

**Project Consideration Form  
Board of Education  
Hickman Mills C-1 School District**

<b>Date: December 16, 2010</b>	<b>Subject: Approval of bid award for Web Hosting – E-Rate</b>
<b>Initiated By: Lisa Walters, Director of Technology &amp; Libraries Tamika McDonald, Purchasing Analyst</b>	<b>Attachments: Bid Tab, Bid Presentation Worksheet, Bid Check List</b>
<b>Reviewed By: Carol Stump</b>	

**Background Information:**

The District qualifies for reimbursement of certain technological hardware items through the Federal Schools and Libraries Program of the Universal Service Fund commonly known as E-Rate. The multi-stepped process required for E-Rate approval and reimbursement includes: 1) determining the hardware that might be wanted/purchased over the next three years; 2) investigating the product(s) for specifications; 3) writing and posting a Request for Proposal (RFP) for each item; 4) submitting a Form 470 for the E-Rate Program indicating a potential intent to purchase the identified items; 5) receiving and evaluating each RFP response; 6) presenting the recommendation of the proposed award to the Board of Education for approval; 7) notifying the awarded company; 8) creating a contract for the awarded company; 9) completing the contract with appropriate signatures; and, 10) receiving approval of reimbursement.

The entire process detailed above does not obligate the District to any expenditure of funds. This process must be completed to be eligible for reimbursement. The District is not obligated for any purchases until a purchase order is prepared according to all District purchasing policies and procedures, and approved by Administration. Once funds have been expended, the District may then complete the final step of the process and request the approved reimbursement from the Federal E-Rate Program. The process of reimbursement may take up to 18 months to complete. Funds for the purchase of these items will not be encumbered until the 2010/2011 school year beginning July 1, 2010.

The Federal Erate Program will establish a discount for Hickman Mills School District. The discount percentage is determined through a formula comprised of poverty and free and reduced lunch information. Basically, when approved items are purchased through the process detailed above, the District would pay an estimated 14 cents on the dollar (14%) and be reimbursed 86 cents on the dollar (86%). The final decision of this cost will be determined in January by the School Library Division (SLD) using the data supplied to and approved by the Department of Elementary and Secondary Education.

**Web Hosting** allows the District, individual buildings, and programs to create and post web pages. Staff members may work on the pages within the District or from home.

**Financial Considerations:** In keeping with the E-Rate time line, bids were solicited to the public and opened on November 15, 2010. Bids were solicited from the public with the following vendors responding with a three year cost:

- eChalk - \$125,225.00 for three years
- TH(i)NQ Ed - \$39,800.00 for three years
- School Wires - \$39,111.78 for three years

The bids were reviewed by an established committee and recommendations made. The committee's recommendation is to award the purchase of Web Hosting to School Wires based on the following:

- The cost proposed by eChalk was outside of the District's budgetary constraints.
- Although TH(i)NQ Ed appeared to have the lowest bid, the additional costs associated with implementation include, but are not limited to, design fees and training fees. The addition of these fees would increase the cost significantly. In addition, the committee is concerned that there may be more costs that have not been brought forth within the current pricing. As the current web hosting provider, the District has experienced complications with implementation as it was not finalized until September 2010.
- Although School Wires proposal was not the lowest cost, their proposal included all required components as stated in the RFP. After verification it was determined there were no additional costs which could escalate the total cost to the District.

After consideration of all costs and factors, the committee is recommending the award of the Web Hosting bid to School Wires in the amount of \$39,111.78 for a three-year term. The District will request E-Rate reimbursement upon proof of payment. The final estimated three-year cost for Web Hosting will be \$16,561.58 after E-Rate reimbursement.

Administration has reviewed reports by Dunn & Bradstreet and the Better Business Bureau for each vendor as available. The reports would indicate that all vendors are of reputable character and sound business practices.

**Staff Recommendation:** Administration respectfully requests the Board of Education approve the award of the Web Hosting for a three-year period beginning July 1, 2011 through June 30, 2014 with the potential of two, one year extensions if the District so chooses. The three-year cost of Web Hosting is \$39,111.78.

**Recommended Action:**

- Approval**
- Information**
- Discussion**