



**Trillion Partners, Inc.  
9208 Waterford Centre Blvd., Suite 150  
Austin, Texas 78758**

**December 3, 2010**

Federal Communications Commission *Delivered via ECFS & email*  
Attention: Ms. Gina Spade, Deputy Division Chief  
Ms. Erica Myers, Wireline Competition Bureau  
Ms. Dana Bradford, Wireline Competition Bureau

Telecommunications Access Policy Division  
445 12th Street SW  
Washington, DC 20554

Re:

Appeal  
School District: Palestine Independent School District, Palestine, TX  
Funding Year: 2010  
FRN Denied: 2052803  
Form 471 Application Denied: 759855  
Reason for Denial: Communications

Dear Gina, Erica and Dana:

On November 3, 2010, Trillion filed a Master Appeal Summary with the FCC on ECFS, as well as provided the Master Appeal Summary to you via E-Mail and in hard copy. In the Master Appeal, Trillion provides the rationale as to why USAC's mass denial of funding is without merit. Please accept this Individual appeal for the Palestine Independent School District, along with the Master Appeal Summary, as well as the Appeal that will be filed by the applicant, as the appeal in its totality.

USAC alleges that communications between Palestine Independent School District and Trillion prior to, and throughout, the competitive bidding process tainted a fair and open competitive bidding process, as the basis for the denial of funding. Trillion denies USAC's allegations. In fact and in all instances, the communications between both parties were in full compliance with all applicable (FCC, state and local) competitive bidding and procurement requirements at the time. Please note that in the denial of funding, USAC does not point to the specific communications that it found were not in compliance with applicable rules and regulations. However, Palestine Independent School District did receive an "Intent to Deny" letter in which USAC details the specific communications that USAC said indicated their allegations. This appeal will refute USAC's allegations based upon the limited data in the denial letter, as well as the more detailed "Intent to Deny" Letter.

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The FCDL denial and the "Intent to Deny" letter are attached for review in full. This appeal responds to each communication noted in the "Intent to Deny" letter with the rationale as to why USAC's allegations are false.

**USAC Alleged Communication Issue:**

*"The Form 470 associated with all the FRNs listed above was posted on 11/14/08 with an Allowable Contract Date of 12/12/08. The documentation indicates that the district engaged in numerous meetings, e-mail discussions, and verbal discussions with Trillion employees beginning in November 12, 2008 prior to the posting for the Form 470 and thru the award of the contract with Trillion. These discussions were not general marketing discussions, but rather show that you provided Trillion with inside information regarding your needs and details about their procurement process, that Trillion influenced the procurement process by providing input into your Request for Proposal (RFP) and FCC Form 470 to ensure that Trillion would be awarded the contract, and that before the bids were even submitted and the selection made, you signaled that they would award the contract to Trillion."*

**Communication Was Within Rules:**

Trillion does not believe that the conclusion drawn by USAC is supportable by the available documentation and set of facts. First and foremost, the discussions that took place prior to Palestine ISD's posting of the form 470, were purely around product offering discussion and general marketing in nature.

Trillion did provide a Preliminary Design and Good Faith Estimate which is attached. In the Master Appeal filed with the FCC on November 3, 2010, Trillion articulates that providing a Preliminary Good Faith Estimate and Design is simply standard product offering information. Service providers can discuss their product offerings with applicants and educate those applicants on new technologies. This is exactly what Trillion did. Trillion provided product information including an estimated price, as well as Trillion marketing slides. Trillion's Good Faith Estimate included the following language:

*"It is our understanding that your district is not seeking a formal proposal and that you are requesting this information purely as a tool to assist you with your budget planning efforts. We expect that your district is seeking similar information from other service providers as well. Since this is only a preliminary design and estimated pricing, the enclosed documentation is not a binding offer, is not a detailed, formal proposal, and is not a response to any request for proposals. It is our policy to wait to provide our formal, detailed proposal to governmental entities such as school districts until the appropriate time in the competitive bidding process.*

*We would be happy to provide you with a formal Trillion proposal and Services Agreement once your district has commenced its competitive bidding process."*

To deny this application on Trillion's Preliminary Design and Good Faith Estimate would be the equivalent of denial on the basis of industry standard practice by providing an estimated cost based upon tariff.

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**USAC Alleged Communication Issue:**

*“Specifically, On November 12, 2008, David Long requested information from Trillion regarding Form 470s where VoIP was requested as a Priority 1 service and Andy Pilarick responded by providing information about Houston County’s Form 470, Application No. 361360000695126.”*

**Communication Was Within Rules:**

Trillion did not have record of the Trillion salesperson providing this information to the applicant until recently when Trillion was allowed by the FCC to discuss the appeal with our customer.

Unfortunately, Trillion’s front line salesperson did not follow Trillion protocol by referring E-Rate related questions to Trillion’s VP of Legal and regulatory or E-Rate Specialist.

However, USAC’s training specifically teaches service providers that, “If applicants ask you for assistance – Refer them to existing resources”. USAC’s own website is publicly available information. A Form 470 posted by another school district, any other school district in the country for that matter, is publicly available and any school district has the right to review that data.

As posted is Houston County’s Form 470:

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<b>Form 470 Application Number:</b> 361360000695126
<b>Applicant's Form Identifier:</b> Y12VOIP
<b>Application Status:</b> CERTIFIED
<b>Posting Date:</b> 11/03/2008
<b>Allowable Contract Date:</b> 12/01/2008
<b>Certification Received Date:</b> 11/03/2008

<b>1. Name of Applicant:</b> HOUSTON COUNTY BOARD OF ED		
<b>2. Funding Year:</b> 07/01/2009 - 06/30/2010		<b>3. Your Entity Number</b> 128110
<b>4a. Applicant's Street Address, P.O.Box, or Route Number</b> 404 W WASHINGTON ST		
<b>City</b> DOTHAN	<b>State</b> AL	<b>Zip Code</b> 36301
<b>b. Telephone number</b> (334) 792- 8331		<b>c. Fax number</b> (334) 792- 1016
<b>5. Type Of Applicant</b> <input type="radio"/> Individual School (individual public or non-public school) <input checked="" type="radio"/> School District (LEA;public or non-public[e.g., diocesan] local district representing multiple schools) <input type="radio"/> Library (including library system, library outlet/branch or library consortium as defined under LSTA) <input type="radio"/> Consortium (intermediate service agencies, states, state networks, special consortia of schools and/or libraries)		
<b>6a. Contact Person's Name:</b> Bob Elalock		
<i>First, if the Contact Person's Street Address is the same as in Item 4 above, check this box. If not, please complete the entries for the Street Address below.</i>		
<b>6b. Street Address, P O Box, or Route Number</b> <input checked="" type="radio"/> 404 W WASHINGTON ST		
<b>City</b> DOTHAN	<b>State</b> AL	<b>Zip Code</b> 36301
<i>Check the box next to your preferred mode of contact and provide your contact information. One box MUST be checked and an entry provided.</i>		
<input type="radio"/> <b>6c. Telephone Number</b> (334) 792- 8331 ext. 120		
<input type="radio"/> <b>6d. Fax Number</b> (334) 792- 1016		
<input checked="" type="radio"/> <b>6e. Email Address:</b> bblalock@hcboe.us		

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**7 This Form 470 describes (check all that apply):**

a.  Tariffed or month-to-month services to be provided without a written contract. A new Form 470 must be filed for non-contracted tariffed or month-to-month services for each funding year.

b.  Services for which a new written contract is sought for the funding year in Item 2.  
 Check if you are seeking  a multi-year contract and/or  a contract featuring voluntary extensions

c.  A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous funding year.

**NOTE: Services that are covered by a signed, written contract executed pursuant to posting of a Form 470 in a previous funding year OR a contract signed on/before 7/10/97 and previously reported on a Form 470 as an existing contract do NOT require filing of a new Form 470.**

**What kinds of service are you seeking: Telecommunications Services, Internet Access, Internal Connections Other than Basic Maintenance, or Basic Maintenance of Internal Connections? Refer to the Eligible Services List at [www.sl.universalservice.org](http://www.sl.universalservice.org) for examples. Check the relevant category or categories (8, 9, 10 and/or 11 below), and answer the questions in each category you select.**

**8  Telecommunications Services**  
*Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have an RFP, you risk denial of your funding requests.*

a.  YES, I have released or intend to release an RFP for these services. It is available or will become available on the Web at [www.hcboe.us](http://www.hcboe.us) or via (check one):  
 the Contact Person in Item 6 or  the contact listed in Item 12.

b.  NO, I have not released and do not intend to release an RFP for these services.  
**Whether you check YES or NO, you must list below the Telecommunications Services you seek. Specify each service or function (e.g., local voice service) and quantity and/or capacity (e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at [www.sl.universalservice.org](http://www.sl.universalservice.org) for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.**

c.  Check this box if you prefer discounts on your bill.     Check this box if you prefer reimbursement after paying your bill in full.     Check this box if you do not have a preference.

Service or Function:	Quantity and/or Capacity:
Interconnected VoIP services (as specified in the RFP)	14 locations (number may change (+/-) during the term of the contract based on system needs)

<b>9 <input type="checkbox"/> Internet Access</b> <b><i>Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have an RFP, you risk denial of your funding requests.</i></b>		
<b>a <input type="radio"/> YES</b> , I have released or intend to release an RFP for these services. It is available or will become available on the Web at <a href="http://www.hcboe.us">www.hcboe.us</a> or via (check one): <input type="checkbox"/> the Contact Person in Item 6 or <input type="checkbox"/> the contact listed in Item 12.		
<b>b <input type="radio"/> NO</b> , I have not released and do not intend to release an RFP for these services. <b>Whether you check YES or NO</b> , you must list below the Internet Access Services you seek. Specify each <b>service or function</b> (e.g., monthly Internet service) and quantity and/or capacity (e.g., for 500 users). See the Eligible Services List at <a href="http://www.sl.universalservice.org">www.sl.universalservice.org</a> for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.		
<b>c <input type="radio"/> Check this box if you prefer discounts on your bill.</b>	<input type="radio"/> Check this box if you prefer reimbursement after paying your bill in full.	<input type="radio"/> Check this box if you do not have a preference.
<b>Service or Function:</b> Interconnected VoIP services (as specified in the RFP)	<b>Quantity and/or Capacity:</b> 14 locations (number may change (+/-) during the term of the contract based on system needs)	

In comparison to Palestine's Form 470:

<b>Form 470 Application Number:</b> 619260000700220
<b>Applicant's Form Identifier:</b> YR12VoIP
<b>Application Status:</b> CERTIFIED
<b>Posting Date:</b> 11/14/2008
<b>Allowable Contract Date:</b> 12/12/2008
<b>Certification Received Date:</b> 11/18/2008

<b>1. Name of Applicant:</b> PALESTINE INDEP SCHOOL DIST		
<b>2. Funding Year:</b> 07/01/2009 - 06/30/2010		<b>3. Your Entity Number</b> 140751
<b>4a. Applicant's Street Address, P.O.Box, or Route Number</b> 1600 S LOOP 256		
<b>City</b> PALESTINE	<b>State</b> TX	<b>Zip Code</b> 75801-5847
<b>b. Telephone number</b> (903) 731- 8000		<b>c. Fax number</b> (903) 729- 5588
<b>5. Type Of Applicant</b> <input type="radio"/> Individual School (individual public or non-public school) <input checked="" type="radio"/> School District (LEA,public or non-public[e.g., diocesan] local district representing multiple schools) <input type="radio"/> Library (including library system, library outlet/branch or library consortium as defined under LSTA) <input type="radio"/> Consortium (intermediate service agencies, states, state networks, special consortia of schools and/or libraries)		
<b>6a. Contact Person's Name:</b> David Long		
<i>First, if the Contact Person's Street Address is the same as in Item 4 above, check this box. If not, please complete the entries for the Street Address below.</i>		
<b>6b. Street Address, P.O.Box, or Route Number</b> <input checked="" type="radio"/> 1600 S LOOP 256		
<b>City</b> PALESTINE	<b>State</b> TX	<b>Zip Code</b> 75801-5847
<i>Check the box next to your preferred mode of contact and provide your contact information. One box MUST be checked and an entry provided.</i>		
<input type="radio"/> <b>6c. Telephone Number</b> (903) 731- 8000		
<input type="radio"/> <b>6d. Fax Number</b> (903) 729- 5588		
<input checked="" type="radio"/> <b>6e. E-mail Address:</b> dlong@palestineschools.org		

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**7 This Form 470 describes (check all that apply):**

a.  Tariffed or month-to-month services to be provided without a written contract. A new Form 470 must be filed for non-contracted tariffed or month-to-month services for each funding year.

b.  Services for which a new written contract is sought for the funding year in Item 2.  
 Check if you are seeking  a multi-year contract and/or  a contract featuring voluntary extensions

c.  A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous funding year.

