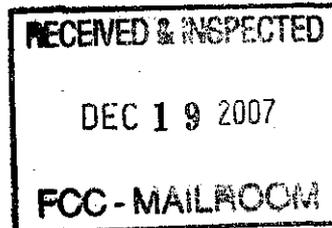


Nathaniel Hawthorne
Attorney/Consultant, Ltd
Admitted: Ohio, Illinois, District of Columbia
nhawthorne @ earthlink.net
www.telecomlawyer.com
Express Mail EQ 469096335 US

27600 Chagrin Blvd., Ste. 265
Cleveland OH 44122
tel: 216.514.4798; 216.514.4795
fax: 216.514.4865
efax: 216.472.8184

Before the
Federal Communications Commission
Washington, D.C. 20554



In the Matter of the)
)
Appeal of the Decision of the)
)
Universal Service Administrator by)
)
CNIC, Inc.)

File No. SLD -

CC: 02-6

)
)
)
Federal-State Joint Board on)
Universal Service)
Changes to the Board of Directors of)
The National Exchange Carrier)
Association, Inc.)

CC Docket No. 96 - 45

CC Docket No. 97 - 21

Appeal
and
Request for Expedited Relief
by
CNIC, Inc.

December 17, 2007

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W. Suite TW-A325
Washington, D.C. 20554

This is an appeal¹ from a decision by the Schools and Libraries Division of the USAC.

¹ TITLE 47—TELECOMMUNICATION, CHAPTER I--FEDERAL COMMUNICATIONS COMMISSION, Subpart I_Review of Decisions Issued by the Administrator, Sec. 54.719 Parties permitted to seek review of Administrator decisions.

No. of Copies 041
List A B C D E

Enclosed, find the original and four copies of the Appeal. An extra copy is also enclosed. Please time stamp the extra copy and return it to me in the enclosed self addressed-stamped envelope.

(1) **Funding Commitment Decision Letter Appealed**

Form 471 Application Number:	581950
Funding Year 10:	07/01/2007-06/30/2008
Billed Entity Number for district:	127236
Date of Funding Denial Notice:	November 29, 2007
Date of Appeal:	December 17, 2007
SPIN:	143024151

(2) **Chesterfield County School District Contact Information**

John Wagon, Director
Information Technology

Chesterfield County School District
401 W Boulevard
Chesterfield SC 29709

Phone: 843-623-7370
Fax: 843-623-3434

(3) **Vendor Contact Information**

Jay Seaman

-
- (a) Any person aggrieved by an action taken by a division of the Administrator, as defined in Sec. 54.701(g), may seek review from the appropriate Committee of the Board, as defined in Sec. 54.705.
- (b) Any person aggrieved by an action taken by the Administrator pertaining to a billing, collection or disbursement matter that falls outside the jurisdiction of the Committees of the Board may seek review from the Board of Directors of the Administrator, as defined in Sec. 54.703.
- (c) Any person aggrieved by an action taken by a division of the Administrator, as defined in Sec. 54.701(g), a Committee of the Board of the Administrator, as defined in Sec. 54.705, or the Board of Directors of the Administrator, as defined in Sec. 54.703, may seek review from the Federal Communications Commission, as set forth in Sec. 54.722.

CNIC, Inc.

4418-E Monroe Road

Charlotte, NC 28205

Cell Ph (704) 516-3555

(4) **FRN Appealed**
1612200

(5) **SLD's Reason for Funding Denial**

“Funding Commitment Decision:\$0.00-Selective-Bidding Violation; Funding Commitment Decision Explanation:MR11: The dollars requested were reduced to remove ineligible product(s)/service(s) being housed in the Equipment Cabinet. MR2: The FRN was modified from \$283,814.83 to \$283,738.50 to agree with the applicant documentation. *****DR1: Documentation provided demonstrates that the price of eligible products and services was not the primary factor in selecting the winning bidder.” Exhibit A

(6) **The SLD incorrectly analyzed Applicants PIA Responses**

- a) Chesterfield posted an RFP on January 3, 2007. Exhibit B
- b) Chesterfield posted an amended RFP on January 16, 2007. Exhibit B
- c) The RFP was posted for a total of 28 days; vendor contract was signed on
- d) The SLD contends, without any factual or legal support, that since cost was not the primary factor, the FRN was denied. Chesterfield has not violated the FCC's cost effectiveness standard.
- e) Chesterfield explained to the USAC, with apparent no success, that price was one of sixteen factors considered in the evaluation of proposals; price (Total Turnkey Installation Cost) represented 23% of the total evaluation weighting and

the next most heavily weighted factor represented 9% of the evaluation. Exhibit C

- f) Rather than make an attempt to understand how Chesterfield used the selection criteria, the USAC erroneously decided to total the points assigned to each category so that “cost” would not represent the “primary factor” in the selection criteria.
- g) However, *assuming arguendo*, even if “cost” is eliminated as the “primary” factor, the criteria is the most cost-effective service offering, and Chesterfield could consider relevant factors other than the pre-discount prices. 47 CFR, Sec. 54.511 Ordering services, provides in, relevant part, that
 - a) Selecting a provider of eligible services. In selecting a provider of eligible services, schools, libraries, library consortia, and consortia including any of those entities shall carefully consider all bids submitted and must select the most cost-effective service offering. In determining which service offering is the most cost-effective, entities may consider relevant factors other than the pre-discount prices submitted by providers but price should be the primary factor considered. [Emphases added]
- h) In the context of this appeal, the above stated FCC Regulation states that Chesterfield had to select “the most cost effective vendor.” Chesterfield did select the most cost effective vendor AND with “cost” at 23%, the primary factor considered in that equation.
- i) **The SLD denied the FRN because “cost” had to be the “primary factor” in selecting a vendor. However, this is not what FCC rules provide.**
- j) Chesterfield, in reviewing its bid responses, was permitted to determine which service offering would be the most cost-effective; however, the FCC regulations do not prevent Chesterfield from considering other very relevant factors.

