, and as schools move into eligibility they will be added to the application.

Ms. Williams then confirmed that there would be a meeting with Committee Member Norma Rolon the next day (before the full Committee meeting) to update her on the matters discussed in her absence. She also confirmed that the vendors will be asked to validate their pricing before noon, as instructed. The Tech Advisors and Committee agreed to meet at 2 p.m. the next day (3/4/14) to review available new documents. It was agreed that the Wynndalco team would prepare organized summaries of the vendors' experience and qualifications/resumes to facilitate review by the Committee members. They all agreed that if they feel they have received sufficient data, the Committee will vote the next day.



**FY2014 E-RATE
EVALUATION COMMITTEE AND TECHNICAL ADVISERS**
Monday, March 3, 2014 (1:00 – 4:00 p.m.)

MEETING AGENDA

- I. EVALUATION COMMITTEE MEETING MINUTES (2/20/14)**
- II. PROPOSED CHANGE TO EVALUATION CRITERIA DUE TO INSUFFICIENT RESPONSES FROM VENDOR REFERENCES**
 - Vendor Reference Receipt Log (*Handout*)
 - Draft Revised Evaluation Criteria (*Handout*)
- III. VENDOR QUESTIONS AND RESPONSES**
 - Vendor Communication Log (*Handout*)
 - Vendor Responses to Key Information Requests Summary (*Handout*)
 - Pending Requests for Resumes (Account Lead, Technical Lead & Engineers)
- IV. TELCO/BMIC TELCO PRICING UPDATE**
 - Lack of Available Market Research
 - USAC Customer Service Direction on Special Construction Pricing
 - Updated Pricing Summary with Current PRDE Billing Rates (*Handout*)
 - PRTC Inside Wire Maintenance Charges - Request Annual Utilization
 - BMIC – Price Negotiation
 - Send Final Pricing to Vendors for Confirmation
 - Establishing Eligible Site Counts/Pricing for Applications
- V. SCHEDULE FOR EVALUATION COMMITTEE VOTING**
 - Telco
 - Telco BMIC
- VI. SCHEDULE INTERNET PROPOSAL REVIEW MEETING**