**NOTE: Services that are covered by a signed, written contract executed pursuant to posting of a Form 470 in a previous funding year OR a contract signed on/before 7/10/97 and previously reported on a Form 470 as an existing contract do NOT require filing of a new Form 470.**

**What kinds of service are you seeking: Telecommunications Services, Internet Access, Internal Connections Other than Basic Maintenance, or Basic Maintenance of Internal Connections? Refer to the Eligible Services List at [www.sl.universalservice.org](http://www.sl.universalservice.org) for examples. Check the relevant category or categories (8, 9, 10 and/or 11 below), and answer the questions in each category you select.**

**8  Telecommunications Services**  
*Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have an RFP, you risk denial of your funding requests.*

a.  YES, I have released or intend to release an RFP for these services. It is available or will become available on the Web at at or via (check one):  
 the Contact Person in Item 6 or  the contact listed in Item 12.

b.  NO, I have not released and do not intend to release an RFP for these services.  
**Whether you check YES or NO, you must list below the Telecommunications Services you seek. Specify each service or function (e.g., local voice service) and quantity and/or capacity (e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at [www.sl.universalservice.org](http://www.sl.universalservice.org) for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.**

c.  Check this box if you prefer discounts on your bill.       Check this box if you prefer reimbursement after paying your bill in full.       Check this box if you do not have a preference.

Service or Function:	Quantity and/or Capacity:
Interconnected VoIP Services (as specified in the RFP)	10 locations (number may change +/- during the term on the contract based on system needs)

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<b>Service or Function:</b>	<b>Quantity and/or Capacity:</b>
<b>Interconnected VoIP Services (as specified in the RFP)</b>	<b>10 locations (number may change +/- during the term on the contract based on system needs)</b>

**9**  **Internet Access**  
*Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have an RFP, you risk denial of your funding requests.*

**a**  **YES**, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one):  
 the Contact Person in Item 6 or  the contact listed in Item 12.

**b**  **NO**, I have not released and do not intend to release an RFP for these services.

**Whether you check YES or NO**, you must list below the Internet Access Services you seek. Specify each **service or function** (e.g., monthly Internet service) and quantity and/or capacity (e.g., for 500 users). See the Eligible Services List at [www.sl.universalservice.org](http://www.sl.universalservice.org) for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.

**c**  **Check this box if you prefer discounts on your bill.**       **Check this box if you prefer reimbursement after paying your bill in full.**       **Check this box if you do not have a preference.**

<b>Service or Function:</b>	<b>Quantity and/or Capacity:</b>
<b>Interconnected VoIP Services (as specified in the RFP)</b>	<b>10 locations (number may change +/- during the term on the contract based on system needs)</b>

A comparison of the two Form 470's show that the "Service or Function" under both categories, Telecommunications and Internet Access are the same except for the number of locations. If you were to examine USAC's own Eligible Services List from 2007 until 2009, it is described as the following.

Miscellaneous	
The service category for entries in this section should reflect the same category as the product or service being installed or obtained--Telecommunications Services, Internet Access, or Internal Connections.	
Product Type (Function)	Description
Interconnected Voice over Internet Protocol ( <a href="#">Interconnected VoIP</a> ) Services	Funding requests for <a href="#">interconnected VoIP</a> services may be submitted in the Internet Access category. <sup>1</sup>

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<sup>1</sup> We include [interconnected VoIP](#) as an eligible service irrespective of whether this service is a telecommunications service or an information service. The Commission has included both information services (*i.e.*, Internet access and voicemail services) and telecommunications services as Priority One services eligible for discounts under the universal service support mechanism. *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Second Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 9202, 9212, para. 29 (2003). As such, the regulatory classification of [interconnected VoIP](#) service does not affect our inclusion of these services as eligible services here. The Commission plans to take all necessary actions to conform its rules to this decision.

[Schools and Libraries' Eligible Services List for Funding Year 2007](#) – Page 19  
Miscellaneous

Therefore, listing on any Form 470 the exact words from the Eligible Services List as USAC provides, Interconnected VoIP, could not give any single service provider an advantage over another. Also, as noted on USAC's Eligible Services List, Interconnected VoIP could be in either Telecommunications or Internet Access categories as it was listed on the list in the "Miscellaneous" section. It just makes sense to put the request in both categories to help receive FCDL approval. How many school districts across the country filed a Form 470 for "Interconnected VoIP"? By doing so, did these exact words from the Eligible Services List provide any vendor with an advantage? No they did not. It is allowable under E-Rate rules to use the same wording from the Eligible Services List in creating a Form 470.

**USAC Alleged Communication Issue:**

*"On November 14, 2008, Palestine posted its Form 470, several days after receiving information from Trillion regarding its Pre-Design Plan for Palestine and information regarding Houston's Form 470. These emails seem to suggest that Trillion assisted Palestine with the preparation of its Form 470."*

**Communication Was Within Rules:**

No advantage can be provided to any vendor by listing Interconnected VoIP as the "Service or Function" being requested. Also, to note is that the Palestine's Form 470 points to a RFP. Please note that Houston County also provided a RFP. Please see the attached RFPs from both school districts. A comparative of the two RFPs show that there is no resemblance whatsoever. The RFP governed both detailed sets of requirements, and the bid process. Therefore, even if a Trillion salesperson had forwarded on a publicly available Form 470 to a school district and that school district listed on their Form 470 a request for services directly off of the Eligible Services List, the RFP that provided the details of the bid was obviously not forwarded on.

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Also, if the Palestine RFP were to be reviewed, the requirements listed such as; 911, call forwarding, call waiting, voice mail, four-digit dialing, central administration, training, an SLA, hardware monitoring, and On-Premise equipment etc., could be provided by any VoIP services provider that utilizes Cisco, Avaya, Mitel ShoreTel, and others equipment. Please see attached links:

- <http://www.cisco.com/en/US/products/sw/voicesw/index.html>
- <http://www.avaya.com/usa/topics/unified-communications/>
- <http://mitel.com/PortalController?country=US>
- <http://www.shoretel.com/>

Contained in the RFP, there is not a single requirement that any of these vendors or their suppliers could not meet. Trillion is therefore very concerned that the reviewer came to the conclusion that Trillion provided input into the applicants RFP. Certainly, if Trillion had, Trillion would have had the applicant require ShoreTel equipment, as this is the only equipment Trillion utilizes. As presented in Trillion's master Appeal dated November 3, 2010, it is allowable under E-Rate rules to specify which equipment manufacturer is to be provided.

#### **USAC Alleged Communication Issue:**

*"Further, some of the emails reviewed also suggest that it may have been pre-determined that Palestine would enter into a contract with Trillion even before the completion of the competitive bidding process. For example, on January 6, 2009, David Long (Palestine) forwarded Andy Pilarick (Trillion) SLD's response that there were no restrictions that prohibit the telecom vendor from installing their communications equipment on the customer premise. It does not appear that this information was shared with the other bidders."*

#### **Communication Was Within Rules:**

The January 6<sup>th</sup> E-Mail the USAC reviewer references is as follows:

*"Hello Andy,*

*I've already got my reply from SLD and I think it says it all!! See below. Tell me what you think.*

*Thanks,*

*David Long  
Palestine ISD  
Technology Director  
1600 S. Loop 256  
Palestine, TX 75801  
903-731-8003  
Email: [dlong@palestineschools.org](mailto:dlong@palestineschools.org)*

*-----Original Message-----*

*From: [sldnoreply@sl.universalservice.org](mailto:sldnoreply@sl.universalservice.org)  
[mailto:[sldnoreply@sl.universalservice.org](mailto:sldnoreply@sl.universalservice.org)]  
Sent: Tuesday, January 06, 2009 4:09 PM*

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To: David Long  
Subject: RE: Initial Contact- Case 21-823870

Thank you for your inquiry. No, there are no restrictions.

If you have any further questions, please feel free to contact our Schools and Libraries Helpline at 1-888-203-8100. Please remember to visit our website for updates: <http://www.sl.universalservice.org>

Thank you,  
Schools and Libraries Division  
Universal Service Administrative Company

-----Original Message-----

From: [dlong@palestineschools.org](mailto:dlong@palestineschools.org)  
Subject: Initial Contact

[FirstName]=David  
[LastName]=Long  
[JobTitle]=Technology Director  
[EmailAddress]=[dlong@palestineschools.org](mailto:dlong@palestineschools.org)  
[WorkPhone]=9037318003  
[FaxPhone]=  
[PreviousCaseNumber]=0

[FormType]=470  
[Owner]=TCSB  
[DateSubmitted]=1/6/2009 3:55:54 PM  
[AttachmentFlag]=N[BenOrSpinNumber]=140751  
[FundingYear]=FY12 (07/01/2009 - 06/30/2010) [Question2]=My school district is planning on implementing a VoIP system through a telecom vendor and applying for funding as a Priority 1 Telecom service.

My question is: Are there any restrictions that prohibit the telecom vendor from installing their communications hardware on the customer premise?"

This communication should be put in context. During this time period, there was much uncertainty around the various VoIP configurations that E-Rate rules would allow. It was very much uncertain as to whether having equipment on site for Interconnected VoIP were to be allowed. It was not until January of 2009, that USAC provided real clarity with a diagram provided by Erik Flock and published on USAC's website as to whether on-premise equipment were to be allowed. Also during this timeframe, a competitive Telecom provider told Palestine ISD specifically that on-premise equipment was not allowed under E-Rate rules. Palestine ISD questioned Trillion about this. Trillion responded that the school district should contact the SLD to verify. The e-mail alludes to this very thing.

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### **USAC Alleged Communication Issue:**

*"In the email Mr. Long states, "I've already got my reply from SLD and I think it says it all! See below. Tell me what you think." It does not appear that David Long shared this information with the other vendors who requested copies of Palestine's RFP."*

### **Communication Was Within Rules:**

Is it the responsibility of the school district to help a service provider understand E-Rate rules? Or, is it the responsibility of the school district to adhere to E-Rate rules? This information was solely around the compliance of a service provider's implementation of technology. It is the responsibility of each and every service provider to be in compliance. It is not the responsibility of the school district to ensure potential bidders technology implementations are compliant.

Also, in regards to the notion that David Long did not share this information with other vendors, please refer to the RFP which listed this very thing as a requirement. The bid requirement was that the school district preferred VoIP technology that had on-premise equipment (which all of the major suppliers provide as previously described). This had already been communicated when Palestine ISD issued their RFP.