Chesterfield did not have to only consider a vendors pre-discount prices alone. In its Bid, it's clear that "cost" was the higher weighted number. But in evaluating the Bid responses it was obvious to Chesterfield that "other relevant factors" were just as important as cost in making a selection based on the **most cost-effective service offering**.

- k) **The FCC has not established an "absolute rule" that states cost shall be the only or the singular factor in vendor selection. See, DA 06-1642 Exhibit**

Conclusion:

Chesterfield submitted documentation to USAC detailing the competitive bidding process, including bid requests, bid proposals, and cost evaluation criteria. There is nothing in the record that demonstrates that Chesterfield did not evaluate the responsive bidders selecting the vendor with the most cost-effective offering.

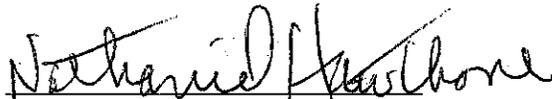
Adopting here the FCC's wording in decision in *DA 06-1642*, the "USAC improperly denied Petitioners' funding requests because it erroneously required Petitioners to give more weight to price in the competitive bidding process than to any other factor. **** Specifically, USAC should have considered whether price was considered as a primary factor for vendor selection and whether the most cost-effective services were selected, **not whether price was weighted the highest during bid evaluations**." *DA 06-1642[Emphases added]*

There is nothing in the record even hinting at waste, fraud, and abuse, by Chesterfield or that E-rate universal service funds are used for an in appropriate purposes.

Chesterfield is Requesting the Following Action by the FCC:

- (a) Within 90 days or less Order funding for the telecommunications services requested in the 471 Application, specifically: FRN: 1612200
- (b) Set aside funds to totally fund FRN: 1612200

Respectfully submitted,


Nathaniel Hawthorne

District of Columbia Bar No. : 237693
27600 Chagrin Blvd., Ste. 265
Cleveland, OH 44122
tel.:216/514.4798
e-mail:nhawthorne@earthlink.net

Attorney for
Cc: CNIC, Inc., 4418-E Monroe Road, Charlotte, NC 28205

FUNDING COMMITMENT REPORT
Billed Entity Name: CHESTERFIELD COUNTY SCH DIST
BEN: 127236
Funding Year: 2007

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

Form 471 Application Number: 581950
Funding Request Number: 1612200
Funding Status: Not Funded
Category of Service: Internal Connections
Form 470 Application Number: 465530000614639
SPIN: 143024151
Service Provider Name: CNIC, Inc.
Contract Number: ER10-CHEFLD
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2007
Service End Date: N/A
Contract Award Date: 02/07/2007
Contract Expiration Date: 12/31/2008
Site Identifier: 31780
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$283,738.50
Pre-discount Amount: \$283,738.50
Discount Percentage Approved by the USAC: 90%
Funding Commitment Decision: \$0.00 - Selective - Bidding Violation
Funding Commitment Decision Explanation: MR1: The dollars requested were reduced to remove the ineligible product(s)/service(s) being housed in the Equipment Cabinet.
<><><><><> MR2: The ERN was modified from \$283,814.83 to \$283,738.50 to agree with the applicant documentation. <><><><><> DR1: Documentation provided demonstrates that the price of eligible products and services was not the primary factor in selecting the winning bidder.
FCDL Date: 11/29/2007
Wave Number: 031
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2008

Exhibit B

**Request For Proposal for
Centralized Video Distribution System**

Chesterfield County School District
401 W Boulevard
Chesterfield South Carolina 29709
843-623-7370 (Voice) 843-623-3434 (Fax)

POSTED: January 3, 2007
AMENDED: January 16, 2007

This RFP is hereby amended to provide for revised selection criteria as mandated by the district's procurement code and to clarify issues of compatibility with existing district installations. The two amendments (Compatibility & Revised Selection Criteria) are presented immediately below and the original RFP (now amended) is presented below these changes.

Compatibility - The district presently has installed at two locations digital video capture, retrieval and distribution equipment manufactured by VBrick. While the specifications outlined here suggest a solution consistent with Vbrick equipment, the district will consider and would adopt other solutions which are cost effective and essentially meet the requirements outlined in the Introduction.

Revised Selection Criteria

<u>Criteria</u>	<u>Weight</u>
1. Expectation that proposal will meet district needs as stated in 1.0 Introduction below	
a. Video Distribution Capabilities	7
b. Video Encoding Capabilities	7
c. Video on Demand Capabilities	7
d. Master Control Unit (User Interface) Capabilities	9
e. Digital to Analog Decoding Capabilities	5
2. Costs	
a. Total Turnkey Installation Cost	23
b. Component and Labor Costs Itemized	2
c. Prices are firm for one year	5
3. Vendor Experience	
a. Licensed To Do Business in South Carolina	4
b. Documented Industry Certifications for Employees	6
4. References	
a. Documentation of Similar Installations	6
b. Documentation of K-12 Educational Experience	4
5. Compatibility of Proposal With Existing District Installations	
a. User-Interface/Functionality Similar to Existing	7
b. Management/Maintenance Similarity to Existing	3
6. Warranty	
a. Comprehensiveness of Warranty	3
b. Length of Coverage	2

<<<<< ORIGINAL REQUEST FOR PROPOSAL (Now amended as indicated above) >>>>>

1.0 Introduction

The Chesterfield County School District is seeking proposals for a centralized video distribution system. The proposal submission is in conjunction with E-Rate Internal Connections Form 470 Application No. 46553000061439. The district intends to use the centralized video distribution components for "instructional content" distribution to classrooms and "instructional support content" to other common instructional sites such as media centers, computer labs and offices.

The district is seeking digital video distribution components only. Analog distribution systems will not be considered. The digital distribution system should utilize the district's existing Ethernet network infrastructure as the transport method for delivering video content to clients. The district will consider network electronic upgrades as required for a successful deployment of the digital video distribution system.

