RACHEL STOGNER
So, thank you everyone who came to attend. We appreciate your time. So, welcome to the High-Speed Broadband Program Consortium Procurement webinar. And if I could have the next slide, please.

So, I'll go ahead and introduce myself. I'm Rachel Stogner. I'm the Grants Coordinator with California Library Connect. If you have done any grant applications for our equipment grant you probably, or the collaborative grant, you've probably seen my name before. Heather Mills is not attending, but she is our Program Administrator. Caroline Mueller, who you've probably seen if you've been involved with any of the contracting is currently controlling the screen. Thank you, Caroline. Kayleigh Pears is our Communication Coordinator, and if you have any questions about any network engineering that would be Jim Zimmerman, and I believe that's everyone except Patti who is also attending. And Josh Chisom is here, and he'll be doing the majority of the presentation today. And Wendy Amireh is, I don't believe, here right now. She's the Grants Analyst for the California State Library.

And can I have the next? Slide, please. Alright, I'm going to go ahead and hand it off to Josh to begin. The we'll start the presentation. Thank you.

JOSH CHISOM
Thanks Rachel. Hi everyone, for those of you that I haven't had the pleasure of meeting yet. My name is Josh Chisom. I'm the Program Manager for Broadband at the State Library, and thanks for joining us today. These slides and the recording will be available if you have any colleagues that didn't get a chance to attend, and I think the slides have a lot of good information that could be valuable reference materials later on.

So, what we're talking about, we're going to get a little bit in the weeds around E-Rate and E-Rate rules and so forth, but I want to start with just a little bit more of a big picture. Which is, you know, the purpose of this webinar, and of the new grant program. We're going to talk about, towards the end of the presentation, that the library is managing, is we want to help under resourced, under connected areas. You know, libraries and their partner institutions like local schools and so forth, access high speed Internet. You know where I'm talking about, areas where, either due to low population, terrain, or just general under resourced, you know, being under resourced, they have not been able to find affordable fiber-based broadband Internet for their facilities. And yet they want it. So, what we're going to talk about
are ways to address that through forming consortia with other local entities, through accessing E-Rate and other grant opportunities in order to, you know, aggregate demand to bring prices down, make a business case for local vendors to come in and serve these communities.

So, that's really the focus. I think a lot of this information will be useful for a more general audience, but that's really what we're going to be focusing on is if you've got branch libraries that you just have not been able to get high speed Internet to, we're going to try and talk about some strategies for addressing that.

And so, this is our agenda. We're going to talk about consortia in terms of E-Rate. What that means, how to set one up. Spend probably most of the time on the procurement process, and thinking about that, ways to maximize your chances of a positive outcome. And then at the end we will be talking about some of the grant programs that we have available through the State Library.

And please feel free to put any questions you have in the chat. We definitely want to make sure we address any specific questions you have while we're here together. So, with that let's get started with the next slide please.

So again, if we think about sort of an example of an ideal situation for a consortium project, it would be maybe a small town or locality that has a branch library, a school district, some local government agencies, and maybe a healthcare provider. But because of, again, the location or low population, they've not been able to get a good high-speed, affordable Internet into that area.

So, one way to try and address that and try and get some interest from vendors is to form a consortium. So, simple fact is it's just two or more organizations pooling their resources, getting together to participate in a common activity and for E-Rate and what we're talking about today, it's doing so to aggregate demand, try and lower prices, and get vendors interested, get them bidding, and get them out into your community. Next slide, please.