Also, in regards to keeping all vendors informed during an open bid process, the following e-mails are examples of the school district doing just that:

#### Message Example 1 on November 3, 2008

*"-----Original Appointment-----*

*From: David Long On Behalf Of Jeanne Massey*

*Sent: Monday, November 03, 2008 1:43 PM*

*To: Thomas A. Wallis; Megan Lawson; Virginia Holland*

*Subject: FW: Confirmation: Palestine ISD / Trillion Meeting Thursday Nov 6th at 1:30pm*

*When: Thursday, November 06, 2008 1:30 PM-2:00 PM (GMT-06:00) Central Time (US & Canada).*

*Where: Palestin ISD Administration Office located at 1600 South Loop 256, Palestine, TX 75801*

*Importance: High*

*This is one of our potential vendors for our Voice over IP solution that I will be submitting as one of our eRate telecomm applications. I would like for you to meet with the COO and the CRM if you have time. I think they are very much in tune with what goes on at K-12 schools.*

*If you can meet we will be meeting in the board room at 1:30 on Nov 6th.*

*Please let me know if you can make it.*

*Thanks,*

*David"*

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In this appointment invite, David Long clearly states that Trillion is a potential vendor among others. There is nothing in this message that shows they are pre-disposed to Trillion. Trillion is just one of the potential vendors.

Message Example 2 on January 5, 2009

*"Just a last minute reminder about the meeting tomorrow.  
If you have already responded, please ignore this email.*

*Interested Vendors:*

*We will be hosting a meeting to review the RFP for the VoIP system for Palestine ISD and provide an opportunity for you to ask questions. It is highly recommended that you attend this meeting if you plan to submit a bid on this project.*

*Please note that we plan to submit this proposal to SLD as Priority 1 Telecommunications.*

*All proposals are due on January 12, 2009.*

*Location: Sam Houston Campus Board Room*

*Address: 1000 E. Lamar St.*

*Palestine, TX 75801*

*Date: January 6, 2009*

*Time: 10 AM to 12 Noon*

*I would appreciate a reply prior to January 5, 2009 to let me know if you plan on attending.*

*Feel free to call if you have questions about this meeting.*

*Thank you for your interest in Palestine ISD.*

*David Long*

*Palestine ISD*

*Technology Director*

*1600 S. Loop 256*

*Palestine, TX 75801*

*903-731-8003*

*Email: [dlong@palestineschools.org](mailto:dlong@palestineschools.org)*

This message invites all vendors in for an RFP review meeting for vendors to ask questions. A Trillion representative attended this meeting and he has confirmed that other vendors also attended this meeting and that many questions were asked and answers shared. Please keep in mind that this message went out and a meeting took place a full two months after the Form 470 was posted and the RFP issued. If the Technology Director had already made the decision for Trillion, why would he invite all potential vendors in for a Q&A session 1 week prior to the due date? He simply would not.

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Message Example 3 on January 7, 2009

*"Interested Vendors,*

*I would like to thank each of you again for taking a vested interest in the VoIP project being proposed for Palestine ISD. I look forward to working with one of you in the future.*

*Attached please find an updated list of questions and answers resulting from the January 6th meeting.*

*Again, thank you and I look forward to receiving your proposal prior to close of business on January 12, 2009.*

*Sincerely,*

*David Long  
Palestine ISD  
Technology Director  
1600 S. Loop 256  
Palestine, TX 75801  
903-731-8003  
Email: [dlong@palestineschools.org](mailto:dlong@palestineschools.org)"*

This is another example of the school district following the proper procedure during the bid process. All potential vendors are informed in writing of the questions that were asked and the answers to the associated questions. The RFP review meeting was held and the results of that meeting are being posted to all vendors. Why bother with the sharing of this information, if the bid were pre-determined for Trillion? He simply would not.

Message Example 4 on January 13, 2009

*"Participating VoIP Vendors,*

*I would like to have your help in assisting me in the evaluation of your bid in the proper manner. In some cases, it is very difficult to determine the real cost. So I have prepared a spreadsheet for you to complete so that I can compare your bids accurately. Please fill out the row for Vendor 1 and return to me today.*

*Directions for completion:*

*Note: NRC = non-recurring charge, one-time charge (if any)  
MRC = monthly recurring charge  
Please use pricing before the eRate discount*

*Column B = NRC for the hardware/services as indicated in the RFP (minus your exceptions) to support 200 phones (at the locations) indicated on the RFP with voicemail. This hardware will also be capable of supporting the extra 313 phones and voicemail for future classroom additions.*

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*Column C = MRC for the hardware/services as indicated in the RFP (minus your exceptions) to support 200 phones (at the locations) indicated on the RFP with voicemail. This hardware will also be capable of supporting the extra 313 phones and voicemail for future classroom additions.*

*Column D = NRC for voicemail for the extra 313 users but no phones*

*Column E = MRC for voicemail for the extra 313 users but no phones*

*Column F = One-time charge for the purchase of 200 handsets including installation services; no maintenance on these handsets*

*Column G = Monthly charge for the lease of 200 handsets including installation services; no maintenance on these handsets; this option is F or G, not F + G; G in most case will be N/A*

*Column H = One-time charge for the purchase of 313 handsets including installation services; no maintenance on these handsets*

*Column I = Monthly charge for the lease of 313 handsets including installation services; no maintenance on these handsets; this option is H or I, not H + I; I in most case will be N/A*

*Please call me if you have any questions. I would appreciate you letting me know if you can get this done today as I am on the Board meeting for January 19th to present our recommendation.*

*Thanks for your interest in VoIP at Palestine ISD.*

*David Long  
Palestine ISD  
Technology Director  
1600 S. Loop 256  
Palestine, TX 75801  
903-731-8003  
Email: [dlong@palestineschools.org](mailto:dlong@palestineschools.org)*

As of this point in the bid cycle, all proposals from competing vendors had been submitted, as it was past the deadline for submittal. Also, as of this date, it would have been 10 weeks after the Form 470 had been posted and RFP issued. The school district requests that potential vendors fill out the pricing matrix in order to “*compare your bids accurately*”. Please see the attached spreadsheet. The only information that is being requested for clarification purposes was a definitive breakout of the pricing that had already been submitted in each vendor’s proposal. This is just a different view of the pricing already submitted from potential vendors in their proposals. Also, David Long requests that this information be returned to him that day or let him know if that is not possible. The school district in this communication does note that there is a School Board meeting on January 19<sup>th</sup>, 2009. It is common industry practice for the chosen vendor to attend the School Board meeting to answer vendor specific questions; therefore, this notice is provided to all vendors. Again, why would David Long go through this much trouble if this bid process had a predetermined outcome? He would not.

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### **USAC Alleged Communication Issue:**

*“On January 8, 2009, Trillion submitted its bid to Palestine’s RFP and Form 470. On January 13, 2009, David Long sent an email to all bidders and requesting them to review a spreadsheet he had prepared that summarized the costs/services of their proposals. On January 14, 2009, Andy Pilarcik responded and confirmed the Trillion spreadsheet was accurate.”*

### **Communication Was Within Rules:**

David Long reviewed Trillion’s proposal which was easy to read and straightforward and wanted to verify with Trillion that the numbers were correct. Please see attached spreadsheet. Trillion confirmed that the numbers were correct. There is nothing in FCC, nor USAC rules, that prohibit this clarification.

It should be pointed out that as can be seen by this spreadsheet, the request for proposals from potential vendors was for 313 phones in classrooms with an additional 200 voicemail extensions for 8 sites. If you were to compare that to Trillion’s Preliminary Design and Good Faith Estimate, which had 158 handsets for 9 sites and no voicemail extensions, it is not logical that the USAC reviewer came to the conclusion that Trillion aided the school district in determining their RFP requirements, as every single number, count and requirement was different than what Trillion provided in its Preliminary Design and Good Faith Estimate. Also, please note that in Trillion’s Good Faith Estimate, the price per connection was estimated at \$20.00 per connection per month. The final proposal had the price per connection at \$18.99. This is a completely different price, again showing the lack of pre-determined outcome that the USAC reviewer believes.

### **USAC Alleged Communication Issue:**

*“On the same date, Andy Pilarcik asked David Long about whether there were any updates on the school board meeting. David Long responded and stated: “I’m doing the eval spreadsheet now. I called the supts secretary to get on his calendar to discuss this topic. The VoIP system is on the agenda. . .”*

### **Communication Was Within Rules:**

The Form 470 had been posted on November 4, 2008. The proposals from potential vendors were due on January 12, 2009. The date of the e-mail correspondence USAC refers to is two days after the proposals were due. There was no new information being provided from any of the potential vendors. This is clearly enough time to make a decision as to which vendor the technology department preferred. The FCC rule is for a school district to wait until 28 days have passed from the time the Form 470 has been posted. Since this communication string took place on the 71<sup>st</sup> day after Form 470 being posted, it is clearly after the 28 required waiting period.

The actual message USAC refers to is as follows:

-----Original Message-----

From: David Long [mailto:DLong@palestineschools.org]

Sent: Wednesday, January 14, 2009 1:55 PM

To: Andy Pilarcik

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*Subject: RE: Please verify VoIP Bid Tab ASAP*

*I'm doing the eval spreadsheet now. I called the supts secretary to get on his calendar to discuss this topic. The VoIP system is on the agenda. I hope to get into his office this PM or first thing tomorrow around 8 AM. Can you just pencil yourself or someone in? I hate to do this to you but I have a "gut" feeling he'll give me the nod to go ahead.*

*I promise to call you as soon as I know something.*

*Will that work for you? I'm sorry for not giving you a straight answer.*

*Thanks,*

*David Long  
Palestine ISD  
Technology Director  
1600 S. Loop 256  
Palestine, TX 75801  
903-731-8003  
Email: [dlong@palestineschools.org](mailto:dlong@palestineschools.org)*

This message seems to indicate that David Long had made up his mind on which vendor he preferred. He is formatting the evaluation spreadsheet for presentation to the Superintendent and he has requested a meeting with the Superintendent to review his recommendation. He believes that the Superintendent will approve his recommendation, and if the Superintendent does, he is requesting that a representative from Trillion plan on being in attendance at the School Board Meeting (which is only two business days away and common industry practice) to answer potential questions. Please keep in mind that in Palestine ISD's RFP, Best and Final offers were not allowed, therefore the proposals that were submitted were final. This communication has occurred after all bids had been fully received and no modifications were allowed. The school district had all the data necessary to make this decision, and the data could not change by the RFP requirements.

**USAC Alleged Communication Issue:**

*"Andy Pilarcik asked a few questions about what was expected from him at this meeting and David Long responded that he would prepare the presentation and comparisons, Andy would be there to answer any questions about the Trillion proposal. On January 15, 2009, David long forwarded Andy Pilarcki information about the location and time for the board meeting on January 19, 2009."*

**Communication Was Within Rules:**

The Superintendent had approved David Long's Recommendation. The new phone system was a consent agenda item on the School Board Meeting agenda. This process is standard industry practice for school districts. The technology department provides a recommendation on new technologies, the Superintendent (and potentially others) must approve the recommendation, and then the School Board approves the

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expenditure and signature of the legal document. Is USAC saying that this standard industry school district practice is against E-Rate rules?

**USAC Alleged Communication Issue:**

*“On January 19, 2009, David Long and Andy Pilarcik met for lunch. On the same date, the school board authorized school to enter a contract with Trillion. These emails suggest that Palestine had already decided to enter a contract with Trillion before the completion of the competitive bidding process.”*

**Communication Was Within Rules:**

A decision had been made. The bidding process was complete. Again, the FCC rules must be followed. The rules state that a school district must wait 28 days to make a decision. This is clearly after the 28 days. The school district utilized standard industry procurement practice that was within FCC, state and local law. Furthermore, Palestine Independent School District’s attorney has signed a Legal Opinion stating that the school has followed all state rules in this procurement process, see attached.

**USAC Alleged Communication Issue:**

*“The fact that David Long was preparing evaluation sheets and making arrangements with Trillion to be present at the school board meeting to approve the proposal, makes it appear that the competitive bidding process was not fair and open. Please explain how the competitive bidding process you used was fair and open when at the same time you were reviewing and evaluating bids, you were also making arrangements with Trillion to be present at the school board meeting that would approve the winning bid. Please provide detailed support for your responses, including any supporting documentation you can provide.”*

**Communication Was Within Rules:**

Throughout the entire bid process, Palestine Independent School District followed all FCC, state and local rules and utilized industry standard procurement decision making. Every step of the bid process, the school district communicated with all vendors equally as shown by the e-mail traffic. The data provided by Trillion prior to the bid was either publicly available or had no resemblance whatsoever to the requirements document issued by the school district. All data provided by Trillion prior to the Form 470 being posted was solely based upon Trillion’s product offering. The school district bid process was well beyond the 28 required waiting period. The communication with Trillion in regards to the School Board meeting was after all bids had been received. This competitive bidding process was fair and open.