The digital video distribution system shall consist of MPEG2, MPEG4 and/or Windows Media encoding and decoding appliances for capturing and delivering instructional video content. The codec appliances, clients and devices shall be managed by a centralized portal server or Master Control Unit (MCU). The digital video distribution system shall

1. also provide and support video-on-demand services from a central web-based server. Finally, the video content should be available for display on TV's as well as desktop computers. The video distribution system should not require proprietary desktop viewing software.

2.0 Instructions to Bidders

1. **Receipt of Bid:** Chesterfield County School District requires the sealed bid be submitted no later than 4:00 pm on February 2, 2006. Bidders mailing bids should allow a sufficient mail delivery period to insure timely receipt. Any bid received after the scheduled opening date and time will be immediately disqualified.
2. **Intent:** The purpose of this bid is to establish a source, or sources, of supply for acquiring centralized digital distribution systems or components, and installation and configuration services for E-Rate 470 Application No. 46553000061439.
3. **Competition:** This solicitation is intended to promote competition. If the language, terms and conditions, or any combination thereof restricts or limits the requirements in this solicitation to a single source, it shall be the responsibility of the interested bidder to notify the district in writing so as to be received five (5) days prior to the opening date. The solicitation may or may not be changed, but a review of such notification will be made prior to award.
4. **Preparation of Bid:**
 - a. Submit prices in Item 21 Format
 - b. Sign the Item 21 form.
 - c. Show bid number on envelope as instructed.
 - d. Unit prices submitted on this bid must include delivery charges. Unit prices will govern over extended prices unless otherwise stated in bid invitation.
 - e. Correction of errors on this bid form; all prices and notations should be printed in ink or typewritten. Errors should be crossed out, corrections entered and initialed by person signing the bid. Erasures, or use of typewriter correction fluid, may be cause for rejection. No bid shall be altered or amended after specified time for opening.
 - f. By submission of a bid, you are guaranteeing that all goods meet the requirements of this bid.
5. **Bid acceptance period:** Bidders shall hold their price firm and subject to acceptance by Chesterfield County School District for a period of Three Hundred Sixty Five (365) working days from the date of the bid opening, unless otherwise indicated in their bid.
6. **Standards of Responsibility:** Factors to be considered in determining whether the district standards of responsibility have been met include whether a prospective contractor has:
 - a. Available the appropriate financial, material, equipment, facility, and personnel resources and expertise, or the ability to obtain them, necessary to indicate its capability to meet all contractual requirements;
 - b. A satisfactory record of performance;
 - c. A satisfactory record of integrity;
 - d. Qualified legally to contract with the district; and
 - e. Supplied all necessary information in connection with the inquiry regarding responsibility.
 - f. Satisfactory record of performance with the USAC E-Rate program.
7. **Right of Non-Commitment or Rejection:** This solicitation does not commit the district to award a contract, to pay any costs incurred in the preparation of a bid, or to procure or contract for the services. The district reserves the right to reject any or all bids received, or to cancel in part, or in its entirety, this bid if it is in the best interest of the district to do so.
8. **Taxes:** The school district is not exempt from taxes on the specified items included in this bid. Bidders should include SC Sales Tax in their bid prices at the rate of 7%.
9. **Award of the Contract:** Contract Award will be made based on the overall score of the respective matrix provided below. The bidder who presents the product or service that is in the best interest of the Chesterfield County School District will be awarded the contract. The school district reserves the right to award this bid on an item by item basis, or on an "all or none" basis, whichever is in the best interest of the school district.

<u>Selection Criteria</u>	<u>Weight</u>	<u>Raw Score*</u>	<u>Weighted Score**</u>
Costs	30%		
Organization Experience	25%		
Compliance with RFP	20%		
References	20%		
Warranty	5%		

Overall Ranking 100%

Notes:

* Evaluated on a scale of 1 (worst) to 5 (best)

** Weighted Score = Weight x Raw Score

10. Pricing:

Proposal pricing shall be valid for the duration of the initial contract or one year. Contractor is responsible for holding pricing firm to the district regardless of manufacturer or distributor price increases.

11. Submission of Bid:

Mail or hand deliver sealed bid to:

Chesterfield County School District
Technology Department
401 W Boulevard
Chesterfield South Carolina 29709
ATTN: John Wagnon

Mark outside of envelope "E-Rate Application No. 46553000061439"

All mail is delivered daily at 11:00 am. Unsealed fax copies are unacceptable.

3.0 Proposal Submission Timeline

Date of Form 470 Application.....January 3, 2007
Eligible Contract Award Date.....January 31, 2007
Questions must be submitted by.....January 28, 2007 4:00 pm
Proposals due by.....February 2, 2007 4:00 pm
Contract award.....February 6, 2007

4.0 Questions

Questions concerning the technical requirements of this proposal must be submitted in writing by January 28, 2007. Questions may be emailed to jwagnon@chesterfield.k12.sc.us or faxed to 843-623-3434. All questions submitted should include the RFP No. or Form 470 Application No. 46553000061439 in the "Subject Field".

The district will answer all questions in the form of addendum. All questions and answers will be posted on the district's website no later than 5 days before the proposals are due.

It is the vendor's sole responsibility to receive the addendums as issued. The district is in no way responsible for inaccurate bid submissions due to changes and modifications required as part of an addendum.