If you want to set up a consortium for E-Rate, the rules are probably less restrictive than a lot of other areas. Really, you need to have a consortium lead, someone, one of the members that says, “I will take responsibility for running this from an E-Rate perspective.” That basically means sort of corralling the members, setting up the procurement process. You may be delegating that to a team, but setting up, you know, the putting together of your bid documents and making sure that the E-Rate filing is done, record keeping. There's very basic record, it's just a couple of documents, but you're going to need those from each member, and they need to be properly dated and have specific information in them. The consortium lead does not have to be the library or the school. It can be other institutions, E-Rate eligibility and consortium membership are not, you know, they're not completely overlapping. You can have some E-Rate eligible members and some ineligible members, so state education agencies, procurement offices a lot of times county offices have had for schools are consortium leads, even though they may not be benefiting, they're running the process for their members. Next slide.
So again, the members also do not have to be an E-Rate eligible entity as we, as I mentioned earlier, we have, you know we're talking about a, say, a local library, one or two schools in the area, and maybe some local government agencies and healthcare facilities. Excuse me. Now, healthcare facilities may be eligible for the rural healthcare program, which is another part of the Universal Service Fund. It's not E-Rate, but it's E-Rate adjacent, but again they can all be part of this consortium because again, the idea is to maximize the number of participants so that you're getting as many bidders as possible interested in in this, making a better business case for them, really, to participate, excuse me. I'm a little under the weather today, so I apologize if I have to pause every once in a while. So again, schools, libraries. Both other entities can also participate. They all should sign a letter of agency or letter of authorization and then the ones that are E-Rate eligible would file an FCC form 479. We'll talk a little bit more about that in a moment. Next slide, please.

OK, so again, the consortium lead is going to sort of run point on the membership process, gather all the documentation. Letters of authorization are required and basically these just say that we are giving the consortium the right to negotiate on our behalf and file for E-Rate and so forth, and those letters need to be, you know, kept and maintained by the consortium lead, and then the lead typically is also overseeing the E-Rate filing process. So, any ineligible services or ineligible members for E-Rate need to be cost allocated out, they would just manage that, keep all the records for all of the participants. Next slide, please.

OK, so again, filing in compliance. That's really what the consortium lead is responsible for. And you know, again, they may have, they may hire an E-Rate consultant to manage a lot of this for them, but again, they're the sort of responsible party and then maintaining all the documentation in case of audit in the future. Next slide.

OK, so letter of authorization. There are good examples on the E-Rate website, so I won't get too deep into this. The main thing I want to make sure people understand is you can actually go out to bid before you have all of your letters of authorization gathered from consortium members. That can sometimes take a long time because they have to go through board meetings, or they have to be approved by various authorities. And you don't have to let that slow you down to go out to bid. They just need to be signed before you sign the contract with the vendor. So that gives you a little more time to deal with the administrative part while you're going out to bid. A big part of this is you've got to plan ahead. And it takes a long time. You know the bid process takes a while, you've got to be compliant with the E-Rate timeline and so forth. But a lot of people think they have to have that LOA signed before they do anything, and that's not actually the case. The letters of authorization do have to have an end date. They you know they could have five years, ten years, but they need to have an end date, excuse me, and to be signed by someone authorized to do so. And again, you need to be specific about what they're for, but basically for pursuing all eligible E-Rate services is fine. Or you can be very specific, it's really up to local authority what you're allowed to do or required to do by your governing organization and what you want to do with the with the consortium, if you want to have it very specific or a little bit more. Next slide.
OK. So, the other document I said there were two documents that consortia members have to submit. The other one is the Form 479 and this is an FCC form. There are many of them. They all, with E-Rate, start with 4, but this one is basically it's saying, you're CIPA compliant. And that's pretty much it. It's very basic, it's kind of sign and date and keep on file. You don't actually submit it, even you, just the consortium lead needs to keep these on file. As a side note, any libraries that want to discuss CIPA and CIPA compliance as it relates to libraries, I'd be happy to do so offline, uh, please just feel free to reach out and we can talk about that cause I know there's occasionally some confusion, and there are a lot of questions around that, and I know it can be a bit of a hot button issue, but you are required to sign this form in order to participate in these consortia. Next slide, please.

So, this is just a simple timeline. “Start early,” is always the watchword with this stuff. So again, you're, you know, you set up your consortia, you get your members on board, the next thing and what we're going to talk about next is procurement, so basically putting together your procurement documents and going out to bid by filing your E-Rate Form 470. And then we'll talk about bid review and then the E-Rate application form, which is the 471, once you've signed your contract with your vendor, and then implementation would be the last step. Next slide.