Just a note, if the technology director was so enamored with Trillion and was willing to do as the USAC reviewer suggests, then why was Trillion not awarded the other bids for other product Trillion submitted? As an example, the following message dated January 28, 2009 was also provided to the USAC reviewer:

*“YES Trillion is working the cost as we speak*

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*I am on this*

*-----Original Message-----*

*From: David Long <DLong@palestineschools.org>*

*To: Andy Pilarcik*

*Sent: Wed Jan 28 17:07:51 2009*

*Subject: Quote on Internet Access from Trillion*

*Will we be getting a quote from Trillion on Internet access for Year 12?*

*Thanks,*

*David Long*

*Palestine ISD*

*Technology Director*

*1600 S. Loop 256*

*Palestine, TX 75801*

*903-731-8003"*

In this message, David Long is clearly looking for a response from Trillion on a product Trillion offers, which is Internet Access. The Trillion salesperson indicates that Trillion is responding to this bid. This e-mail message could be reviewed in the following jaded light:

- Technology Director prefers Trillion
- That same Director wants to make sure that Trillion provides a bid so that Trillion could be selected
- The salesperson indicates that "YES" Trillion is all over this deal because he knows for sure Trillion will be awarded this contract.
- Trillion just has to submit a bid

This e-mail string certainly could be viewed in this mischievous light. If this were the case, then why was Trillion not awarded this contract? The school district had filed a Form 470 # 477020000700259 and received proposals from vendors. It was after Trillion had been awarded the other contract. Yet, Trillion just lost this bid. This contract was awarded to Embarq on FRN # 1904284. It also is the case that Embarq provided a proposal to Palestine ISD for VoIP as well. There were two separate bids (One for Interconnected VoIP and the second for Internet Access) and two different vendors chosen and awarded contracts. This example highlights how ludicrous it is to think that a Technology Director for a school district would want to risk their job for a small company in Texas that they have only known for a couple of months. Why would they not choose larger more established company being Embarq?

As described in the Master Appeal filed on November 3, 2010, the communication between Palestine Independent School District and Trillion was nothing more than industry standard communication, and general discussion of Trillion's product offering information, or publicly available data as allowed by the FCC rules and USAC training. No data provided in the relevant bid documents show any bias toward Trillion's product offering. In fact, the data contained in the bid documents show very open requirements that lend itself to a highly competitive bid process. In summary, this applicant's and Trillion's actions were in full compliance with FCC, state and local procurement guidelines in effect at the time, as described

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in the Master Appeal Summary. Therefore, neither the applicant's, nor Trillion's actions, improperly affected the competitive bidding process in any way whatsoever.

Trillion respectfully requests that this appeal be granted.

Sincerely,

Trillion Partners, Inc.

Attachments:

- Master Appeal Summary dated November 3, 2010 as previously filed on November 3, 2010 under ECFS Number 2010113403548
- Funding Decision Commitment Letter (FCDL)
- USAC "Intent to Deny" funding letter
- Houston County School District RFP
- Palestine ISD RFP
- Bid spreadsheet
- Opinion of Counsel

Cc:

Ron Reich, Intel Capital

Peter Pitsch, Intel

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FUNDING COMMITMENT REPORT  
Service Provider Name: Trillion Partners, Inc  
SPIN: 143025872  
Funding Year: 2010

Name of Billed Entity: PALESTINE INDEP SCHOOL DIST  
Billed Entity Address: 1600 S LOOP 256  
Billed Entity City: PALESTINE  
Billed Entity State: TX  
Billed Entity Zip Code: 75801-5847  
Billed Entity Number: 140751  
Contact Person's Name: David Long  
Preferred Mode of Contact: EMAIL  
Contact Information: dlong@palestineschools.org  
Form 471 Application Number: 759855  
Funding Request Number: 2052803  
Funding Status: Not Funded  
Category of Service: Telecommunications Service  
Site Identifier: 16059257  
Form 470 Application Number: 619260000700220  
Contract Number: n/a  
Billing Account Number: 903-731-8000  
Service Start Date: 07/01/2010  
Contract Expiration Date: 06/30/2015  
Number of Months Recurring Service Provided in Funding Year: 12  
Annual Pre-Discount Amount for Eligible Recurring Charges: \$4,785.48  
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$.00  
Pre-Discount Amount: \$4,785.48  
Applicant's Discount Percentage Approved by SLD: 87%  
Funding Commitment Decision: \$.00 - Bidding Violation- SRC  
Funding Commitment Decision Explanation: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.

FCDL Date: 10/06/2010  
Wave Number: 020  
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

Date: September 22, 2010

David Long  
Palestine Independent School District  
(903) 731-8003  
dlong@palestineschools.org

**Response Due Date: September 30, 2010**

Dear Mr. Long:

We are in the process of reviewing funding requests you sought from Trillion Partners, Inc. to ensure that they are in compliance with the rules of the Universal Service program. The specific applications and requests are: Funding Year 2009 Application No. 689728, FRN 1889257 and Funding Year 2010 Application No. 759855 , FRNs 2052801, 2052803, and 2052798.

Based on the documentation that has been provided to USAC, the entire FRNs listed above will be denied because Palestine Independent School District did not conduct a fair and open competitive bidding process. The Form 470 associated with all the FRNs listed above was posted on 11/14/08 with an Allowable Contract Date of 12/12/08. The documentation indicates that the district engaged in numerous meetings, e-mail discussions, and verbal discussions with Trillion employees beginning in November 12,2008 prior to the posting for the Form 470 and thru the award of the contract with Trillion. These discussions were not general marketing discussions, but rather show that you provided Trillion with inside information regarding your needs and details about their procurement process, that Trillion influenced the procurement process by providing input into your Request for Proposal (RFP) and FCC Form 470 to ensure that Trillion would be awarded the contract, and that before the bids were even submitted and the selection made, you signaled that they would award the contract to Trillion.

Specifically, On November 12, 2008, David Long requested information from Trillion regarding Form 470s where VoIP was requested as a Priority 1 service and Andy Pilarick responded by providing information about Houston County's Form 470, Application No. 361360000695126.

On November 14, 2008, Palestine posted its Form 470, several days after receiving information from Trillion regarding its Pre-Design Plan for Palestine and information regarding Houston's Form 470. These emails seem to suggest that Trillion assisted Palestine with the preparation of its Form 470.

Further, some of the emails reviewed also suggest that it may have been pre-determined that Palestine would enter into a contract with Trillion even before the completion of the competitive bidding process. For example, on January 6, 2009, David Long (Palestine) forwarded Andy Pilarick (Trillion) SLD's response that there were no restrictions that prohibit the telecom vendor from installing their communications equipment on the customer premise. It does not appear that this information was shared with the other bidders.

In the email Mr. Long states, "I've already got my reply from SLD and I think it says it all! See below. Tell me what you think." It does not appear that David Long shared this information with the other vendors who requested copies of Palestine's RFP.

On January 8, 2009, Trillion submitted its bid to Palestine's RFP and Form 470. On January 13, 2009, David Long sent an email to all bidders and requesting them to review a spreadsheet he had prepared that summarized the costs/services of their proposals. On January 14, 2009, Andy Pilarcik responded and confirmed the Trillion spreadsheet was accurate.

On the same date, Andy Pilarcik asked David Long about whether there were any updates on the school board meeting. David Long responded and stated: "I'm doing the eval spreadsheet now. I called the supts secretary to get on his calendar to discuss this topic. The VoIP system is on the agenda. . ."

Andy Pilarcik asked a few questions about what was expected from him at this meeting and David Long responded that he would prepare the presentation and comparisons, Andy would be there to answer any questions about the Trillion proposal. On January 15, 2009, David long forwarded Andy Pilarcki information about the location and time for the board meeting on January 19, 2009.

On January 19, 2009, David Long and Andy Pilarcik met for lunch. On the same date, the school board authorized school to enter a contract with Trillion. These emails suggest that Palestine had already decided to enter a contract with Trillion before the completion of the competitive bidding process.

The fact that David Long was preparing evaluation sheets and making arrangements with Trillion to be present at the school board meeting to approve the proposal, makes it appear that the competitive bidding process was not fair and open. Please explain how the competitive bidding process you used was fair and open when at the same time you were reviewing and evaluating bids, you were also making arrangements with Trillion to be present at the school board meeting that would approve the winning bid. Please provide detailed support for your responses, including any supporting documentation you can provide. (Cited emails are attached at Palestine.CB.)

FCC rules require applicants to conduct a fair and open competitive bidding process free from conflicts of interest. *See 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, 317242, 317016, 311465, 317452, 315362, 309005, 317363, 314879, 305340, 315578, 318522, 315678, 306050, 331487, 320461, CC Docket Nos. 96-45, 97-21, Order, 19 FCC Rcd 6858, ¶ 60 (2003) ("Ysleta Order"); *See also Request for Review of Decisions of the Universal Service Administrator by MasterMind Internet Services, Inc., Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Order, 16 FCC Rcd 4028-4032-33, ¶ 10 (2000); *Request for Review of Decisions of the Universal Service Administrator by SEND Technologies LLC, Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Order, DA 07-1270 (2007); *Request for Review of Decisions of the Universal Service Administrator by Caldwell Parish School District, et al., Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Order, DA 08-449 (2008)(Caldwell Parish). Applicants cannot reveal to one prospective service provider information they do not provide to all. *See Caldwell Parish*, ¶ 16. Service providers are prohibited from filling out forms that require an applicant's signature and the 470 must be complete by the entity that will negotiate with prospective service providers. *See Caldwell Parish*, ¶ 17.

Please provide a response within 7 days.

If the applicant's authorized representative completed the information in this document, please attach a

copy of the letter of agency or consulting agreement between the applicant and the consultant authorizing them to act on the school or library's behalf. If you receive assistance outside of your organization in responding to this request, please indicate this in your reply.

Should you wish to cancel your Form 471 application(s), or any of your individual funding requests, please clearly indicate in your response that it is your intention to cancel an application or funding request(s). Include in any cancellation request the Form 471 application number(s) and/or funding request number(s). The cancellation request should be signed and dated and including both the name and title of the authorized individual.

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

Pina Portanova  
USAC, Schools and Libraries Division  
Phone: 973-581-5016  
Fax: 973-599-6552  
E-mail: [pportan@sl.universalservice.org](mailto:pportan@sl.universalservice.org)

**Houston County School District  
Leased Voice over Internet Protocol (VoIP) Services  
Request for Proposal (RFP)  
Bid Opening Date: December 9, 2008**

<b>I.</b>	<b>MISCELLANEOUS</b>
<b>A.</b>	The Houston County School District/Board of Education intends to contract for Leased Voice over Internet Protocol (VoIP) Services with the responsible bidder offering a proposal that is deemed the most acceptable and advantageous to the Houston County School District.
<b>B.</b>	Specifications are not intended to eliminate any reputable manufacturer, brand or bidder. Reference to manufacturers, brand names, suppliers catalog numbers, etc., is intended to set quality standards and does NOT exclude bids from others as long as quality standards are met. Pictures, descriptions and specifications shall accompany all bids.
<b>C.</b>	All bidders must use our Bid Response Form for submitting their bid.
<b>D.</b>	If a bid differs in any way from the bid specifications, the bidder must list the differences on the bid response form telling exactly where and how the bid deviates from said specifications. If no exceptions are listed on the bid, it will be presumed the bidder proposes to meet the specifications in every respect; and if awarded the contract, performance on this basis will be required.
<b>E.</b>	It is the bidder's responsibility to comply with all local, state, and federal laws as they apply to this bid.
<b>F.</b>	Houston County School District is exempted from all sales and use taxes under the provisions of Title 40, Chapter 23, Section 4 (15), Code of Alabama, 1975.
<b>G.</b>	Bid price is to be all inclusive with no allowable additional costs to Houston County School District Board of Education.
<b>H.</b>	Contracts over \$10,000 require compliance with Equal Employment Opportunity Regulations, The Clean Air Act, The Clean Water Act, and Environmental Protection Agency Regulations.
<b>I.</b>	<b>If the bid amount exceeds \$10,000 a certified check or bid bond, payable to the Houston County School District Board of Education, in the amount not less than five percent (5%) of the amount of the bid but in no event more than \$10,000, must accompany the bidder's proposal. Said bond will remain in effect until the contract is completed.</b>
<b>J.</b>	The Houston County School District Board of Education is an equal educational opportunity agency and prohibits discrimination in any of its educational programs, including employment, on the basis of sex, race, religion, national origin, color, age or any handicapping condition. The Board of Education complies fully with the provisions of Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the appropriate Department of Education regulations.
<b>K.</b>	The final awarding of this bid will be made by the Houston County School District Board of Education based on a recommendation from the Superintendent.