5.0 Technical Requirements

5.1 General System Functionality

- The system shall authenticate the user (username/password login) to determine system-level privilege. Authentication must integrate with LDAP services.
- The system shall use privileges to determine access to live streams and stored assets, live stream recording, asset publishing and other system functions
- The system shall employ an easy to navigate user interface presented through a standard web browser such as Internet Explorer
- The user interface (navigation) shall be common when accessed from Set-top boxes, Windows based PCs or MACs, thus allowing users to be comfortable at any viewing location and to minimize training
- The system shall support the display of closed captions from the source of the video to the end user
- The system shall present the user a program guide of all available content, both live streams and stored assets
- The system shall allow the user to view live streams or request stored assets at any time
- The system shall allow the user to fully control the stored asset playback using FF/REW/PAUSE/PLAY/STOP/SEEK commands
- The system shall allow the user to record and save a live stream to a file (appropriate level of permissions required)
- The system shall allow the user to add content to the video-on-demand server for future streaming/playback (appropriate level of permissions required)
- The system shall provide the user a video preview window and a single button for full screen display mode
- The system shall allow for the user to launch and re-size the external video window

- The system shall allow the user to view links to other forms of rich media such as PPTs, PDFs and external URLs
- The system shall allow the user to search for video assets using specific keywords

5.2 Centralized Video Distribution System Requirements

- The control server shall automatically recognize live streams generated by the encoding appliances and create a program guide to be used for stream selection
- The system shall allow static links to user defined content for both live and stored video as well as other forms of rich media (PPTs, PDFs, web URLs, etc)
- The control server shall automatically query all video-on-demand servers present in the network and present their asset listings in a single consolidated list (VOD clustering)
- The control server shall automatically determine the desktop components necessary for video playback and push (and install) these components to the end user in order to eliminate the manual installation of desktop software
- The system shall support player-less download for at least one supported video format
- The system shall distribute standards and non-standards based video as follows:
 - MPEG 1 system streams from 1Mbps to 3Mbps with full motion 30fps
 - MPEG 2 transport streams from 2Mbps to 15Mbps with full motion 30fps
 - MPEG 4 simple profile; Internet Streaming Media Alliance (ISMA) standard from 8 Kbps to 2 Mbps. MPEG 4 shall also support variable frame rate, constant bit rate and constant frame rate to optimize video for a given bandwidth
 - Windows Media (WMV9, WMA8) streams from 20Kbps to 2Mbps at variable frame rates from 1 to full motion 30fps
- The system shall be capable of delivering both high (DVD quality) and low (Internet quality) video. MPEG-2 is most suitable for high quality video in the LAN while MPEG-4 is most suitable for bandwidth challenged network connections
- Both internal and external authentication systems shall be supported. Any external authentication should adhere to the LDAP standards and interoperate with products such as Microsoft Active Directory and Novell edirectory.
- System databases that are used to determine system access, privileges, system settings, Logging, etc. shall be ODBC compliant such as MySQL database
- The system shall support the distribution of audio and video to TVs and projectors through a digital Set-top box (STB)
- The system shall not deliver MPEG compressed video in a proprietary "wrapper" or in a non-standard delivery format
- The system shall operate using IP multicast to deliver live video in order to minimize bandwidth utilization and support an unlimited number of simultaneous viewers
- The system shall operate using IP Unicast to deliver stored video in order to deliver full control (FF/REW/PAUSE/PLAY/STOP/SEEK) of the video
- The system shall deliver video directly from sources to destinations without flowing through an intermediate network point
- The system shall support live closed caption display on both desktops and television monitors as required by the Americans With Disabilities Act (US Government section 508)
- The system shall support the insertion of metadata into the encoded stream as well as the ability to act upon the metadata at the client side (video player)
- The system shall support low-delay applications such as two-way interactive with an end-to-end delay of 250msec or less
- The system shall provide for copyright enforcement including the enforcement of content expiration dates and restricting the number of simultaneous viewers for a particular asset
- The system shall track usage and generate appropriate log files

5.3 Video Encoders (CODECS)

General Requirements

- Encoder must be a network appliance and not a PC with a capture card
- Appliance shall be robust and reliable, designed for 24x7 operation
- Appliance shall be based on an embedded architecture and use a Realtime Operating System (RTOS)
- Appliance shall be easy to use and manage
- Appliance shall boot to full operation in less than 1 minute
- Appliance shall be portable and easily moved to any analog video source location
- Appliance shall be resistant to computer viruses without anti-virus software installed
- Appliance shall support multicast streaming (IGMP V2)
- Appliance shall stream unicast and multicast simultaneously
- Appliance shall support any analog video source including: cameras, VCRs, DVDs, or any CATV source (using third party modulators)
- Appliance shall support the American Disabilities Act, Section 508 for Closed Captioning by passing through the analog Line 21 field to all display devices
- Appliance shall support the insertion of user defined text as closed captions including current date and time
- Appliance shall support picture in picture (PIP) capabilities for roll about broadcast carts or interactive video conferencing (Encoder/Decoder model)
- Appliance shall support two way interactive video conferencing (Encoder/Decoder model)

Physical Requirements

- Two appliances shall occupy no more than 2U of rack space when mounted side by side
- Appliance shall weigh less than 15 lbs
- Appliance shall have S video, Composite and SDI video input and output options.
- Appliance shall accept both balanced and unbalanced audio at line levels
- Appliance shall have mean time between failure (MTBF) of nearly 7 years
- Appliance shall have operating temperature from 0 - 70 degrees Celsius
- Appliance shall have two serial ports, accessible over the network for data transfer
- Appliance shall support 10/100 full/half duplex auto-sense, with manual override

Management Requirements

- Appliance shall handle DHCP and static IP addressing
- Appliance shall be controlled by both a web interface and from an IR remote control
- Appliance shall have a password protected GUI based user and management interface
- Appliance shall support third party control devices such as Crestron / AMX
- Appliance shall have front panel LED readout for trouble shooting and diagnostics
- Appliance shall be manageable via SNMP and support a full SDK
- Appliance shall be able to join its own multicast, support unicast polling and unicast ping
- Appliance shall support software upgrade over the data network
- Appliance shall support DiffServ (TOS) method of marking packets for priority

MPEG2 Encoding Requirements (If Applicable)

- Appliance shall support MPEG 2 encoding and delivery as Transport streams at Main Profile by Main Level 4:2:0 (MP@ML)
- Appliance shall support encode video rates from 2 - 15Mbps
- Appliance shall support selectable resolutions including 720 x 480 (Full D1)
- Appliance shall encode standards based video to allow the digital stream to be recorded by a VOD server or other software into a standard MPEG 2 file format

MPEG4 Encoding Requirements (If Applicable)

- Appliance shall support MPEG 4 ISMA compliant encoding from 8Kbps to 2Mbps
- Appliance shall support selectable resolution including 352x280 (SIF)
- Appliance shall support interoperability with Windows based PCs, MACs and Set top boxes
- Appliance shall support RTSP server functionality (up to 200 simultaneous streams)
- Appliance shall encode standards based video to allow the digital stream to be recorded by a VOD server or other software into a standard MPEG 4 file format
- Appliance shall support HTTP tunneling or RTSP interleaving encoding to stream directly to the internet without assistance from other devices or firewall issues

Windows Media Encoding Requirements (If Applicable)

- Appliance shall support WMV 9 compliant video encoding from 28Kbps to 4Mbps
- Appliance shall support WMA 8 compliant audio encoding from 5Kbps to 192Kbps
- Appliance shall support selectable resolution including 320x240, 640x240 and 640x480
- Appliance should operate as both a WME and WMS simultaneously
- Appliance should interoperate with an external WMS in both push and pull modes of operation
- Appliance should support metadata insertion and scripting
- Appliance shall support interoperability with Windows Media Player (WMP)
- Appliance shall support RTSP server functionality (up to 200 simultaneous streams)
- Appliance shall encode video to allow the digital stream to be recorded by a WM server (WMS) or other software into a standard WM file format
- Appliance shall support HTTP tunneling or RTSP interleaving encoding to stream directly to the internet without assistance from other devices or firewall issues

Web Streaming (Windows Media)

- Appliance should be capable of operating as both a WME and WMS thus providing streaming services in a stand-alone mode of operation for up to 200 WMP based clients
- Appliance should be capable of pushing an audio/video stream to an external WM server (WMS) to eliminate any potential firewall issues
- Appliance should be capable of delivering an audio/video stream in a pull mode of operation where the external WMS requests the stream only after it receives a client request from a WMP
- Appliance should be capable of streaming operation in less than 2 minutes from the time of initial power-on
- Appliance should be capable of delivering an external viewing page through an integrated web server
- Appliance should be capable of streaming delivery to Windows based desktops without the need for a special player or plug-in
- Appliance should fit into existing Microsoft ecosystem to allow interoperability with other Microsoft components and solutions

Portable WebCast Kit

- A portable webcast kit should provide the ability for users to conduct webcast sessions from any location within the enterprise

- The kit should provide the user the ability to deliver synchronized video and Microsoft PowerPoint slides
- The kit should deliver the video in Windows Media format to ensure the greatest level of reach to desktop viewers
- The kit should include everything necessary to set up and begin the webcast session including camera with microphone, network video appliance, necessary cables, quick start guide and introductory web reflecting service

5.4 Video on Demand Servers (from LAN or Internet)

General Requirements

- VOD server shall be capable of streaming MPEG-1, MPEG-2, and ISMA based MPEG-4 for LAN applications
- VOD server shall be capable of streaming Windows Media for Internet applications
- VOD server shall support high speed hard drives with a minimum of 10K RPM
- VOD server shall support an internal SCSI architecture
- VOD server shall be capable of streaming to PCs, MACs and STBs
- VOD server shall support VCR like controls including FF/RW/PAUSE/PLAY/STOP/SEEK
- VOD server shall support the ability to view elapsed and remaining time in a video clip
- VOD server shall have clustering capabilities to add more VOD servers for increasing streaming throughput
- VOD server shall support delivery of Section 508 ADA act Closed Captions to computers and set top boxes if the video was originally encoded with the closed captions

Management Requirements

- VOD server shall be managed through standard web services
- VOD server shall be managed through a central control system such as Portal Server
- VOD interface should be GUI based
- VOD server should support an open API for custom control applications

Physical Requirements

- Server shall be mountable in a 19" equipment rack
- Server shall be 1U or 2U in height
- Server shall support external SCSI interfaces
- Server shall weigh no more than 250lbs
- Server shall support 10/100/1000 BT Ethernet NICs for streaming

Specific Video On Demand Server Requirements

- VOD server shall have at least 300 Mbps of throughput. Examples:
 - 300 viewers each watching an independent 1 Mbps video stream
 - 600 viewers each watching an independent 500 Kbps video stream
 - 1200 viewers each watching an independent 250 Kbps video stream
- VOD server shall have a minimum of 2GB RAM to support streaming throughput
- VOD server shall support two 146GB hard drives for OS (RAID 1)
- VOD server shall support at least 1.2TB (unformatted) internal storage
- VOD storage shall support hardware level RAID 5 for redundancy
- VOD server shall have dual redundant power supplies
- VOD server shall run on a Windows operating system

5.5 Portal Server (Master Control Unit)

General Requirements

- Control server shall support MPEG-1, MPEG-2, MPEG-4 and Windows Media streaming formats
- Control server shall support the distribution of both live streams and stored files
- Control server shall support the creation of a video preview window
- Control server shall support the creation of scheduled events such as streaming and recording
- Control server shall support full screen viewing of live and VOD content
- Control server shall support the administration of other system components such as the VOD server through a GUI based interface
- Control server shall support LDAP and tie into Novell and Microsoft Active Directory systems for login and authentication

Physical Requirements

- Server shall be mountable in a 19" equipment rack
- Server shall be 1U (hardware/software option)
- Server shall support external SCSI interfaces
- Server shall weigh no more than 25lbs
- Server shall support 10/100/1000 BT Ethernet NICs