And OK, so again E-Rate. It's a July 1 to June 30 year, so right now you could go out to bid for services beginning on July 1 of this year. They've just announced recently that the Form 471 filing window, so again the Form 470 is what you file with your request for proposal saying, “I want bids for these services.” The Form 471 is the one that is, you're saying, “I have gone out to bid, I've done my due diligence, signed a contract with this vendor and I want these specific services from this specific vendor for this specific price.” That is the application form. And that has to be filed in a certain window each year. The 470 can be filed anytime. Well, basically anytime, but the form 471 must be filed this cycle between January 18th and March 28th, that's the deadline. That's the last day. The one restriction is your Form 470 and RFP must be out and available for vendors to review for at least 28 days prior to filing, prior to signing your contract and filing your 471, so you walked back from March 28th to the beginning of March and that's the last day you would potentially be able to go out to bid. Next slide.

Again, start early. And this is just a bit of a review. So, you know you're going to, once you've got your letters of authorization and everything you need to have all the E-Rate information of your members, and you're going to set up an E-Rate account for the consortium, so that's another thing that the consortium lead needs to do before you get into the procurement process is, be ready with all of that information. Next slide.

And again, just a bit of a review. So, at this point we've, let's just say our little consortium of school, library, local government, and healthcare have gotten together. They've selected their lead, and they've got a procurement committee that has, that's purchasing and business office folks from each of them. They've contacted you. Second, set up their account number with E-Rate and now they're ready to roll. So, next slide.
So, this is where we are now. We're going to develop our procurement documents, so that would be your request for proposal that goes with your FCC Form 470. Once we develop that and everyone feels comfortable with it, we submit that through the E-Rate portal along with the Form 470. We wait the minimum, well, we have to wait at least 28 days. We're going to wait longer, and then once the bid window closes, we evaluate bids, score them, select a winner, negotiate a contract, sign it, and then you file your Form 471 and wait to see if you get approved. Next slide.

OK, so again, Form 470. This is the form that says “I want these services.” It can be very generic. Form 470 by itself can be very simple and straightforward with a project like the one we're discussing here, where we're talking about building fiber optic cable circuits out to locations where fiber has not existed in the past. That's going to almost certainly incur special construction costs, you know, the cost of building it out to those locations, and for, to access that type of funding through E-Rate, you must write an RFP and have that uploaded with your Form 470 on the day that you do that. And it really is in everyone's best interest to do so. It allows you to state very clearly your expectations from the vendor, and we'll talk a little bit more about details in the next few slides.

So, these are some questions. I'm not going to go through all of them, but things to think about as you're writing your RFP: what your expert expectations are going to be, but also researching, you know, who potentially is going to bid on this. Who are vendors that are near your area or active in your area, would be potentially convinced to come into your area for the right type of project. And also, the timing, you know, be realistic about how long do you think this is going to take, the construction projects and so forth, and then really thinking about who you can get involved again with your consortium in order to get the most number of members together to make an attractive package for a vendor who's looking to potentially come into that marketplace.

When we're talking about going out to bid, this is an area where we see a lot of, historically, a lot of violations, a lot of issues with E-Rate that can come back to bite people. You know, vendors will happily challenge projects that they don't win if they think that the bid process was not done properly. Whether or not they have a ton of evidence, they could still do that, and you're going to have to show that your process was solid. It's all basic stuff, but it is good to kind of review. You know, bidders all must be treated the same once you've gone out to bid. You don't want to answer phone calls from your local, even if you know them, and they've worked with this with your organization for years. You need to have them submit any questions in writing. You need to have a process in place for how you're going to answer those questions, and the answers have to go to any vendor that has expressed any interest in the process. And really should be published as a as an addendum, you can go in once you file the Form 470 and you can upload additional documents if you've put an RFP with that 470. So typically, what on more complex projects in your RFP, you will say questions may be submitted through this date and then you know, you gather them and respond in writing, and then you upload those responses into the E-Rate portal and also send it out to all the vendors that have expressed any interest in the project. That way they're all getting the exact same information, no one's privileged and no one's getting advanced knowledge, you know, ahead of anyone else. Again, fairly basic. You know, procurement stuff, but it's really important to know
that because there have been cases where people have ended up losing their funding because of violations of these rules. Next slide.

OK, so again, if you make a cardinal change to your project, the 28-day clock is a fixed thing. You have to wait 28 days before you select a vendor, sign a contract, file your 471. And if you decide on day 27 that you need to upload a clarification because you forgot something, or someone asked a question and it changes the nature of the project, that 28-day clock restarts. Which is why I always recommend you build in a question-and-answer section and then, you know, give the vendors a chance to ask questions, give them the responses, and then still have enough time left to meet that 28-day clock, which again is why you want to start as early as possible. There are a lot of gift rules, you know just, you can see examples of products, examples of service, but you don't want to take anything from a vendor obviously, and if any free services are offered, that's something that you're going to have to disclose. Next slide.

The most cost-effective solution, this is a basic E-Rate rule, does not mean cheapest, but it must be the most cost effective. So, you consider all valid bids. This is another reason to have a good RFP because you can build in sections of that RFP that allow you to disqualify bids that are not, that you consider nonresponsive. You must consider lit fiber if you're also looking at dark. If someone gives you a dark fiber bid and someone gives you a lit fiber bid, you have to consider both. And of course, you must follow all your local procurement laws, state laws, and so forth. But most cost-effective solution means price is the most heavily weighted factor. You can look at other factors so the vendor that wins on price may not necessarily win the whole project, you know. And this is, again, a reason to have a solid procurement process with a good bid evaluation score sheet. Next slide.

So again, cost of eligible products and services must be the highest weighted factor. You must keep everything in writing. Have your bid evaluation committee document, keep notes, and so forth. Once they've done their evaluation, you know, after your bid window is closed, you want to make sure that it's very clear why you selected the vendor you selected. And then you can go to them and do the contract negotiations and sign the contract again, as long as it's after your bid window is closed. And as long as the vendor is registered with E-Rate and in good standing, which is easy to look up on that site. Next slide.

So, here's an example of a score sheet. You can have a lot of other factors on here. This is just a simple one that, I think this might have been taken from the E-Rate website. Again, price is the number one and then you have prior experience and other things you want to consider, and/or other things you're required to consider, maybe by your governing authority. And then we've got examples of three different vendors and how they score out. So again, you need to document your process, and having a score sheet like this and have it, develop it before you start the evaluation process, can really be helpful in making an effective decision.

So, here's just some things to think about with reviewing bids for these kind of projects. Whatever you told the vendors ahead of time in the RFP, you have to stick to that. If you say, "We're going to evaluate based on these things," you can't add other things, take things away, and so forth. You need to comply
with your own criteria. At the same time, the vendor needs to comply with the criteria if you say something, and they say read and understand. This is a very common thing with the large vendors. They just say we read and understand this. That's not compliance. It's up to you to determine that if you want to exclude them from the process or not. But that is not being compliant with the mandatory statement. If they don't say yes, we will comply with this, then you could potentially disqualify them. Again, having service level agreements, whatever terms and conditions you need for your, you know, your rules about insurance and so forth. And another key thing, you know, the E-Rate process is complex enough for you for even if you have an E-Rate consultant. The vendor, once, you know, once you've signed an agreement with them, they're your partner in this and they need to agree that they're going to provide you with whatever information you need about the project. From their perspective, you know all of the things about pricing-specific, you know price per foot to build fiber, some. For some reason E-Rate requires it to be by the foot, even though that's kind of silly. But all the, you know, their timeline, anything else that that E-Rate requires that could come from the vendor, should come from the vendor. You know they need to be responsible for that part of it and be a good partner to you on the project. So, all of this, and we have examples of RFPs we can provide to you. There are plenty of good examples available in a lot of different places online, and it really, you know, spending a few weeks crafting an RFP with all of this information in it is really going to benefit you in the long run, you and all of your partners, others. And again, you want to just make sure that that you have justification for disqualifications and that you're giving the vendors the information they need to provide you with a comprehensive response that's going to be solid, and the price is going to stay the same going forward. Next slide.

Yeah, just you know, again, evaluation process is really important and, you know, it's something that should be taken seriously, and again, you know the whole point is to come to a positive outcome for you, for everyone that's participating in the consortium, for the vendor as well. And again, you know, just document everything, make sure you check all of the details, and think holistically about the project and how it's going to benefit you and your community.

