

**MINUTES OF THE SPECIAL MEETING FOR THE PURPOSE OF DISCUSSING
THE DISTRICT'S BROADBAND SERVICES
*With Possible Action to be Taken Following the Discussion***

**POCATELLO/CHUBBUCK SCHOOL DISTRICT NO. 25
BOARD OF TRUSTEES**

**Superintendent's Office at the Education Service Center
Wednesday, February 25, 2015
4:00 p.m.**

BOARD MEMBERS/SUPERINTENDENT PRESENT:

Janie Gebhardt, Chair
Jackie Cranor, Vice Chair
Dave Mattson, Clerk

Jim Facer, Assistant Treasurer (Excused)
Paul Vitale, Member
Mary M. Vagner, Superintendent

OTHERS PRESENT:

Bart Reed, Director of Business Operations
Carl Smart, Director of Employee Services
Jeff Jolley, Technology Coordinator
Rena Johnson, Board Secretary

Welcome, Call to Order and Statement of Purpose

Chair Gebhardt welcomed everyone and called the Special Meeting to order at 4:01 p.m. and said the purpose of the meeting was to discuss the District's Broadband Services.

Discuss Broadband Services

Mr. Reed said it was recently determined that the State's Contract with ENA was illegal. He said prior to that determination, the District entered into contract with ENA by attaching a separate Contract to the state's existing Contract. He said the determination language stated that any Contract that was attached or added onto the state's existing Contract would also be deemed illegal. He said that meant that the District's wide area network Contract was null and void. He said the District received notice from ENA that services would be discontinued on Friday, February 27, 2015. He said in order to avoid losing services the District would have to go out for bid. He said the District was also receiving e-rate reimbursement for the 2015-16 internet and wide area network contracts and would have to meet a very short timeline in order to continue to be eligible for e-rate reimbursement. He said the District put out an RFP for broadband and Wide Area Network (WAN) services for 2015-16 which would be published the next day. He said the RFP would be opened up on March 23, 2015 and the District would complete the evaluation process and would have the Board approve a vendor at a Special Meeting scheduled for March 24, 2015. He said the approval date was time sensitive because the federal deadline for e-rate reimbursement was March 26, 2015. He said if the District missed that deadline it would not be eligible for reimbursement which was up to 76% of the Contract amount. Mr. Facer asked if the Contract would include the District's additional services for 400 MB. Mr. Jolley said the increase was included in the RFP requirements. Ms. Vagner said the Special Meeting would be scheduled for March 24, 2015 at 9:00 a.m. Ms. Cranor, Mr. Facer and Mr. Mattson said they could attend. Ms. Vagner said the next set of circumstances was relative to the next four months of service. Mr. Reed said the District's services would be discontinued that Friday unless the District took immediate action to procure an internet provider. He said there was no time to complete the formal bid process. He said one option was for the District to make it through the rest of the year with less internet coverage in order to keep the contract under the \$25,000 formal bid requirement. He said the administration seeking Board approval to go with that option. He said the District would have to purchase the broadband and WAN services separately in order to stay under the \$25,000 limit. He said the internet agreement would have to be completed by Friday. He said ENA was willing to work with the District on providing WAN services without a contract until the Board was able to take action on a Contract. Ms. Vagner said no matter what the District ended up doing it would cost more money as a result of the state's mistake. She said the legislation was included in the packet. She said the additional cost for

internet was approximately \$10,000. She said the proposed agreement was also included in the packet. Mr. Reed said the District's legal counsel had reviewed the proposal and made the necessary changes to make sure the District was within its rights. Mr. Jolley said ENA had not responded to the proposal at the time of the meeting. Mr. Reed said the proposal was only sent yesterday afternoon. Mr. Facer asked if the District's wide area network was independent from ENA. Mr. Jolley said no. Mr. Smart said the District used to be provided services through Cable One, so ENA used Cable One's existing infrastructure to provide services. Mr. Reed said due to the state's illegal Contract, the District would not be eligible for the e-rate reimbursement from now until the end of the year and would have to absorb that loss which amounted to \$80,550 in lost e-rate reimbursement. Ms. Vagner said the state would reimburse Districts for broadband services only. She said the state was not doing anything to reimburse for wide area network services. Mr. Reed said Idaho Code allowed Districts to go with a sole source provider if soliciting vendors was impractical, disadvantageous or created unreasonable circumstances for a District. He said the only stipulation was that the District would have to advertise the desired services for 14 days. He said after that the District could enter into an agreement with a vendor that had the lowest price. He said no other vendor could come close to offering the services at ENA's current rate. He said ENA had also agreed to continue providing services without a Contract in place in order to avoid a disruption to the District's services. Mr. Jolley said this was the only way to keep the District's basic services up and running. Mr. Smart said all of the District's connections to the schools was with ENA's equipment. He said if the District went through another vendor it would have to replace all of the existing equipment and infrastructure. Mr. Reed said the District had never had any issues with ENA as a provider. Mr. Jolley said the District had also never had any down time using ENA's services. Mr. Mattson asked if the proposed pricing was fair. Mr. Jolley said he believed it was and ENA's services were the best. Ms. Vagner said the proposed Board Motion was included in the packet. She said the Board would need to have another Special Meeting after the 14 day advertising timeline in order to take action to enter into a Contract with ENA. She said it would be important for Districts to communicate with legislators about the financial losses sustained due to the state's error. