

Ohkay Owingeh Community School
AKA San Juan Day School
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March 25, 2009



Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

Appeal of administrators decision for funding year 2005 – 2006 dated February 24 , 2009.
(CC Docket No. 02-6)

Applicant Name: SAN JUAN DAY SCHOOL
Billed Entity Number: 99380
471 Application Number: 459629
Funding Request Numbers: 1263055 and 1263166

San Juan Day School appeals the decision to resend funding for FRN numbers 1263055 and 1263155. This school followed all FCC guidelines published on the Universal Service Administration Company (USAC) website.

During the bidding process (step 4 of the process) two bids were submitted that covered basic maintenance of internal connections. One bid was rejected and the other was accepted using price as the primary factor as directed by FCC rules.

FRN 1263055 The pre-discount amount of \$36,824.16 was submitted to cover Basic Maintenance of all eligible network equipment including a router, firewall switches, servers and all miscellaneous equipment.

Equipment listed in contract:

Description	Make	Model	Qty
Router	Cisco	3725	1
Firewall	Sonicwall	Pro 100	1
DNS Server	DELL	PowerEdge 600	1
DHCP Server	DELL	PowerEdge 600	1
E-Mail Server	Clone	Clone	1
Switches	Cisco	2900	8
Switches	EDI MAX	24 port	1
Web Server	Clone	Clone	1

All equipment in use during the 2005 – 2006 E-Rate year was out-dated and all but the Cisco router and Sonicwall firewall were no longer supported by the manufacturer. Due to these factors and the distance from the service provider, two days of on-site support per month was considered a reasonable amount of support for this equipment.

The cost breakdown for this support was as follows:

Description	RATE	QTY	TOTAL
Support Services per hour	\$140.00	192	\$26,880
Travel per hour	\$70.00	54	\$3,780
Per diem per trip	\$271.00	12	\$3,252
		Subtotal	\$33,912
		TAXES	\$2,912.16
		TOTAL	\$36,824.16

The appeal was denied based on three factors:

- Maintenance cost per piece of equipment (\$2,454.94)
 - Cost per Hour of maintenance (\$191.79)
 - Cost per student (\$466.13)
1. Maintenance cost per piece of equipment:
 - The list of equipment in the contract only listed the major equipment items and therefore you are not taking into account 10 media converters, 9 Uninterruptible power supplies (UPS), 1 KVM switch and 2 tape backup units along with other miscellaneous eligible equipment required for the major items.
 - With all eligible equipment used in the calculations the price per piece of equipment is \$995.25 per piece of equipment.
 - Most of the equipment was very old and end-of-life requiring extensive maintenance to keep it functioning at a reasonable level of reliability.
 - Another factor to consider is our power is supplied from a rural co-op resulting in constantly fluctuating power and frequent power outages. These conditions are

extremely damaging to electronic equipment resulting in frequent system crashes requiring on-site engineer support.

2. Cost per hour:

- The total contract amount divided by the number of hours is \$191.79 per hour, but this does not take into account any travel time or per-diem.
- The actual rate of cost per hour was \$140.00 as shown in the cost breakdown.
- As previously stated the school received two bids for basic maintenance and selected a vendor using price as the primary factor. Both vendors were approximately 85 miles away (170 miles round trip) with one vendor from Albuquerque and the other in Rio Rancho.
- By not taking into account the amount of travel and per-diem required to obtain support the school is being penalized for being a small remote community school.

3. Cost per Student:

- We reject the implication that it costs less to maintain a server, switch, router, or firewall based on the number of users.
- The only equipment items that should be affected by the user count are devices such as an E-mail server or voice mail system hosting eligible user accounts and data.
- For example: Regardless if a web server supports 79 students or 790 students, that server will require the same firmware updates, updates to the operating system, and configuration changes. This same reasoning holds true with most other equipment items.
- Common logic would also suggest a smaller school has fewer internal resources to perform maintenance on the equipment, therefore would rely heavily on contracted support. The cost per student should be expected to be much higher in smaller schools than in larger schools that have a technical support staff. (In addition to being the network administrator, I am a full time teacher and therefore, really do rely heavily on contracted support!)

FRN: 1263166: The pre-discount amount of \$10,000 was submitted to cover Basic Maintenance of all eligible cabling infrastructure including:

- 122 drops in 8 classrooms and one library
- 5 fiber optic runs from the MDF to 6 IDF's located in multiple buildings
- Approximately 15 telephone drops throughout the campus

The costs were derived by accessing the infrastructure in the area of:

- Quantity and length of network drops
- Quantity and length of fiber optic runs
- Access to wiring closets, equipment racks and cable pathways
- The location of the school in relation to qualified and certified cable repair centers.

The school had five fiber optic runs to the different IDF's. None of the fiber was terminated in LIU's so all of the terminations were just hanging from media converters putting undue strain on the connectors.

During the course of the year multiple fiber connections had to be re-terminated and certified due to the ends falling off. An LIU was finally installed in the MDF because of the escalating cost of terminating and certifying the fiber.

The condition of the cabling infrastructure and the distance from qualified service providers were the major factors in the pricing of the cable maintenance.

We have reviewed FCC 03-313 (Ysleta Order) Paragraphs 47 -55 referenced by USAC in their denial of our appeal. There is no comparison between the Ysleta case and San Juan.

1. Our school posted a 470 requesting
 - o “Maintenance and technical support for all E-Rate covered equipment & software
 - “
 - o “Wire and cable maintenance for infrastructure and cable maintenance”
2. We accepted all bids from service providers. Only 2 service providers submitted a bid for basic maintenance.
3. We selected a provider with price being the highest weighed factor. The weight factors were:
 - o 75% Price
 - o 10% Working knowledge of our E-Rate eligible equipment
 - o 15% other factors.
4. The contract signed with the service provider was very explicit in the cost, type of service and level of service being provided to the school.
 - o Although the original contract did not break down the hourly rate, travel rate and per diem, it did list the terms of the services, the equipment being serviced.
 - o The contract also offered the school the flexibility to have both on-site, remote and telephone support along with flexible maintenance schedule based on the needs of the school.
 - o The service provider did provide us with a cost breakdown that is included with this appeal.

In conclusion, San Juan followed all FCC rules and guidelines that was posted on the USAC site in selecting the most cost effective solution for the school.

San Juan has not violated FCC rules and therefore the decision to deny funding that was committed and utilized under FRN 1263055 and 1263166 should be reversed.

Sincerely,

Mrs. Matilda Roybal
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