

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
Promoting Fair and Open Competitive)	
Bidding in the E-rate Program)	WC Docket No. 21-455
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INITIAL COMMENTS OF
ADVANEDGE SOLUTIONS / INTELAFUNDS

1. Introduction and Summary

AdvanEdge Solutions/Intelafunds assists over 150 schools across eight states with strategic E-rate application services and submits these initial comments in opposition to the Federal Communications Commission (FCC or Commission) Notice of Proposed Rulemaking (NPRM) “Promoting Fair and Open Competitive Bidding in the E-rate Program”. The two primary motivations for the portal recommendation: (1) FCC’s Office of Inspector General’s belief that the portal will reduce fraud and improve the ability to detect bidding violations; and (2) the FCC’s belief that the portal will reduce the improper payments percentage by reducing bidding violations. Based upon our extensive 20-year historical application experience with the existing competitive bidding procedures, we believe the bidding portal is unnecessary and duplicative of existing requirements; will neither prevent or reduce potential bidding improprieties; and would not promote additional competitive bids for applicants to reduce costs. We believe the expected results will undoubtedly increase program complexity for stakeholders; delay issuance of funding commitment decision letters; and will not identify or eliminate bidding improprieties. While we don’t condone any attempts to defraud the program, we believe it’s essential that the FCC recognize the difference between blatant efforts to defraud the E-rate program via deliberate unscrupulous and illegal bidding schemes, and inadvertent technical errors that are identified as competitive bidding violations. Implementing a bidding portal raises new questions and layers an entirely new set of procedural requirements with many existing local, state and E-rate bidding requirements.

2. The One-Size-Fits-All Competitive Bidding Portal Does Not Consider the Existing Review Mechanisms Already Available to Ensure Bidding Compliance.

USAC and the FCC already have rules for applicants to follow all state and local bidding requirements. As part of application (pre and post award) processes schools' are required to provide a multitude of documents to USAC for several review and audit investigations. The national one-size-fits all mandatory bidding portal would subject all applicants, regardless of the magnitude of their funding requests to additional burdensome paperwork. This would especially be a hardship for smaller schools as they fewer and limited resources.

3. Clear and Concise Delineation of Current Bidding Rules is the Best Way to Reduce Bidding Infractions, Not Mandating a National Bidding Portal

We believe that mandating a national bidding portal is an extraordinarily complex, expensive, and ineffective means to try to reduce bidding errors. Perhaps the FCC should consider several actions to assist applicants to reduce errors with requests, etc.

- a.) Explicitly articulate the bidding requirements in plain language and create a single repository for all of the requirements.
- b.) Revise the Form 470 to resolve the problem areas that continue to confuse applicants and create chronic and "accidental" errors.
- c.) Remove the additional bidding rule layers for applicants seeking leased dark or self-provisioned fiber. These services are being more common and cost-effective.
- d.) Permit applicants to upgrade internet and infrastructure bandwidths mid-year. The current E-rate bidding and upgrade rules are antiquated and have not kept pace with the current needs of eligible applicants. The E-rate rules should be updated to reflect that technology and broadband needs are growing at a much faster rate than the E-rate application cycle can accommodate and thus should permit applicants to upgrade bandwidths in real-time.
- e.) Allow applicants to contract with multiple providers to obtain the bandwidths they need to support their education and library functions, even if selected in the same procurement, as long as all services are needed and cost-effective. Many applicants rely heavily upon streaming and in cases are limited by provider's ability to deliver sufficient services.

4. The National Mandatory E-rate Bidding Portal Will Conflict With State and Local Procurement Requirements.

There are several areas where state and local procurement procedures are incompatible with a national E-rate bidding portal. This would place an undue nationwide burden on administrations, school boards, and potentially even state legislatures, forcing them to alter their established procurement requirements or force their applicants to withdraw participation from the E-rate program due to the inability to comply with local, state and federal procurement rules.

Listed are several contentions applicable to many applicants;

- a.) E-rate applicants are required by state and local laws to receive printed, signed, and sealed bids.
- b.) Some require notarized signatures to be lawful. Paper bids copies would be precluded by the portal.
- c.) Many applicants are required by state and local laws to hold public bid openings. This too would appear to be precluded by the bidding portal.
- d.) Applicants with large procurements, particularly structured cabling procurements for in-building wiring, require a bid bond to be submitted. How would the bidding portal address and accept such bid bonds?

5. The Online Portal Will Cause Additional Problems in Competitive Bidding.

We believe there is concern a bid portal would increase the emblematic problem of “spam” bids. An increasing number of vendors respond to every Form 470 posted with identical generic bids that do not address applicant’s specific needs as posted and do not constitute firm offers or bids. In some cases, these vendors aggressively seek to intimidate applicants and make promises which typically demonstrate their lack of E-rate knowledge. If the FCC permits vendors to submit questions anonymously we believe this will open the door to frivolous and/or repetitive questions to be answered by schools which in most all cases are resource challenged.

6. Our Conclusion

To completely revamp the EPC system to include a bidding portal doesn't seem to be an effective way to improve fraud prosecutions or reduce competitive bidding improper payment findings. When compared to the impending burden and confusion that will be thrust upon applicants this concept seems to be very counter-productive. In addition, we believe the FCC will need to address many questions in order to execute a universal portal especially imposing within the purview of state and local bidding regulations. Any system development resources should be applied to making the current online filing system more user-friendly for all entities applications. The E-rate program is an invaluable resource for eligible entities but adding complexity and confusion to an already somewhat burdensome program is not in applicants' best interest. We believe the Commission should refrain from imposing a national E-rate bidding portal for a multitude of reasons we have outlined. Perhaps the Commission could consider providing additional means and eligibility for other urgent mission critical issues such as physical and network security, URL filtering, VoIP services and Global All-Call systems in direct support of education and safety.

Respectfully submitted,

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