



## **SOUTHEAST ISLAND SCHOOL DISTRICT**

P.O. Box 19569, 1218 A Shoreline Drive Thorne Bay, Alaska 99919

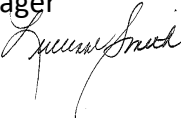
(907) 828-8254 Fax: (907) 828-8257 Email: [sisd@sisd.org](mailto:sisd@sisd.org)

---

### **MEMORANDUM**

**TO:** SISD BOARD OF EDUCATION

**THRU:** Lauren Burch, Superintendent

**FROM:** Lucienne Smith, Contracted Business Manager  
Alaska Education & Business Services, Inc. 

**Date:** February 12, 2017

**SUBJECT: E-rate Contract RFP for Internet Services and Digital Transmission**

Annually near this date school districts and libraries across the nation apply for their e-rate funding for the ensuing year. E-rate funding allows for discounted telecommunications, Internet, basic maintenance, and internal connections. That discount is based, year to year, on a District's poverty levels (which are determined by free & reduced lunch applications). The discount level for the Southeast Island School District has ranged from 80% to 85% over the past years. That means for every dollar the District is charged for these services SISD only pays 15 – 20 cents.

Districts apply for e-rate funding on line through the Universal Service Administrative Company (USAC) website for their telecommunications, Internet, basic maintenance, and internal connection services. Once a District has posted their information on line and issue an RFP, vendors submit proposals. One of the services that elicit contracts for 3 or more years' service is Internet and digital transmission service. A district may write into the initial posting they are looking for a 3 year contract with a possible extension. The awarded vendor must also write that option into the contract between the vendor and the District.

The Southeast Island School District went thru the RFP process 3 years ago and awarded their Internet and Digital Transmission service contract to GCI and 3 years before that DRS Technologies. This year the sole proposer was GCI. In order to meet possible E-Rate audit requirements a committee was created that reviewed the rubric and scored it per the RFP to establish meeting the requirements.

Attached is the pricing for the services for which the District currently pays, what the new proposal would equate to (without the State BAG Grant), and the current bandwidth (with the State BAG grant). This pricing will be significantly reduced for the same (current) bandwidth and increased bandwidth in Thorne Bay. If approved, the contract period end date will be midnight, June 30, 2020.

**Recommendation** - Administration recommends approval of entering into negotiations with GCI on a 3 year contract based on their proposal.

## SOUTHEAST ISLAND SCHOOL DISTRICT E-Rate Rate Comparison FY 2017 to Proposal

<b><u>Current Invoicing</u></b>	<b>Currently Mbps Up/Down</b>	<b>Currently Mo. Cost</b>	<b>Currently <u>Annual</u> Cost</b>
Thorne Bay*	35	9,049	108,588
Port Protection	10/3	-	-
Port Alexander	10/3	25,600	307,200
Whale Pass	10/3	25,600	307,200
Hyder	10/3	25,600	307,200
Naukati	10/3	25,600	307,200
Hollis	10/10	5,788	69,456
Coffman Cove	10/10	7,592	91,104
Kasaan	10/10	5,402	64,824
<b>Total</b>		<b>\$ 130,231</b>	<b>\$ 1,562,772</b>

<b><u>Minimum proposal W/O BAG Grant</u></b>	<b>Currently Mbps Up/Down</b>	<b>Currently Mo. Cost</b>	<b>Currently <u>Annual</u> Cost</b>
Thorne Bay	35	5,972	71,664
Port Protection	3/1.5	-	-
Port Alexander	3/1.5	7,011	84,132
Whale Pass	3/1.5	7,011	84,132
Hyder	3/1.5	7,011	84,132
Naukati	10/3	3,586	43,032
Hollis	10/10	2,550	30,600
Coffman Cove	5/5	3,515	42,180
Kasaan	10/10	2,479	29,748
<b>Total</b>		<b>\$ 39,135</b>	<b>\$ 469,620</b>

<b><u>10 Minimum proposal - With BAG grant</u></b>	<b>Currently Mbps Up/Down</b>	<b>Currently Mo. Cost</b>	<b>Currently <u>Annual</u> Cost</b>
Thorne Bay*	50	7,586	91,032
Port Protection	10/3	-	-
Port Alexander	10/3	17,197	206,364
Whale Pass	10/3	17,197	206,364
Hyder	10/3	17,197	206,364
Naukati	10/3	4,452	53,424
Hollis	10/10	3,143	37,716
Coffman Cove	10/10	4,361	52,332
Kasaan	10/10	3,052	36,624
<b>Total</b>		<b>\$ 74,185</b>	<b>\$ 890,220</b>

\* Services all bldgs. via single Internet Connection