

DID YOU KNOW...

E-Rate Applicants May Use REMC Catalog Pricing in the Category 2 Bid Process

E-Rate Category Two eligible equipment and software listed in the REMC SAVE catalog can be used as a bid against your E-Rate Form 470.

1. Post a Form 470 with your RFP and/or narrative stating the Category Two eligible equipment and software your district/ISD/library is looking to purchase.
2. Within the bid window of AT LEAST 28 days, consider all bids received from vendor responses
 - a. As part of the bid process, check the pricing available for equivalent equipment and/or software through the REMC catalog.
3. Follow all federal, state, and local purchasing guidelines as bids are evaluated.
4. File a Form 471 requesting discounts on the selected items and/or software.

When considering a REMC price on eligible equipment, remember the following:

- The price point on any REMC equipment or software must be stable for the length of the applicant bid process. Once the bid is chosen, the applicant would lock in pricing with the vendor via contract.
- A “mini bid” process would be needed for multiple price points from multiple vendors on the same piece of equipment or software.
 - EXAMPLE: Vendors A, B, and C, all list prices for the same router. The applicant must complete a bid process comparing each of the price points to find the most cost-effective option. That selected option will then be weighed against bids received on other similar equipment.
- 1% of the total cost of the REMC price on any/all equipment and software should be considered ineligible for E-Rate discounts.
 - When considering the REMC prices in bid review, only 99% of the total price is eligible for E-Rate discount. Remember to cost allocate 1% of the total cost out when considering REMC pricing in bid review.

Here is a basic example of a bid process that includes consideration of REMC pricing:

School district ABC wishes to upgrade switches for their school buildings. ABC files their FCC Form 470 seeking bids on “Cisco switches or equivalent”. As part of their bid process, ABC contacts REMC and asks for contract pricing for switches. The bid is reviewed along with others to determine the best, most cost-effective solution. As part of the bid review, the applicant makes note that the E-Rate discount can only be applied to 99% of transaction total. ABC signs contract documents locking the district into the REMC price with the affiliated vendor and then files their FCC Form 471 showing acceptance of the REMC affiliated bid and requesting the district’s E-Rate discount on the purchase. ABC pays the vendor directly for the equipment and goes about installing their new switches.

If you have questions, please contact Joe Polasek (polasekj3@michigan.gov (517) 335-1291) or erate@michigan.gov.