<b>L.</b>	If you choose not to bid, please return the invitation to Houston County School District and state the reason. Failure to respond may be cause for your name to be removed from our bid list.
<b>M.</b>	Houston County School District reserves the right to reject any and all bid proposals if deemed necessary in the best interest of Houston County School District.
<b>N.</b>	All vendors must have a valid Service Provider Identification Number with the Schools and Libraries Division of the Universal Services Fund AND that SPIN must be approved by SLD to provide Telecommunications services.
<b>O.</b>	Vendor must be classified as a common carrier for telecommunication services.
<b>P.</b>	All vendors must maintain a Green Light status with the FCC. If The Vendor fails to file the appropriate form with the SLD or fails to receive a Service Provider Identification Number (SPIN) or fails to remain in good standing with FCC, the Houston County School Board of Education is not responsible for the discounted portion of The Vendor's bill.
<b>Q.</b>	Houston County School District will review all proposals for service utilizing guidelines outlined by the Alabama State Bid Law and USAC-SLD E-rate funding requirements.
<b>R.</b>	The SLD funding cycle may take as long as twelve to eighteen months. The Vendor receiving the award must guarantee all pricing for all services, including optional services, for the term of the contract, including all option years. The Technology Coordinator will notify the winning vendor if projects will require changes or cancellation due to non-funding by SLD.
<b>S.</b>	All vendors submitting a bid are responsible for understanding USAC and FCC E-rate eligibility rules and are required to identify any costs, fees, products, or proposed uses that do meet the rules of eligibility for E-rate funding and should be filed as ineligible fees/charges.
<b>T.</b>	Vendor must have been in continuous business for a minimum of 5 years.
<b>U.</b>	<p><b>Contract will be awarded for a 36 month period (July 1, 2009 – June 30, 2012) contingent upon approval of E-rate funding on an annual basis</b>, with the school system having the option of two one year extensions July 1, 2012 to June 30, 2013 and July 1, 2013 to June 30, 2014. Options will be executed at the System’s discretion provided pricing remains the same as originally agreed upon, vendor continues to meet all other requirements, the System continues to be funded through the E-rate program, and when executing the Options does not violate bid laws or E-rate guidelines. This RFP and the successful bidder’s response will be made part of any contract awarded associated with this RFP.</p> <p>(Note: Current bid law restricts contracts to a maximum of three years. However, if bid law changes during the term of the contract, Houston County School District may be permitted under bid law to execute additional options if all other conditions are met).</p>
<b>V.</b>	Houston County School District reserves the right to cancel the contract with the vendor for nonperformance at any time during the contract period. Nonperformance includes but is not limited to failure to supply good quality service, failure to provide services for the full term of the contract, installation performance, poor billing and customer service services, and failure to maintain status as an authorized representative of services.

<b>W.</b>	Houston County School District reserves the right to terminate services if E-rate funding is not approved or is reduced during the specified period of the contract and/or extension periods.
<b>X.</b>	The Vendor must invoice the Schools and Library Division (SLD) directly (generate a Service Provider Invoice, FCC Form 474) for the discounted portion of each bill in accordance with SLD regulations. The school district will only be invoiced for the discounted portion.
<b>Y.</b>	It is understood that, except as otherwise specifically stated in this RFP, the Vendor shall provide and pay for all materials, labor, tools, equipment, transportation, temporary construction of every nature and all other services and facilities of every nature whatsoever, necessary to execute, complete and deliver the work within the specified time. Licenses necessary for the execution of the work shall be secured and paid for by the Vendor.
<b>Z.</b>	The Vendor shall protect all buildings, furniture, equipment, personal items, trees, shrubs, lawns and all landscaping on school property from damage. Any damaged property shall be repaired or replaced at the Vendor's expense. Labor shall include all restoration (leveling, laying of sod, etc.) of grounds broken up during the installation of this network.
<b>AA.</b>	The Vendor and his representatives shall follow all applicable school district regulations while on Houston County School property, including the no smoking, no weapons, and drug free policies. No work shall interfere with school activities or environment unless permission is given by the Principal or person in charge. All Vendor personnel shall be easily identified by the use of identification badges and uniforms or shirts with the Vendor's logo clearly visible.
<b>BB.</b>	Any changes, additions, modifications to the bid request will be posted to the Houston County Webpage <a href="http://www.hcboe.us">www.hcboe.us</a> . It is the vendor's responsibility to check for modifications.
<b>CC.</b>	No consideration will be given to any claims based on a lack of knowledge of existing conditions. For this reason, bidders are required to attend a site visit/survey prior to the bidder submitting a response to the bid. The date and time for site visitation is: <b>9:00am November 18, 2008 at Houston County School District Board of Education, 404 W. Washington Street, Dothan, AL 36301.</b>
<b>DD.</b>	<p><b>Sealed bids must be submitted in 4 copies (Paper - 1 original &amp; 2 copies; Electronic - 1 (PDF) exact copy) prior to the bid opening scheduled for 9:00am December 9, 2008, at the Houston County School District Board of Education, 404 W. Washington Street, Dothan, AL 36301.</b></p> <p><b>If the bid is mailed, it should be mailed to the Attention of Bob Blalock, Technology Coordinator. The vendor must clearly label the front of the bid "Bid # 12-9-08, Leased Voice over IP Services" and "<u>Sealed Bid DO NOT OPEN</u>" across or near the seal.</b></p> <p><b>Any late bids will not be opened or considered. No faxed or electronic bids will be accepted.</b></p>

<b>II.</b>	<b>REQUEST FOR PROPOSAL</b>
<b>A.</b>	<b>Point of Contact:</b> Bob Blalock, District Technology Coordinator, Email: bblalock@hcboe.us
<b>B.</b>	<p><b>Background and Basic Description of the Requirement:</b> The Houston County School District has a leased wireless wide area network (WAN) provided by Trillion Partners, Inc., which connects all schools, the central office, and other District administrative facilities enabling communication and collaboration throughout the school district. The WAN bandwidth between sites varies from 11Mbps to 54Mbps. The district is exploring the possibility of upgrading the WAN to 100Mbps wireless connectivity to all sites to support the increasing demands on the network, if funding permits within the next year, however, the quoted VoIP solution should be able to operate over the existing network without upgrade or disruption of voice, data, or video services. The proposed solution and services must provide Houston County School District with a leased VoIP system that is an end-to-end managed service and that meets all requirements specified within this RFP. The leased services should provide voice services between all district locations with connections to the Public Switched Telephone Network (PSTN) at all locations. If the bidder's solution requires additional bandwidth in the WAN to operate effectively without disrupting the operation of the existing data and video services the bidder must identify this requirement and specify the required WAN bandwidth in their proposal.</p>

<b>III.</b>	<b>SPECIFICATIONS</b>
<b>A.</b>	<p><b>Voice over Internet Protocol (VoIP) Services Requirements:</b></p> <p>Houston County School District is seeking a VoIP system as a leased managed service. Vendor shall provide VoIP services that will operate over the existing WAN providing VoIP services to <b>all</b> Houston County School District locations. Since the system is seeking a voice network that will operate between district locations and the public telephone network, the voice equipment at each location must be connected to the Houston County School District network and the Public Switched Telephone Network (PSTN) at each location. The VoIP managed service provider is responsible for providing all network components necessary to operate VoIP phones within the District. The Vendor solution must ensure the PBX/Call Manager/Centrex portion of the system used to provide the service is not located on customer premises. As funding becomes available Houston County School District is upgrading the local area networks to Cisco networks so the preferred platform of choice for this project is Cisco's AVVID and any complementing Cisco products to continue use of the existing and expanding Cisco data LAN infrastructure. Proposals for other solutions providing the required capabilities will however be accepted. In addition to the above requirements, vendor's services must provide all of the following capabilities, as a minimum, including features for future expansion without requiring the system to be replaced:</p> <ul style="list-style-type: none"> <li>▪ System will consist of all necessary equipment to support the immediate phone needs of approximately 226 - 250 administrative phones (one-for-one replacement of existing</li> </ul>

	<p>analog phones) and be able to support approximately 399 - 425 classroom phones which may be implemented during the initial implementation or activated incrementally over the course of the contract</p> <ul style="list-style-type: none"> <li>○ The system must also be able to support the ability for the district to grow beyond the combined number of administrative and classroom phones by 25% without incurring additional costs to upgrade the system</li> <li>▪ 1000 Centralized Voicemail boxes/services with message forwarding capability             <ul style="list-style-type: none"> <li>○ Option pricing to add additional voicemail boxes, as needed, is required</li> </ul> </li> <li>▪ Sufficient voicemail ports to ensure users or callers do not experience busy signals when accessing voicemail</li> <li>▪ The system must support two (2) PRIs which will be installed at two separate district locations and must be able to route calls to the appropriate PRI to enable local calling to all areas of the district from any school district location</li> <li>▪ The VoIP equipment serving each location must be connected to a sufficient number of phone lines appropriate to the current call traffic for that location to ensure incoming callers rarely experience busy signals when calling the site</li> <li>▪ Two (2) Fax over IP connections per location</li> <li>▪ All sites must have a minimum of 2 POTS lines that are always accessible by the phone system for remote survivability of 911 accesses. Fire/intrusion alarms and remote environmental systems must be independent of 911. 911 accesses must always be available</li> <li>▪ Transfer capability to all other telephones</li> <li>▪ Call Forwarding</li> <li>▪ Conference Call Capability</li> <li>▪ Call Hold</li> <li>▪ 4-digit dialing between locations</li> <li>▪ Ability for an employee to plug in their IP phone anywhere on the network and automatically receive calls without administrative intervention</li> <li>▪ All vendor equipment (except handsets) must be protected by Uninterrupted Power Supply (UPS)</li> <li>▪ System must be configurable to limit dialing options of each phone (i.e. not permit long distance calling on a specific handset or limit to internal calls only, etc.)</li> <li>▪ Be able to integrate into the existing intercom speakers/system, bell systems, and building controls at each facility</li> <li>▪ The entire system must be capable of remote management and support</li> <li>▪ Survivable remote capability             <ul style="list-style-type: none"> <li>○ All remote sites' existing networks must be able to process calls if the connection to Call Manager is somehow lost</li> <li>○ Intelligent and automatic failover configuration--no manual IT or telecom intervention should be required</li> </ul> </li> </ul>
<p><b>B.</b></p>	<p><b>Option to Lease or Purchase Handsets (Ineligible):</b></p> <p>The purchase or lease of VoIP handsets are being optionally sought by Houston County School District to enable users to operate the VoIP system to create a seamless capability. Pricing is needed for both the purchase and lease of 2-, 4-, &amp; 6-line, conference, wireless,</p>

