

Letter of Appeal - Request for Review

CC Docket No. 02-6

Attn: Marlene H. Dorch, Secretary
Federal Communications Commission
Office of the Secretary
9300 East Hampton Dr
Capitol Heights, MD 20743

Decision Document: Administrator's Decision on Nazlini Community School Appeal Dated July 2, 2015.

Entity: Nazlini Community School
BEN: 98833
School Contact: Person: Robin Harding
School Contact Info: Nazlini Community School
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Form 471#: 863203
FRN: 2350648
Service Provider Name: CamNet Inc
Service Provider SPIN: 143017447

Denial Explanation (Verbatim from USAC denial letter):

- After further review USAC rescinded the funding commitment in full. The price of eligible products and services was not the primary factor in the vendor selection process. Price was weighted 70 points and Mandatory Criteria was weighted 50 points. 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 Since price was not the primary factor in the vendor selection process, the commitment was rescinded in full. 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 by Ysleta Independent School District, et al., Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., 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).

Overview:

This is a letter to request the appeal of the USAC decision to defund FRN: 2350648, a critical update to the Nazlini Community School IT systems.

At the beginning of the Y15 E-rate process, the Nazlini Community School selected the lowest cost vendor and USAC approved the funding request for \$219,106.56 for an internal connections project. In December of 2013, with the FRN in good standing and all of the required paperwork filed, the School went ahead and requested, from the vendor, approximately \$60,000 worth of cabling and switches for a computer lab and library. The vendor, CamNet Inc., billed Universal Service Administration Corporation for the cabling work performed and to date has not received any disbursement. The school received a selective review of this FRN in July of 2014, which lasted until June 2015.

During this review USAC misinterpreted the bid assessment and decided that cost was not the most heavily weighted factor. USAC rescinded funding.

We will demonstrate in the following sections that USAC misinterpreted the bid matrix that it was completed well within FCC guidelines, and the lowest cost vendor was in fact selected. Unfortunately the matrix was formatted in a way that caused confusion. Due to this misinterpretation and resulting recension, vital funding has been denied to this school.

Consequently, the school is now at risk of losing its accreditation. The North Central Association of Colleges and Schools (NCA), the accrediting body, recently audited the school and notified them that the technology is substandard and recommended an upgrade. The FRN in question is the funding that would make those upgrades. The school cannot afford to pay for the upgrades out of pocket without the assistance of E-rate. It is critical that the school meets the standards of technology to be accredited because AzMERIT testing, mandated by the state and Northwest Evaluation Association (NWEA) benchmark testing must be done electronically; as of this year paper tests will no longer be permitted. The existing technology at the Nazlini Community School cannot meet this requirement.

To reach the technology standards and to maintain the accreditation, the Nazlini Community School will need to have appropriate funding, which will be unavailable with out the E-rate funds. Repayment of the \$60,000 already spent towards meeting these requirements will detrimentally affect the following:

- Materials for students
- Salaries for teachers
- Will result in cancellation of afterschool tutoring programs
- Will result in the cancellation of sports and enrichment activities
- They will be unable to upgrade the needed technology and subsequently may lose accreditation
- Affects funding for the EPP (Emergency Preparedness Plan) as well as safety budgets for surveillance cameras, security personnel, cell phones and radios for school bus drivers

Discussion of Evaluation Matrix:

In the attached document you will find information that supporting that:

- The school evaluated the two vendors principally on price, and in fact, the vendor with the lowest price was awarded the contract.
- There are 14 criteria for evaluation
- Each criterion is worth 10 points. There were 5 reviewers so there were 50 points per criteria. Therefore no item is assigned a higher value than cost.

- Of the 14 criteria, 6 criteria are specifically ranked for cost of that item; therefore cost has a total weight of 300/700 point out of 140 points or 42.86% weight
- The titles of Mandatory Criteria, Criteria & Cost are purely organizational and are not part of the weighted evaluation. The individual criteria are the only items rated.

When the matrix was created 14 criteria were established to evaluate and select the best candidate; headings were determined solely for organizational purposes but unfortunately proved to be misleading. Upon closer examination of the criteria (disregarding the headings) you will see that 6 of the 14 criteria were specifically cost based.

There is a clarified version of the matrix (Figure 2.) included in the supporting documents, which is based off the USAC sample matrix. The same data points from the original matrix were used, but the headings were refined to reflect that some criteria, originally placed under other headings, are in fact price based. Price had the largest number of points available 300 out of 700 total available points and was thus the most heavily weighted individual factor. The second most heavily weighted factor was experience, at 200 out of 700 total available points. (See attached figures).

When the five evaluators' points were tallied, it was clear the CamNet Inc., was the winning service provider. CamNet Inc., provided the lowest price proposal. CamNet Inc., received a score of 183 out of 300 points on cost based criteria. EQC received 139 out of 300 on cost based criteria.