Specific System Functionality Requirements

- Control server shall support one touch recording of video to VOD server from PC or STB
- Control server shall support the launching and re-sizing of an external player window
- Control server shall support clustering of VOD servers from a single MCS
- Control server shall support round robin load balancing of clustered VOD servers
- Control server shall provide a link to any other asset such as video from other sources (Windows Media, Real, QuickTime), web pages or documents (PDF, XLS, DOC, etc)
- Control server shall communicate with PC, MACs and STBs to utilize components within those platforms to view live and VOD video
- Control server shall support Windows Media Player for viewing in PCs and QuickTime within MACs
- Control server shall support a message board for the distribution of administrative messages
- Control server shall support a search mechanism for the quick retrieval of assets
- Control server shall support a license tracking module to coordinate licenses between all concurrent users
- Control server shall support full FF/RW/STOP/PLAY/PAUSE/SEEK control of VOD assets from the PC or STB
- Control server shall allow recording of live content directly from the STB or PC interface to the VOD server
- Control server shall automatically list for viewing, all MPEG 1/2/4 channels, including dynamic roll about carts, immediate announcements and VOD multicasts; without requiring central administration
- Control server shall provide for static listing of all WM based channels with future support for automatic (dynamic) listing
- Control server shall support the creation of thumbnails for VOD content
- Control server shall support the creation and distribution of scripts which can be used to control other IP addressable devices in the system
- Control server shall support the creation and distribution of emergency broadcast events

Portal Server Management Requirements

- Control server interface shall be GUI based
- Control server shall support future APIs for custom control applications
- Control server shall deliver identical viewing interfaces to PCs, MACs, and Set top boxes
- Control server shall generate and deliver web based administrative interfaces
- Control server shall authenticate user access and assign privilege level
- Control server shall use privilege level to determine access to live and VOD streams
- Control server shall manage and deliver all MPEG licenses and any viewing components
- Control server shall not require manual desktop installation of viewing components
- Control server shall support the creation of user groups
- Control server shall support the creation of live channel assignments
- Control server shall support the customization of database entries
- Control server shall support the importation of metadata such as documents and URLs

5.6 Set-Top-Box Hardware Decoder

General

- STB shall convert a digital stream from the data network to analog video for TV viewing
- STB shall support MPEG-1, MPEG-2 and MPEG-4 live and stored streaming formats
- STB shall support a video preview window
- STB shall support full screen viewing of live and VOD content
- STB shall support user login and authentication

Management

- STB shall support an Ethernet interface for IP data network connectivity
- STB shall support DHCP or static IP addressing
- STB shall support achieve a power-up state without assistance from an external server

Physical

- STB shall support composite, S-Video and VGA outputs
- STB shall support stereo audio outputs
- STB shall support an IR remote control and wireless keyboard
- STB shall support a 10/100 BT Ethernet interface

System control and user functionality

- STB shall support MCS viewing interface
- STB shall support one touch recording of live streams from IR remote
- STB shall support search and full FF/RW of VOD assets
- STB shall support an IR remote control and optional wireless keyboard
- STB shall receive an emergency broadcast from the control server

6.0 Installation Services

The vendor must employ or be able to contract, manufacturer certified technicians for the system proposed. At a minimum, at least one manufacturer certified technician shall also have industry networking certifications such as a Cisco Certified Network Associate (CCNA).

Installation shall include, but not be limited too, the following services:

- Physical set-up off all eligible and non-eligible components necessary to provide an operational system in accordance with manufacturer standards
- Component configuration for each active and passive video encoding, decoding or management device.
- Integration configuration of all components as to create a fully interoperable system with ubiquitous functionality and access
- Integration of district LDAP services and privilege assignments
- Testing and Documentation of each component as well as demonstration of a fully interoperable system with ubiquitous functionality and access

The vendor shall have engineering offices within 300 miles of Chesterfield County School District.

7.0 Warranty

The system shall be warranted for a period of one-year from the date of acceptance by the district. The vendor shall be responsible for providing a "date of acceptance" form and be responsible for submitting a warranty certificate to the district with valid warranty dates.

The system warranty shall cover component hardware, operating systems and interoperability performance of live and recorded video for one year. The vendor is not responsible for district content after the date of acceptance.

The vendor shall pass along all manufacturer related warranties and assurances at no additional charge to the district. If extended warranties are available from the manufacturer, the district may be interested in procuring extended warranties outside of the framework of this RFP. Proposal submissions should address extended warranty coverage and will be weighed as part of the proposal response.

Software Maintenance is not an eligible product or service as classified by USAC for internal connections. However, the district may issue a corresponding Form 470 under Internal Connections Basic Maintenance to apply for these services. It is the district's sole responsibility for procuring these services and the vendor will not be held responsible for software updates after the initial warranty period.



Date: August 7, 2007
To: John Wagon
Entity: Chesterfield County School District
Fax #: 843-623-3434
Sender: Jane Giancamillo
Phone: 973-581-5101
Fax: 973-599-6515
E-mail: jgianca@sl.universalservice.org
Subject: Funding Year 2007 E-Rate

*** **

This fax is a follow up to the information you provided in reference to the E-Rate Selective Review Information Request Funding Year 2007. Please provide the information requested by the close of business **8/14/2007**. 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.

- Based on the documentation that you have provided, we intend to modify **FRN 1617235** to the bucket. The bucket has been changed from Telecommunications to Internal Connections.

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We are providing you with an opportunity to confirm that your original response(s) is correct. Please confirm that this change(s) listed above should be undertaken. _____ Yes or _____ No.

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- Based on the documentation that you have provided, we intend to modify **FRN 1617560** the Contract Number, Contract Award Date and Contract Expiration Date. The Contract number has been changed from 178267:S2002X0705 to 05-S6610. The Contract Award Date has been changed from 9/14/2004 to 7/24/2004. The Contract Expiration Date has been changed from 8/14/2009 to 9/13/2009.

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Budget:

If I interpret your question correctly, you are inquiring if funding is available for the unanticipated FRN 1617235.

Our district budget was approved shortly after I provided SLD with tentative budget figures. I have enclosed pertinent pages of our approved budget (See Attachment 1)

which reflect the same figures as were presented in the proposed budget. Specifically, the budgeted expenditure under the line item 110-266-445-3460-10 E-RATE RESERVE APPL#583460 is \$15,000 which is clearly sufficient to accommodate the originally anticipated expenditure of \$2,491.14 plus the additional expenditure under FRN 1617235 of \$3,301.24. There is a similar excess of budgeted funds available in each E-RATE account listed to accommodate any unexpected expenses.