OK, price, I think we've covered most of this, so the one thing I'll talk about is this last point: true total cost of ownership. So, when you're talking about construction, you know, a lot of times there's going to be a big upfront cost for the construction and then a lower cost and you may get three bids and they vary really widely because some vendors may pack instead of giving you a big upfront cost, they're going to load your monthly recurring charges up, and they'll be much higher. So, the first-year cost may look a lot better from Vendor 1, but what you need to do is look at the total cost of ownership over, I believe E-Rate preference is a 7- to 10-year time frame. So, you want to look at years 1 through 10 and what the actual cost is at the end of that 10-year period between the two, and use that in your submission, you know when you when you file for E-Rate, let them know we did a 10-year total cost of ownership and although the first year costs are much higher on this one, it is the most cost-effective solution in the long term for the members of the consortium. They look at that stuff and that will really help you get it through the review process quicker. Next slide.

So again, leased dark fiber and self-provision fiber are options that are available. Self-provision means you are having someone construct a network that you will run. So, I really caution people about that
because you need to have a lot of personnel and infrastructure in place to do. Leased dark fiber is essentially, you're going to light it, so that still requires some personnel and infrastructure on your part, but it's a little less daunting than self-provision, but there are cases where these are the only ways, and sometimes the only ways to get fiber out to your locations, and that's why they were made eligible a few years back. But there are extra things you need to think about because again, with a lit fiber solution which is by far the most common, the vendor does everything, they're doing the equipment. They're lighting the fiber, they're maintaining it, they're fixing it when it breaks. In these cases, you're responsible for at least, you and or the consortium, are responsible for at least some of that, and you need to factor that into the pricing, so equipment maintenance, equipment refresh, and so forth all need to be considered as part of that overall total cost of ownership. And if they're not, you get you get dinged for it, so. Next slide.

So, again, cost: highest-weighted factor. Just want to reiterate that again, doesn't have to be the only factor, but must be the highest weighted. So, here's another thing about consortia. So, the consortium files the Form 470 and the RFP. You get your bids back. Sort of, I guess the simplest, simplest way to go is, the consortium lead also files one Form 471, one application for the entire project with all the members included. That is not the only option. If you get, for example, line-item pricing, it's going to cost this much to connect the school, this much to connect the library, and so forth and so on. Each member can file their own. For example, maybe they already have an E-Rate consultant that they really like, and they want to use them. There's a lot of different reasons why you would do that. That's totally fine by the rules, you just cite the Form 470 that was filed by the consortium and the E-Rate reviewers will go and look and make sure you're on there and that you're not doing it, just you know, out of left field, and you can file your own Form 471 for just your expenses. That's completely fine, and it's really just a matter of the preference and needs of the members of the consortium. Once that's filed, then you go into the review process. I'm sure any of you that have participated know that can take a long time. The more complex the project, the longer it may take once they've reviewed it, if it's a favorable outcome, they will issue a funding commitment decision letter FCDL and you'll get your money or you'll be able to start with the project.

So again, consortium lead can be the point person to work with winning vendor, it could be someone else within the consortium. Excuse me. Projects would need to be implemented between July 1st and June 30th of the year for which you apply it. If the funding is approved before the year starts, they can start construction before the year starts. That's probably not going to happen with these kind of projects to be honest, but if it did, you could, and that way you would maybe have the project, the service up and running earlier in the in the year. If the project is going to take multiple years, that's fine. The Form 470 can cover multiple years. The Form 471 can only cover one year, so you've got to break it out and only apply for the for the costs that will be incurred during that year. This is just something that it's a little complex but work with the vendor and figure out when each segment of the project is going to be done and then apply for it in that way.

OK, I think we've talked about this already. But yeah, 471 is just some basics on that. And this is the application. This is what gets reviewed and what the decision is made on. Let's go and go to the next slide. OK, actually let's back sorry, let's can we back up one.
The only other thing I would want to mention on the Form 471 and filing for E-Rate is there's a narrative on the form where you can explain the project. With these kind of projects, where we're sure we're getting connectivity out to underserved areas, you know, that's kind of the point of my job in some ways, and it's important. It's also expensive and a lot of times it's more expensive than the quote, unquote average that that E-Rate uses for, you know, cost of, you know, the cost effectiveness. That narrative box is the key to sort of greasing the wheels and getting your project approved. Tell the story, you know, really get into it. You know, what are the challenges that these communities are facing? How long have they, have you, tried to get fiber out and haven't been able to do it? Why is it expensive? You know, talk about the terrain, talk about the, you know, if it has to go through tribal areas or get special permits because it you know, runs adjacent to a State Park or something like that. Any of those details are going to help because if you don't put it in, they're going to come back and ask why is this so expensive? Or they're just going to deny it. If you give them, you know, an explanation of this is what, this is why this costs what it does, this is what it's doing, and this is the output, the positive outcome, is the impact on this community. That matters, and that can really help get your project approved. So again, and that's something you can work with your other members of the consortium, E-Rate consultant to put that together, and obviously I'm here to help as well with that aspect of things, but it really does matter. You know. In the old days a lot of people would just – less is more. They would just put in the very basics and with these kind of projects you really want to tell them a story, tell them why this is important to you and your community. And with that, I think I'm going to pass it back over to Rachel to talk about once you've gotten your E-Rate money, there may be still be some fairly substantial costs to you and your partners, and these are some ways that we can help with that.