Summary:

- The USAC basis stated for the revocation of the E-rate Y15 funding from the Nazlini Community School was that cost was the not the determining factor in the bid matrix. We have demonstrated in this appeal that cost was the primary deciding factor and was weighted far more heavily than any other criterion. The misleading and irrelevant organizational headings lead to the funding revocation and appeal denial.
- The bid matrix was completed within the USAC guidelines; price was the most heavily weighted and the primary deciding factor.
- We believe that the denial of funds should be reversed and the school should be funded for the full \$219,106.56, as we have complied with USAC requirements for the selection of vendors.
- The Nazlini Community School is desperately in need of the E-rate funds that it had already been awarded. The School will lose far more than an upgrade to their internal connections; they will lose accreditation, will no longer meet the standards set by the state of Arizona, educational staff salaries will be negatively affected and the students will not be afforded needed programs and activities
- The implications of this funding stretch far beyond the equipment, but affect the functionality, effectiveness of the school and the ability of the school to deliver a quality education to the students.
- Nazlini Community School is located in the Navajo Nation, 215 miles from the nearest city and is an important community center in this rural area. The loss of these funds due to an organizational misinterpretation would be catastrophic. The school primarily serves students that are members of a federally recognized Native American tribe. 100% of the students receive free lunch as a part of Provision II (National School Lunch Program), therefore the school serves a highly impoverished population.

In the past several years, President Obama has expressed his strong support for technology in education. He has issued several Executive orders directing the E-rate program to increase Bandwidth, Internet connectivity and educational technology to these disadvantaged schools. The Nazlini Community School is the type of school that the President was referring to.

Please consider this appeal carefully and take into account the implications of this critical funding for the Native American students of the Nazlini community.

Robin Harding, Business Manager
Nazlini Community School
928-755-6125

Critical Points:	
1	The school evaluated the two vendors principally on price, and in fact, the vendor with the lowest price was awarded the contract.
2	There are 14 criteria for evaluation
3	Each criteria is worth 10 points. There were 5 reviewers so there were 50 points per criteria. Therefore no item is assigned a higher value than cost.
4	Of the 14 criteria, 6 criteria are specifically ranked for cost of that item; therefore cost has a total weight of 300 point out of 700 points or 42.86% weight
5	The titles of Mandatory Criteria, Criteria & Cost are purely organizational and are not part of the weighted evaluation. The individual criteria are the only items rated.

Figure 1

Summary of original bid evaluation matrix

Ref #	# of Points x 5 reviewers	Criteria Description Each of the 14 items listed below are individual factors	EQC	CAMNET
		Mandatory Criteria - heading only		
1	10x5 = 50	The Company is independent & Properly Certified	48	49
2	10x5 = 50	Product & Services	15	49
3	10x5 = 50	Year of Exp of the Offeror. Size & Structure considering the scope of work.	16	30
4	10x5 = 50	Registered with the Navajo Nation Buss Reg Office as P1 or P2. Navajo Nation Business Preference Law	5	34
5	10x5 = 50	Experience with Erate Process	12	27
		Criteria (Technical & Cost Criteria) - heading only		
6	10x5 = 50	Network Monitoring Experience	24	30
7	10x5 = 50	Server Monitoring Experience	25	31
12	10x5 = 50	environment by implementing a strong technical support project management approach	24	31
8	10x5 = 50	Desktop Administration Monitoring	26	28
				Cost Based

9	10x5 = 50	D	As needed on-site &/or remote Tech Support of all network components	22	28	Cost Based
10	10x5 = 50	E	Cabling & Electronics	25	27	Cost Based
11	10x5 = 50	F	Internal Connections	24	27	Cost Based
			Cost - heading only			
13	10x5 = 50	A	Daily Rates	23	34	Cost Based
14	10x5 = 50	B	Travel/Mileage	19	41	Cost Based
Max Poin	700	TOTAL		308	466	

Figure 2
Corrected format of bid evaluation matrix using the original data

Factor	Points Available	EQC	CamNet
Price of the eligible products and services	300	139	185
Prior experience	200	85	119
Licensing & Certification	50	48	49
Navajo Business Preference	50	5	34
Products and Services	50	15	49
Vendor must demonstrate the ability to achieve the desired support environment by	50	24	31

Figure 3

Cost related Items (Carry the most deciding factor at 42.86%)	6	42.86%
Experience Related Items	4	28.57%
Licensing/Certification	1	7.14%
Navajo Nation Business Preference	1	7.14%
Product & Services	1	7.14%
Ability to achieve desired support & implement strong project mgt approach	1	7.14%
TOTAL	14	99.99%