	<p>video, and soft phones and expansion modules. Pricing should include installation, configuration, and leased support services. Any additional units needed during the term of the contract are to be added (installed, configured and supported) at the same purchase or lease price during the specified period of the contract and any extensions.</p> <p>Classroom phones may be mounted on the wall near the exit door in each classroom so vendor pricing to install these phones should include the labor and materials necessary to complete a mounted installation.</p>
<b>C.</b>	<p><b>Locations Requiring Leased VoIP Services:</b></p> <ul style="list-style-type: none"> <li>Ashford Elementary School</li> <li>Ashford High School</li> <li>Cottonwood Elementary &amp; High School</li> <li>GED Preparation Center and Hope High Program</li> <li>Houston County Career/Technical Center</li> <li>Houston County Alternative Center</li> <li>Houston County High School</li> <li>Rehobeth Elementary School</li> <li>Rehobeth Middle School</li> <li>Rehobeth High School</li> <li>Webb Elementary School</li> <li>Wicksburg Elementary and High School</li> <li>Houston County BOE Bus Shop</li> <li>Houston County Board of Education</li> </ul> <p>Sites may be added and/or removed during the period of the contract and any extensions to allow for site closures and new district sites.</p>
<b>D.</b>	<p>The vendor will be required to work cooperatively with the Wide Area Network provider to implement, manage, and support the VoIP services which will need to traverse the existing WAN.</p>
<b>E.</b>	<p>All communication lines must work with all existing equipment currently in place including but not limited to routers, firewalls, servers, filters, etc. If additional customer equipment is needed for the proposed solution to work properly, vendor must specify in their response, otherwise vendor will be responsible for providing any required equipment at no additional cost to Houston County School District.</p>
<b>F.</b>	<p>All pricing must include installation, setup, configuration and maintenance fees. When installation is complete, vendor's connectivity equipment must be connected to the existing Houston County School District network.</p>
<b>G.</b>	<p>The Vendor must provide survey, design, procurement, and configuration of the VoIP system to provide the requested services. This includes obtaining all permits, zoning requests, and inspections required by law, statute, or ordinance. Services are to be installed at all of the identified sites with demarcation of vendor's services to be provisioned at the school on an Ethernet interface provided by the vendor at Houston County School's designated demark.</p>

<b>H.</b>	Responsibility for maintaining the equipment and services rests with the vendor. The Vendor will be responsible for installation, configuration, maintenance and replacement, if necessary, of all equipment used to provide the services during the specified period of the contract.
<b>I.</b>	Vendor's equipment must meet industry standards for Quality of Service (QOS) with no additional cost or required upgrades to ensure effective operation and handling of any current and future voice over IP traffic.
<b>J.</b>	Vendor must provide a toll free number for technical support Monday-Friday 7:00 a.m. to 5:00 p.m. as a minimum.
<b>K.</b>	<p>The vendor should be prepared to guarantee the availability of the VoIP system <b>at each site</b> at 98 % as calculated by the following formula.</p> $\frac{(\text{Hours in a day}) \times (\text{days in a month}) \times (\text{number of sites}) - (\text{voice system outage time in hours})}{(\text{Hours in a day}) \times (\text{days in a month}) \times (\text{number of sites})}$ <p>Payment will not be made by the Customer for system outage time that exceeds 1 percent on a per site basis.</p>
<b>L.</b>	Vendor must provide a detailed description of the proposed services outlining the capabilities of their solution and its ability to meet all requirements specified in Section III.A. Include a diagram showing the placement of all equipment needed to provide the proposed solution/services.
<b>M.</b>	Vendor must provide a transition and implementation plan identifying proposed timelines for implementing the proposed solution.
<b>N.</b>	The vendor must describe the resources they will use to monitor, manage and repair the equipment infrastructure at all locations.
<b>O.</b>	Vendor must provide information on any Specializations and/or Certifications of your company and employees to design, implement, and maintain the equipment proposed in your solution.
<b>P.</b>	Houston County School District requires the bidder to provide a project management function as part of the services delivered by the service provider. Describe your company's project management process including competencies to coordinate project activities, resources, and communications with other vendors (i.e. the WAN provider and telephone company) and your experience and ability with coordinating large projects.
<b>Q.</b>	Vendor must provide three (3) references where vendor has provided the proposed services to customers of comparable size and scope with a summary of the services provided. Include a contact name, email address, and phone number for each reference.

<b>R.</b>	Vendor must provide a list of contact names and phone numbers for at least three (3) E-rate funded VoIP services contracts of at least comparable size. This information is necessary to ensure the vendor understands the E-rate program, understands eligibility of their product and services, and has been successful in providing E-rate eligible services in the past.
<b>S.</b>	<p>Before the start of services, the bidder shall furnish to Houston County Schools a Certificate of Insurance showing compliance within the following limitations and is required to maintain this insurance for the duration of the contract:</p> <p>Below is a list of the insurance coverage that must be procured and maintained by The Bidder at his own expense:</p> <ul style="list-style-type: none"> <li>• Personal injury, including death. Limits of \$1 million for each person and \$1 million for each accident.</li> </ul> <p>Property Damage limits of \$1million for each incidents and \$5 million for the aggregate.</p>
<b>T.</b>	Upon request, the Bidder must provide Item 21 Attachment documentation ready for filing for Universal Service Administrative Company (USAC), Schools and Libraries Division (SLD) FCC Form 471 and assist with providing information needed to respond to SLD application reviewer requests for information.

**IV. Questions Concerning Specifications**

Questions regarding bid specifications must be submitted in writing to the **Technology Coordinator, Bob Blalock, email: [bblalock@hcboe.us](mailto:bblalock@hcboe.us) or Fax (334) 792-1016**, not later than **December 3, 2008**.

**V. Basis of Award**

Evaluation is a two-step process. The first step involves determining if the submittal is complete, accurate, and meets the requirements. The second step is comparing the cost-effectiveness of the proposed solutions which have successfully passed the first step process. In keeping with the guidelines of USAC, this RFP will be awarded to the most cost effective provider. Prices will be the primary factor, but not necessarily the sole factor, in evaluating the bids. Other factors of consideration may be quality of proposed solution, including the ability of the proposed solution to meet all stated requirements (this will be a key factor); prior experience, including past performance; personnel qualifications, including technical excellence; management capability, including schedule compliance; environmental objectives; and flexibility of leasing terms and arrangements. Houston County School District does not guarantee award of a contract and reserves the right to reject all bids.

**These factors may be utilized in weighing the RFP responses as follows:**

<b>Factor</b>	<b>Weight</b>
Price	28%
Quality of Proposed Solution	25%
Company & Personnel Qualifications & Certifications	20%
Prior Experience	17%
Transition & Implementation Plan	10%
<b>TOTAL</b>	<b>100%</b>

**The bid will be awarded as a collective grand total and not item by item. Houston County School District may elect to award all, some or none of the services bid.**

**Houston County School District  
Leased Voice over Internet Protocol (VoIP) Services  
Bid Opening Date: December 9, 2008  
(Sealed Bids Accepted Until 8:00 am)**

**Bid Response Form (Page 1 of 10)**

**NAME OF FIRM:**

\_\_\_\_\_

**ADDRESS OF FIRM:**

\_\_\_\_\_

\_\_\_\_\_

**E-RATE SPIN:**

\_\_\_\_\_

**NAME (TYPE OR PRINT):**

\_\_\_\_\_

**\*AUTHORIZED SIGNATURE:**

\_\_\_\_\_

**DATE:**

\_\_\_\_\_

**TELEPHONE:** (\_\_\_\_) \_\_\_\_\_

\_\_\_\_\_

**\*Signature certifies the proposed solution and services meet all requirements outline in the Sections I – III and the Vendor will comply with all specified requirements unless exceptions are noted below.**





**Bid Response Form (Page 3 of 10)**

If bidding a substitute, bidder must identify in detail the differences on attached sheet. Please include any other documents that will support your explanation. Identify any ineligible fees/services. Failure to complete this document may result in rejection of bid.

**Voice over Internet Protocol (VoIP) Services:**

<b>District-wide Implementation</b>						
<b>Item Reference</b>	<b>Service Description</b>	<b>Eligible Monthly Price (include all taxes &amp; fees)</b>	<b>Eligible Yearly Price (include all taxes &amp; fees)</b>	<b>Eligible One-time Installation Fee or Other Non-recurring Charges (Specify what each includes)</b>	<b>Ineligible Monthly &amp; One-Time (O/T) Prices (this is In addition &amp; is not included in the previous pricing) (Specify what is ineligible)</b>	
D1-1	District-wide VoIP Managed Leased Services (all admin areas and classrooms)	\$	\$	\$	\$	Mo.
					\$	O/T
D1-2	Additional Cost/Fees, if any Please Specify:	\$	\$	\$	\$	Mo.
					\$	O/T
<b>Total Cost for District-wide Implementation/Services:</b>		\$	\$	\$	\$	Mo.
					\$	O/T

**Note: Do not include the cost of handset installation on this form. All activities associated with the handsets should be priced separately. Handset installation, configuration and support pricing should be provided on pages 7-9 of the Bid Response Form.**

**Bid Response Form (Page 4 of 10)**

<b>Administrative Offices Only Implementation</b>						
<b>Item Reference</b>	<b>Service Description</b>	<b>Eligible Monthly Price (include all taxes &amp; fees)</b>	<b>Eligible Yearly Price (include all taxes &amp; fees)</b>	<b>Eligible One-time Installation Fee or Other Non-recurring Charges (Specify what each includes)</b>	<b>Ineligible Monthly &amp; One-Time (O/T) Prices (this is In addition &amp; is not included in the previous pricing) (Specify what is ineligible)</b>	
A1-1	Admin/Office Areas Only - VoIP Managed Leased Services (District-wide (includes areas within all schools))	\$	\$	\$	\$	Mo.
					\$	O/T
A1-2	Additional Cost/Fees, if any Please Specify:	\$	\$	\$	\$	Mo.
					\$	O/T
<b>Total Cost for Admin Offices (District-wide) Implementation/Services:</b>		\$	\$	\$	\$	Mo.
					\$	O/T

**Note: Do not include the cost of handset installation on this form. All activities associated with the handsets should be priced separately. Handset installation, configuration and support pricing should be provided on pages 7-9 of the Bid Response Form.**

**Bid Response Form (Page 5 of 10)**

<b>Classroom Add-ons to Admin Only Implementation</b>					
<b>Item Reference</b>	<b>Service Description</b>	<b>Eligible Monthly Price (include all taxes &amp; fees)</b>	<b>Eligible Yearly Price (include all taxes &amp; fees)</b>	<b>Eligible One-time Installation Fee or Other Non-recurring Charges (Specify what each includes)</b>	<b>Ineligible Monthly &amp; One-Time (O/T) Prices (this is In addition &amp; is not included in the previous pricing) (Specify what is ineligible)</b>
C1-1	Per Site Pricing to add VoIP Managed Leased Services in the classrooms of an Elementary School, Alternative School, or Career Tech School or comparable	\$	\$	\$	\$ Mo. \$ O/T
C1-2	Per Site Pricing to add VoIP Managed Leased Services in the classrooms of a Middle School or comparable	\$	\$	\$	\$ Mo. \$ O/T
C1-3	Per Site Pricing to add VoIP Managed Leased Services in the classrooms of a High School or K-12 School or comparable	\$	\$	\$	\$ Mo. \$ O/T

**Note: Do not include the cost of handset installation on this form. All activities associated with the handsets should be priced separately. Handset installation, configuration and support pricing should be provided on pages 7-9 of the Bid Response Form.**