Technology Plan:

The plan titled 'District Technology Plan 2007-2012' was completed by November 28, 2006 and was subsequently approved by the local district school board (January 21, 2007) and the SC State Department of Education (March 5, 2007). This would be the operative plan under which purchases for E-Rate Year 2007 were conceived and would be implemented.

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RFP:

For Application No. 572187 containing the FRNs 1580486, 1580508, 1580541 and 1580557, the establishing Form 470 is Form 470 #602030000604004. The form references an RFP located at www.chesterfield.k12.sc.us/erate2007.htm which was posted in a timely manner and has remained at that location where it still resides. A copy of that posting is presented as Attachment 3. The posting of this RFP was in accordance with state and local regulations regarding their issuance.

For Application No. 579020 containing the FRNs 1602351, 1602499 and 1602604, Form 470 #204910000514475 is the establishing Form 470. With respect to the RFP released in conjunction with this application, I may have provided you, in the earlier materials I forwarded, with some erroneous information. The RFP was initially created as a Word document and then published to our web site. Upon being published to the web site, changes were made to the TIME SCHEDULE to reflect the actual dates consistent with the posting of the Form 470 Application and the publishing of the RFP. Attachment 4 reflects the 'original' dates contained in the draft Word document and Attachment 5 reflects the RFP as actually published and implemented. This web-published RFP still exists at www.chesterfield.k12.sc.us/erate08.htm and is viewable there in its originally published form for public review. The 'revised' dates provided for a 31-day window (November 29, 2004 through December 30, 2004). Proposals were

evaluated January 9-20, 2005 and the contract was signed February 8, 2005. The 'published' RFP contained correct dates and conformed to

Contracts:

The RFP for Basic Maintenance Services indicated that the district was seeking a one year contract with optional annual renewals. In talks with the successful vendor addressing contractual terms following the determination of their low bid, the district was offered a three year contract with no annual increase in costs for basic maintenance services and hourly engineering labor costs. Given the great disparity in costs between the two vendors and the fact that only two vendors bid on the services, it did not seem likely that an RFP issued the following year would result in a lower cost for these services. Therefore, the district elected to secure what appeared to be very reasonable costs and rates for a term of three years rather than gamble on significantly higher rates one year hence.

Bids:

The form earlier submitted indicating 'One' bid received for each of FRNs 1580486, 1580508, 1580541 and 1580557 was in error due to a 'copy and paste error.' The corrected form is presented as Attachment 6 in which FRN 1580541 not correctly indicates that the number of bids received was 'None.' The one 'bid' indicated for the other three FRNs more accurately could be characterized as a 'contact' on or about December 18, 2006 initiated by Ms. Evelyn Graham of Sandhill Telephone Cooperative in which she noted the Coop's interest in continuing to serve the district's telecommunication's needs at the prevailing and current rates on a month-to-month basis in the coming year. Sandhill provided the services contained in FRNs 1580486, 1580508 and 1580557.

Multiple Vendor State Master Contract:

FRN 1580472 addresses a request for funding to cover basic voice service for a LATA area of the school district comprising five schools. The district has traditionally been serviced by two telephone companies. Sandhill Telephone Cooperative is unable by law to serve these five school sites. No vendor contacted the district or responded to the RFP soliciting bids for MTM service to these facilities. BellSouth has provided service to these five schools for over 40 consecutive years. The rates charged are competitive and reasonable and the service provided has been quite satisfactory during that time. Consequently, the school district administration elected to continue service with BellSouth based upon past service, state contract pricing and the significant level of disruption that would be caused by arbitrarily changing service providers.

FRNs 1617178 and 1617235 address a request for funding for a Hewlett-Packard server

and Cisco switching equipment, respectively. These items of equipment are under state contract and are available from several vendors within the state. Our school district has had a working relationship with the computer engineering and services firm CSI, Inc. for over ten years. This firm's engineers and technicians are quite familiar with the school's physical and data configurations where this equipment is to be installed. When the same equipment (and installation) is available from multiple vendors at the same price and one vendor's work is familiar to us, their employees trusted and known to be competent and knowledgeable of our site and our past experience with them has been productive and enjoyable, we chose to employ this provider of hardware and services as it was the only vendor in which we had a high level of confidence.

Vendor Selection Process:

FRN 1612200 addresses the acquisition of equipment to provide for the storage, retrieval and distribution of video content. Your inquiry questions the evaluation process and the weighting assigned to costs in the evaluation of proposals.

Each of the four reviewers of these proposals was provided "Review Form" which itemized sixteen criteria upon which the proposals were to be evaluated and assigned a point value to each of the criteria. These completed forms were provided to SLD as a part of our previous submission and one is reproduced here as Attachment 7. It clearly indicates that Total Turnkey Installation Cost represents 23% of the total evaluation. The next most weighted component is the features of the user interface weighted at 9%. It is our belief that the evaluation process complied with the SLD's expectation that price be the primary component of proposal evaluation. Attachment 8 reflects the careful evaluation of 'Total Cost of Ownership' between the two proposals and the significant discrepancy between the two which proposals which arises from this review. The 'deciding' factor, the most consequent criteria of evaluation and the greatest discrepancy in 'available points' and 'points awarded' was in the area of cost.