**RACHEL STOGNER**

Thank you, Josh. So, if once you have been approved, there may be, as Josh said, some funding that is still necessary to complete your project. So, the California Collaborative Connectivity Grant is funded by the California State Legislature to expand broadband access and upgrade equipment to isolated and underserved communities. And how it does that is through GAP funding. So, if you already receive federal funding through say, E-Rate, and it covers, say, 80% of your project, you may still have to cover that additional 20%. By providing or submitting a grant to our collaborative connectivity program, we're able to fund up to that additional you know, and say it's 80% funded. We would be funding that additional 20%. So that potentially you could have your project 100% funded and there will be no cost. Well, at least the ones that are not eligible to your consortium. So, in order to apply for this you do have to have a collaborative partnership between Community Anchor Institutions, including a library. So that could be like any healthcare institutions, schools, things like that, that can come together to put in this application. So, the majority of the application will be already done, vast majority of it, if you have submitted an E-Rate application. Essentially, you have all the material there. You just need to give it to us, and you tell us what your project is, what your needs are, and then we you know can provide that additional funding.

And I think that's a quick overview of the project. If you have any further questions about it or want a little bit more detail, we do have a whole webinar on it on our website, the California Library Connect Grant website. Uh, with more information you can always also reach out to me. Can I have the next slide?
And outside of E-Rate and outside of that cycle, if you have other needs, such as for equipment, we also have the California Library Connect grant program that was previously known as the Equipment Grant, although we don’t just provide funds for equipment as I’ve listed below. It’s also inside wiring, infrastructure modification, consultation costs, training, and also first year circuit costs, if you’re eligible. So, outside of that other funding to help make sure that we’re, you know enabling you to have that connectivity and not being held back by like old equipment or defunct equipment or anything like that. So again, we also have another webinar on this grant program on our website. So, if you want to learn a little bit more about it or you have any questions about either program, you can shoot me an e-mail at grants@californialibraryconnect.org or you can go on our website and look at some of the resources that we have there. There, and I think that was my quick overview, so I am going to go ahead and thank you. Give the floor to anybody who has any questions for either me or Josh. Thank you.

JOSH CHISOLM
Well, if we don’t have any questions, I just wanted to wrap up and say thanks again for attending. Slides and recording will be available and I’m always available if you have any questions concerning libraries and E-Rate, I’m here to help. If you have any questions about setting up this process, you know setting up consortium, again, we’re here to help, so please, please reach out and thank you again for attending today.

CAROLINE MUELLER
Sorry Josh, it looks like we did get one question in from Phyllis, regarding invoicing for the CENIC connection. Phyllis, I will send you an e-mail.

Long story short, there may be funding available through the second grant that Rachel mentioned for first year connectivity costs, but we’ll have to, yeah, take a look and maybe have a conversation so we can go over that with you.

RACHEL STOGNER
We’ll definitely follow up, as Caroline said, that may be a good opportunity to have that first-year cost covered. Just get a little bit more information about your particular situation and then we can start moving forward with the process if it if you’re applicable, or if it’s applicable. But I said if anybody has any other questions, oh, looks like we do. Oh, just Phil saying thank you. But as Josh said, you know if you have any other questions, please feel free to reach out to either of us. This recording will be available on our website along with the transcript so. But any additional questions feel free to reach out.

Alright, well, thank you everyone for attending.

JOSH CHISOM
Thanks everyone.