**Bid Response Form (Page 6 of 10)**

<b>Additional Options</b>					
<b>Item Reference</b>	<b>Service Description</b>	<b>Eligible Monthly Price (include all taxes &amp; fees)</b>	<b>Eligible Yearly Price (include all taxes &amp; fees)</b>	<b>Eligible One-time Installation Fee or Other Non-recurring Charges (Specify what each includes)</b>	<b>Ineligible Monthly &amp; One-Time (O/T) Prices (this is In addition &amp; is not included in the previous pricing) (Specify what is ineligible)</b>
O1-1	Addition of a VoIP site during the contract period (Admin Areas Only)	\$	\$	\$	\$ Mo. \$ O/T
O1-2	Addition of a VoIP site during the contract period (Entire Site (includes admin areas and classrooms))	\$	\$	\$	\$ Mo. \$ O/T
O1-3	Additional Voicemail Boxes  Number in Bundle _____	\$	\$	\$	\$ Mo. \$ O/T

**Note: Do not include the cost of handset installation on this form. All activities associated with the handsets should be priced separately. Handset installation, configuration and support pricing should be provided on pages 7-9 of the Bid Response Form.**

**Bid Response Form (Page 7 of 10)**

**Leased VoIP Handset Requirements – Optional E-rate Ineligible Products:**

Item Reference	VoIP Handsets	Manufacturer & Model	Office/Administrative Phone (or classroom phone located on desk)	Classroom Phone (wall mounted)
			Monthly Lease of Handset (includes installation, configuration, & support)	Monthly Lease of Handset (includes installation, configuration, & support)
O2-1	2-Line IP Phone		\$ Monthly \$ One-time	\$ Monthly \$ One-time
O2-2	4-Line IP Phone		\$ Monthly \$ One-time	\$ Monthly \$ One-time
O2-3	6-Line IP Phone		\$ Monthly \$ One-time	\$ Monthly \$ One-time
O2-4	IP Conference Phone		\$ Monthly \$ One-time	\$ Monthly \$ One-time
O2-5	Wireless IP Phone		\$ Monthly \$ One-time	\$ Monthly \$ One-time

**Bid Response Form (Page 8 of 10)**

Item Reference	VoIP Handsets	Manufacturer & Model	Office/Administrative Phone (or classroom phone located on desk) Monthly Lease of Handset (includes installation, configuration, & support)	Classroom Phone (wall mounted) Monthly Lease of Handset (includes installation, configuration, & support)
O2-6	IP Video Phone		\$ Monthly \$ One-time	\$ Monthly \$ One-time
O2-7	Soft Phone		\$ Monthly \$ One-time	\$ Monthly \$ One-time
O2-8	IP Phone Sidecar / Expansion Module		\$ Monthly \$ One-time	\$ Monthly \$ One-time

**Bid Response Form (Page 9 of 10)**

**Purchased VoIP Handset Requirements – Optional E-rate Ineligible Products:**

Item Reference	VoIP Handsets	Manufacturer & Model	Office/Administrative Phone (or classroom phone located on desk)  Purchase of Handset with Installation, Configuration & First Year Maintenance (includes manufacturer maintenance & vendor support)	Classroom Phone (wall mounted)  Purchase of Handset with Installation, Configuration & First Year Maintenance (includes manufacturer maintenance & vendor support)	Yearly Leased Manufacturer Maintenance & Vendor Support for Purchased Handsets (after 1 <sup>st</sup> year)
O3-1	2-Line IP Phone		\$	\$	\$
O3-2	4-Line IP Phone		\$	\$	\$
O3-3	6-Line IP Phone		\$	\$	\$
O3-4	IP Conference Phone		\$	\$	\$
O3-5	Wireless IP Phone		\$	\$	\$
O3-6	IP Video Phone		\$	\$	\$
O3-7	Soft Phone		\$	\$	\$
O3-8	IP Phone Sidecar / Expansion Module		\$	\$	\$

**Bid Response Form (Page 10 of 10)**

Bid response must include, as a minimum (Bidder is responsible for reading the RFP to ensure all requested items, which may or may not be listed, are provided with their bid):

1. Completed Bid Response Form and Certifications (all pages)
2. Bid Bond or Certified Check
3. References
4. E-rate SPIN
5. Detailed Description of Proposed Services & Diagram
6. Transition and Implementation Plan
7. Qualifications and Technical Certifications
8. E-rate References/Experience Documentation
9. All items identified in SECTIONS II AND III

**Failure to provide the required information in the specified manner may be a basis for the bid in its entirety to be thrown out without consideration.**

Palestine Independent School District  
1600 S. Loop 256  
Palestine, TX 75801  
Revision 4

November 17, 2008

Request for Proposal: Voice over Internet Protocol (VoIP)

Deadline: January 12, 2009

Summary of Rev 4 Changes:

1. Handset distribution quantities now detailed on Attachment 1.
2. District map included with current switch locations on Attachment 2

**Background:** The Palestine Independent School District operates a WAN connecting 5 schools and various administrative buildings in Palestine, Texas. The current connectivity is via T1 connectivity but will be upgraded to GB Ethernet in the very near future. The District would like to utilize the capabilities of this data network to replace the existing analog and digital phones.

The Palestine Independent School District requests that vendors submit proposals to provide the necessary components and services to deliver a VoIP solution to the District that will qualify as a Priority 1 Telecommunications service as defined by eRate. The District understands that handsets are not covered under eRate; however, pricing for these handsets must be included in the proposal.

**Current Environment:** The current phone system for the District utilizes Nortel equipment that supports both analog and digital phones. We do not wish to connect this system to the VoIP system for the long term.

**Desired Features:** The vendor's proposal should address the following desired features.

911 Identification & Location: When a call is made out of the system to a standard 911 operator, the street address of the locations from which the call is made must be displayed to the 911 operator. Additionally, the system must be capable of notifying designated individuals via phone call, text message or email.

Hearing impaired: Facilities must be available to accommodate the hearing impaired.

Call Forwarding: The proposed system must be capable of call forwarding on all handsets.

Call Waiting: The proposed system must be capable of call waiting on all handsets.

Call Hold: The proposed system must allow any user to place a call on hold.

Call Pickup: The proposed system must allow any user to pickup a call from another local handset.

Call Recording: The proposed system should allow for call recording on demand.

Three-way calling: The proposed system must allow any user to make a three-way phone call.

PA/Intercom capabilities: The proposed system must be capable of being used as a two-way intercom system to defined groups of handsets in the system as designated by the system administrator.

Call restrictions: The proposed system must allow the system administrator to restrict toll calls, directory information calls, and 900 number calls on any handset.

Four-digit dialing: The proposed system must allow for 4-digit dialing to any phone in the District.

Voice Mail: The proposed solution must provide voice mail services for approximately 200 users with up to 30 minutes of voice-mail storage per user. The voice mail system must allow for future growth. The voice mail system must integrate with our current Exchange 2003 email system and future versions of Exchange.

Central Administration: The proposed solution must provide for centrally administering new phone accounts and for changing or deleting existing accounts. The vendor's proposal must provide examples of this feature.

Tracking for Long Distance Billing: The proposed system must provide the caller identification information to long distance carriers, and should offer a system to track phone and call utilization within the network.

IP Telephone Handsets: IP telephone handsets should be proposed with external power supplies.

Training: Please explain how training will be included and how often training will be made available.

Service Level Agreement: 100% uptime with monetary penalties for non-compliance

Hardware monitoring: 7x24 monitoring of all installed equipment

Location of equipment: Palestine ISD facilities with primary equipment being located in the server room at the Administration Offices at 1600 S. Loop 256, Palestine, TX 75801.

Voice Menus: The proposed system must be capable of supporting customer-built voice menu systems and a dial by last name directory.

Data Integration: All network hardware and handsets must be capable of functioning on our existing network.

Billing: Palestine ISD prefers discounted billing based on our eRate discount.

PRI Circuits: Two (2) required but may increase as we add classrooms

Handset Distribution: See Attachment 1

**Statement of Purpose:** It is the purpose of this Request for Proposal (RFP) to define the District's minimum requirements, solicit proposals and select a provider for a VoIP solution.

**Scope of Work:** The District intends to procure the switching and software portion of the VoIP solution as a Priority 1 Telecommunications service. The handsets will be purchased with local funds. The system will replace the existing Nortel PBX system. During the installation we will require both systems to be operational prior to using the new system. Service from phone companies will be via PRI line or equivalent alternate. The District also has multiple analog lines and plans to incorporate them into this system. The District plans to leave a fax and a single analog line at each campus for emergencies.

**Proposal Duration:** The proposal must be guaranteed until the District receives the Funding Commitment Decision Letter (FCDL).

**Additional Terms and Conditions:**

**Insurance:** The successful vendor will be required to provide proof of adequate worker's compensation and public liability insurance coverage before entering into a contract. Additionally, the Board may, at its sole discretion, require the apparent successful vendor to provide proof of other forms of insurance. Any insurance required by the Board shall be acceptable to the Board.

**Licensure:** Before a contract pursuant to this RFP is executed, the successful vendor must hold all necessary, applicable business and professional licenses. The Board may require any or all vendors to submit evidence of proper licensure.

**RFP Amendment and Cancellation:** The Board reserves the unilateral right to amend this RFP in writing at any time. The Board also reserves the right to cancel or reissue the RFP at its sole discretion. If an amendment is issued, it will be sent via email to all currently interested parties. Proposers shall respond to the final written RFP and any exhibits, attachments and amendments.

**Right of Rejection:** The Board reserves the right, at its sole discretion, to reject any and all proposals or to cancel this FRP in its entirety when in its judgment, it will be in the best interest of the District.

Any proposal received which does not meet the requirements of this RFP may be considered to be nonresponsive and the proposal may be rejected. Proposers must comply with all of the terms of this RFP. The Board may reject any proposal that does not comply with all of the terms, conditions, and performance requirements of this RFP.

The Board reserves the right to waive formalities and technicalities in any proposal.

**Disclosure of Proposal Contents:** All proposals and other materials submitted in response to this RFP procurement process become the property of Palestine ISD. Selection or rejection of a proposal does not affect this right. All proposal information, including detailed price and cost information, shall be held in confidence.

**Proposer Organization: The bidders must submit the following as part of their RFP submission**

- A. History of the Company
- B. Personnel Qualifications
- C. Experience and capabilities of Company. Vendors must also cite history of successful implementation of projects of a similar size and scope, and must provide three (3) references as part of the proposal.
- D. References – Provide names and phone numbers of three (3) references in a K-12 environment who are currently using your VoIP solutions.
- E. Miscellaneous – Provide any additional information that you believe is relevant to this RFP and your capability to provide the VoIP solution requested (i.e. product brochures, articles in trade journals, etc.)

**RFP Response:** The proposal response must address the following:

- A. Hardware type and location
- B. Software to include reporting capabilities
- C. Technical capabilities of total system to include redundancies
- D. Lines and services to be provided by Telephone Companies
- E. Installation and implementation. The vendor must propose delivery, installation, and setup services for the implementation of the system components and any IP telephone handsets.
- F. Training for system administrators, managers and users including a complete set of training documents in Word format. The vendor must propose training for the network support staff that will be responsible for the troubleshooting and operation of the IP telephony system.
- G. Contract pricing to include all hardware, software, installation and all fees and costs associated with implementation (i.e. a complete turnkey installation).

Since this will be procured as an eRate Priority 1 service, please provide contract lengths and monthly costs.

- H. **Warranty and Maintenance:** The vendor must propose his warranty on each component of the proposed solution, along with any ongoing maintenance offered following the expiration of the normal warranty period.

**Contract Monitoring:** The contractor shall be responsible for the completion of all work and services set out in any resulting contract. All equipment, work and services are subject to inspection, evaluation, and acceptance by the Board. The Board may employ all reasonable means to ensure that the work and services are progressing and being performed in compliance with the contract.

**Cost as a Consideration:** Cost will be a major consideration in the awarding of any contracts resulting from this RFP.

**Proposal Evaluation Process:**

The evaluation process is designed to award the procurement not necessarily to the proposer of least cost, but rather to the proposer with the best combination of attributes based up the evaluation criteria. The Technology Director shall manage the proposal evaluation process and maintain proposal evaluation records. The final recommendation will be presented to the Board for final approval.

The Board reserves the right, at its sole discretion, to request clarifications of proposals.