Evaluation of Proposals for Video Distribution System

Exhibit A

<u>Criteria</u>	<u>Weight</u>	<u>CNIC</u>	<u>Cynergi</u>
1. Expectation that proposal will meet district needs as stated in 1.0 Introduction below			
a. Video Distribution Capabilities	7	7	7
b. Video Encoding Capabilities	7	7	7
c. Video on Demand Capabilities	7	7	7
d. Master Control Unit (User Interface) Capabilities	9	9	6
e. Digital to Analog Decoding Capabilities	5	5	5
2. Costs			
a. Total Turnkey Installation Cost (TCO)	23	23	20
b. Component and Labor Costs Itemized	2	2	2
c. Prices are firm for one year	5	5	5
3. Vendor Experience			
a. Licensed To Do Business in South Carolina	4	4	4
b. Documented Industry Certifications for Employees	6	6	6
4. References			
a. Documentation of Similar Installations	6	6	4
b. Documentation of K-12 Educational Experience	4	4	3
5. Compatibility of Proposal With Existing District Installations			
a. User-Interface/Functionality Similar to Existing	7	7	5
b. Management/Maintenance Similarity to Existing	3	3	1
6. Warranty			
a. Comprehensiveness of Warranty	3	3	3
b. Length of Coverage	2	2	2
Total	100	100	87

Evaluation of Proposals for Video Distribution System

<u>Criteria</u>	<u>Weight</u>	<u>CNIC</u>	<u>Cynergi</u>
1. Expectation that proposal will meet district needs as stated in 1.0 Introduction below			
a. Video Distribution Capabilities	7	7	7
b. Video Encoding Capabilities	7	7	7
c. Video on Demand Capabilities	7	7	7
d. Master Control Unit (User Interface) Capabilities	9	9	7
e. Digital to Analog Decoding Capabilities	5	5	5
2. Costs			
a. Total Turnkey Installation Cost <i>5 y out-of-pocket cost</i>	23	20	10
b. Component and Labor Costs Itemized	2	2	2
c. Prices are firm for one year	5	5	5
3. Vendor Experience			
a. Licensed To Do Business in South Carolina	4	4	4
b. Documented Industry Certifications for Employees	6	6	6
4. References			
a. Documentation of Similar Installations	6	6	4
b. Documentation of K-12 Educational Experience	4	4	2
5. Compatibility of Proposal With Existing District Installations			
a. User-Interface/Functionality Similar to Existing	7	7	6
b. Management/Maintenance Similarity to Existing	3	3	2
6. Warranty			
a. Comprehensiveness of Warranty	3	3	3
b. Length of Coverage	2	2	2

~ Said that the system would meet for 17 months

Have not installed system what they are proposing

Total 100 97 79
3y to include all schools + 749,000⁰⁰

Lic. Fee 495⁰⁰ for K-8 schools/yr = 12000⁰⁰ / 16 schools
1250⁰⁰ High Schools/yr = 5000⁰⁰ / 4 schools

17,000
16,000

33,000 *2y - 92,000*
US 74,000

11 (sites) Schools x 1500⁰⁰ hardware @ 2nd School = 28,500⁰⁰
Plus user fee for Live T.V.

Evaluation of Proposals for Video Distribution System

<u>Criteria</u>	<u>Weight</u>	<u>CNIC</u>	<u>Cynergi</u>
1. Expectation that proposal will meet district needs as stated in 1.0 Introduction below			
a. Video Distribution Capabilities	7	7	7
b. Video Encoding Capabilities	7	7	7
c. Video on Demand Capabilities	7	7	7
d. Master Control Unit (User Interface) Capabilities	9	9	5
e. Digital to Analog Decoding Capabilities	5	5	5
2. Costs			
a. Total Turnkey Installation Cost	23	20	10
b. Component and Labor Costs Itemized	2	2	2
c. Prices are firm for one year	5	5	5
3. Vendor Experience			
a. Licensed To Do Business in South Carolina	4	4	4
b. Documented Industry Certifications for Employees	6	6	6
4. References			
a. Documentation of Similar Installations	6	4	4
b. Documentation of K-12 Educational Experience	4	4	4
5. Compatibility of Proposal With Existing District Installations			
a. User-Interface/Functionality Similar to Existing	7	7	5
b. Management/Maintenance Similarity to Existing	3	3	2
6. Warranty			
a. Comprehensiveness of Warranty	3	3	3
b. Length of Coverage	2	2	2
Total	100	97	79

Evaluation of Proposals for Video Distribution System

<u>Criteria</u>	<u>Weight</u>	<u>CNIC</u>	<u>Cynergi</u>
1. Expectation that proposal will meet district needs as stated in 1.0 Introduction below			
a. Video Distribution Capabilities	7	7	7
b. Video Encoding Capabilities	7	7	7
c. Video on Demand Capabilities	7	7	7
d. Master Control Unit (User Interface) Capabilities	9	9	6
e. Digital to Analog Decoding Capabilities	5	5	5
2. Costs			
a. Total Turnkey Installation Cost	23	21	18
b. Component and Labor Costs Itemized	2	2	2
c. Prices are firm for one year	5	5	5
3. Vendor Experience			
a. Licensed To Do Business in South Carolina	4	4	4
b. Documented Industry Certifications for Employees	6	6	6
4. References			
a. Documentation of Similar Installations	6	6	5
b. Documentation of K-12 Educational Experience	4	4	4
5. Compatibility of Proposal With Existing District Installations			
a. User-Interface/Functionality Similar to Existing	7	7	6
b. Management/Maintenance Similarity to Existing	3	3	3
6. Warranty			
a. Comprehensiveness of Warranty	3	3	3
b. Length of Coverage	2	2	2
Total	100	98	90

Exhibit C



Date: August 7, 2007
To: John Wagnon
Entity: Chesterfield County School District
Fax #: 843-623-3434
Sender: Jane Giancamillo
Phone: 973-581-5101
Fax: 973-599-6515
E-mail: jgianca@sl.universalservice.org
Subject: Funding Year 2007 E-Rate

*** **

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which reflect the same figures as were presented in the proposed budget. Specifically, the budgeted expenditure under the line item 110-266-445-3460-10 E-RATE RESERVE APPL#583460 is \$15,000 which is clearly sufficient to accommodate the originally anticipated expenditure of \$2,491.14 plus the additional expenditure under FRN 1617235 of \$3,301.24. There is a similar excess of budgeted funds available in each E-RATE account listed to accommodate any unexpected expenses.

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Vendor Selection Process:

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