**Contract Award Process:**

The Board reserves the right to make an award without further discussion of any proposal submitted. Each proposal should be initially submitted on the most favorable terms the proposer can offer. There will be no best and final offer procedure.

The Board reserves the right, at its sole discretion, to negotiate with the apparent best evaluated proposer. Price will be a major determining factor.

## Palestine ISD Year 12 VoIP Handset Estimate Attachment 1

11/24/2008

Location No.	Building	MDF or IDF	Loc Served	Current Multi-line	Current Single-line	Future Multi-line	Future Single-line
9	Administration office	MDF	Offices	7	15	0	5
				7	15	0	5
25	High School – PEP Room	IDF	Offices and classrooms	0	2	0	20
11	High School Bandhall	IDF	Offices and classrooms	0	3	0	8
10	High School	IDF	Classrooms	0	0	0	20
12	High School Girls Gym	IDF	Offices	0	2	0	2
8	High School Library	IDF	Offices and classrooms	2	8	0	15
24	High School Office Area	MDF	Offices and classrooms	8	15	0	15
13	High School Vocational Bldg	MDF	Offices and classrooms	2	20	0	10
				12	50	0	90
4	Maintenance	MDF	Offices	2	13	0	5
				2	13	0	5
16	Middle School – Library	MDF	Offices and classrooms	8	10	0	24
15	Middle School – Room 38	IDF	Offices and classrooms	0	6	0	24
14	Middle School – SAC room	IDF	Offices and classrooms	0	2	0	2
17	Middle School – Spec Ed	IDF	Offices and classrooms	0	2	0	4
				8	20	0	54
6	Northside – Main	MDF	Offices and classrooms	7	3	0	13
5	Northside Portables	IDF	Classrooms	0	0	0	10
7	Northside Portables	IDF	Classrooms	0	0	0	2

				7	3	0	25
18	Sam Houston – Board Room	IDF	Offices	0	0	0	2
19	Sam Houston – Lounge area	MDF	Offices and classroom	7	17	0	8
				7	17	0	10
3	Southside – Main	MDF	Offices and classrooms	8	3	0	21
1	Southside Portables	IDF	Classroom	0	0	0	11
2	Southside Portables	IDF	Classroom	0	0	0	12
				8	3	0	44
21	Story – 300 Wing	IDF	Classrooms	0	0	0	25
22	Story – 400 Wing	IDF	Classrooms	0	0	0	25
23	Story – 500 Wing	IDF	Classrooms	0	0	0	25
20	Story – Library	MDF	Offices and classrooms	8	20	0	5
				8	20	0	80

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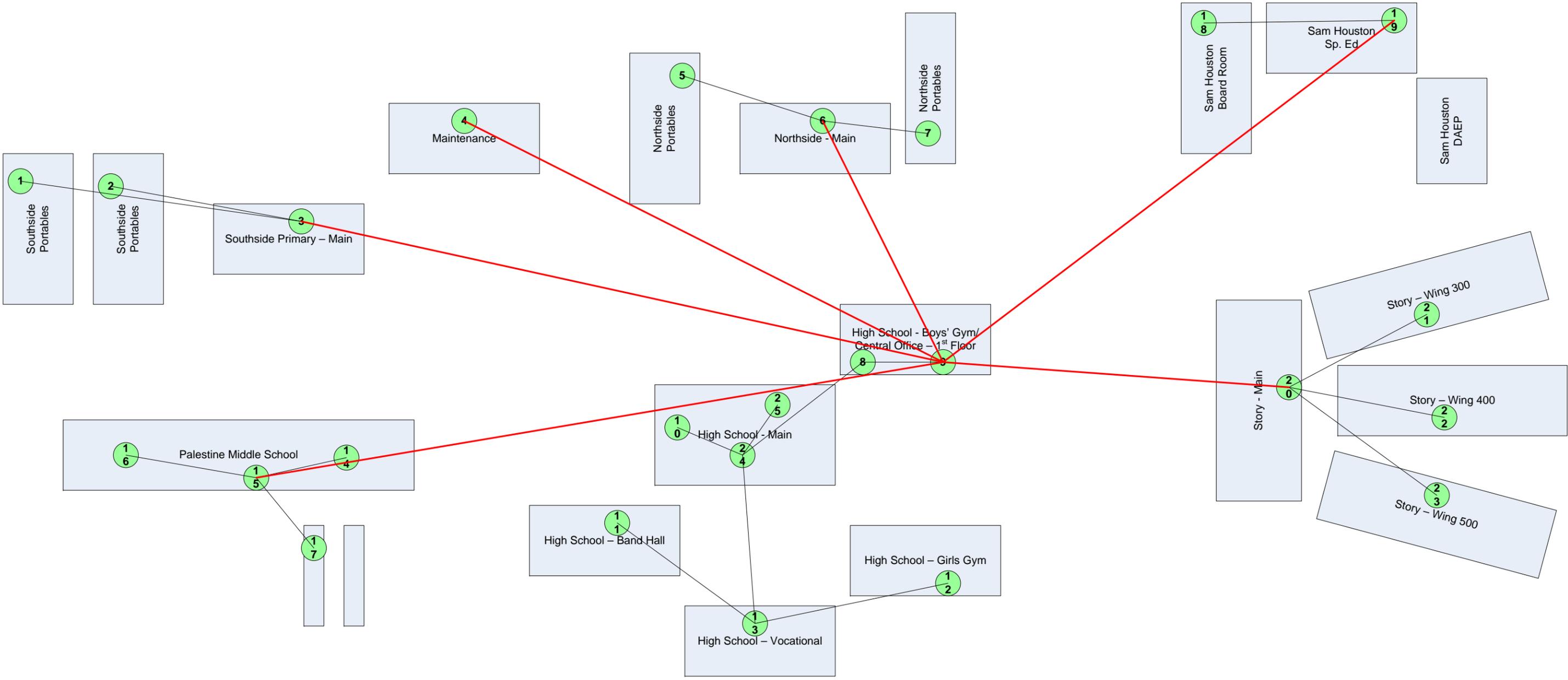
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313

Palestine ISD IDF/MDF Locations  
 November 24, 2008  
 Proposed WAN Connectivity

Attachment 2



Legend:  
 — WAN Connections (GB Ethernet over Fiber)

Vendor	VoIP Network Hardware with Voice Mail for 200 but capable of supporting all 513 incl hardware monitoring, i.e. a turnkey installation		Voice Mail for remaining 313 phones in classrooms		Initial 200 Handsets (include installation but no maintenance)		Remaining 313 H (include installa maintenance)	
	NRC	MRC	NRC	MRC	NRC	MRC	NRC	
Trillion	\$0.00	\$5,336.19	\$0.00	\$5,943.87	\$43,439.75	\$0.00	\$52,506.11	

Handsets Installation but no MRC	5 Year Cost for 200 Phones + Voicemail (with eRate Disc of 80%)	5 Year Cost for 313 Add'l Voicemail only	5 Year Cost for 313 Add'l Phones only
	\$0.00	\$107,474.03	\$71,326.44

Ann Greenberg  
agreenberg@wabsa.com

WALSH, ANDERSON,  
BROWN, ALDRIDGE  
& GALLEGOS, P.C.  
ATTORNEYS AT LAW

Austin Office  
(512) 454-6864 ext. 618



Customer: Palestine Independent School District  
1600 South Loop 256  
Palestine, Texas 75801

Trillion: Trillion Partners, Inc.  
9208 Waterford Centre Boulevard, Suite 150  
Austin, TX 78758

Re: Services Agreement by and between Palestine Independent School District  
("Customer") and Trillion Partners, Inc., dated as of February 12, 2009 (the  
"Agreement")

Dear Trillion Partners, Inc.:

I have acted as counsel to Customer with respect to the Customer Opinion of Counsel Letter requested by Trillion Partners, Inc., related to the Agreement described above. Based upon the examination of the documents as I deem relevant, as well as the representations made to me by Dr. Thomas Wallace, the Superintendent of Schools of Palestine Independent School District, Lisa LeMon, the Palestine Independent School District's Business Manager, and David Long, the Palestine Independent School District's Technology Director, it is my opinion that:

1. Customer is an independent school district and political subdivision of the State of Texas (the "State") duly organized, existing and operating under the Constitution and the laws of the State. The full, true and correct legal name of Customer is Palestine Independent School District.
2. Customer is authorized and has power under State law to enter into the Agreement, and to carry out its obligations thereunder and the transactions contemplated thereby.
3. The Agreement and the other documents described above have been duly authorized, approved, and will be executed and delivered by and on behalf of Customer, and the Agreement is a valid and binding contract of Customer enforceable in accordance with its terms, except to the extent limited by State and Federal laws affecting remedies and by bankruptcy, reorganization of other laws of general application relating to or affecting the enforcement of creditor's rights.

4. The authorization, approval and execution of the Agreement and all other proceedings of Customer relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public binding laws and all other applicable State and Federal laws.

5. It is my understanding that there is no litigation, action, suit or proceeding pending or before any court, administrative agency, arbiter or government body that challenges the organization or existence of Customer, the authority of the organization or existence of Customer; the authority of officers; the proper authorization, approval and execution of the Agreement and the other documents described above; the appropriation of monies to make Payments under the Agreement for the current fiscal year, or the ability of Customer otherwise to perform its obligations under the Agreement and the transactions contemplated thereby.

Please note that in reaching the opinions set forth herein, I have relied upon certain documents and representations provided by Customer, as follows:

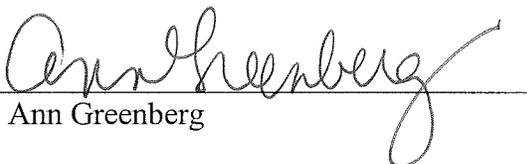
1. Agenda and minutes of the meeting of the Board of Trustees of the Palestine Independent School District on January 19, 2009.
2. Draft of Agreement purportedly executed February 12, 2009.
3. Representation by David Long that Customer posted the E-Rate Form 470 Request for Proposal 2009-2010 from November 14, 2008 to January 5, 2009, and that the form 470 was completed on November 14, 2008.
4. Representation by Customer that Trillion Partners, Inc., timely and fully responded to the posting.
5. Representation by Customer that there are no legal or governmental proceedings or litigation pending, threatened or contemplated (or any basis therefore) wherein an unfavorable decision, ruling or finding might adversely affect the transaction contemplated in or the validity of the Lease.
6. Representation by Customer that the adoption, execution and/or delivery of the Agreement and the proceedings, and the compliance by the Customer with their provisions, will not conflict with or constitute a breach of or default under any court decree or order or any agreement, indenture, lease or other instrument or any existing law or administrative regulation, decree or order to which the Customer is subject or by which the Customer is or may be bound.
7. Representation by Customer, specifically, the Superintendent of Schools, that the Agreement and the other documents described above have been, according to the Customer's pattern and

practice, duly authorized, approved, and will be executed and delivered by and on behalf of Customer, and that the Agreement is a valid and binding contract of Customer enforceable in accordance with its terms, except to the extent limited by State and Federal laws affecting remedies and by bankruptcy, reorganization of other laws of general application relating to or affecting the enforcement of creditor's rights.

I have relied on the factual accuracy of the information contained on the face of such documents and in such representations and have made no attempt to verify such information through independent means. If such information is not factually accurate, then my opinion would be subject to change accordingly.

The above-referenced opinion was provided to Trillion Partners, Inc., on February 12, 2009. Trillion Partners, Inc., has now requested the additional statement, which follows as my amended opinion of counsel: this opinion of counsel may be relied upon by Trillion Partners, Inc. and its successors and assignees.

WALSH, ANDERSON, BROWN, ALDRIDGE &  
GALLEGOS, P.C.

BY:   
Ann Greenberg

cc: Dr. Thomas A. Wallace, Superintendent of Schools  
Ms. Lisa LeMon, Business Manager  
Mr. David Long, Technology Director  
PALESTINE INDEPENDENT SCHOOL DISTRICT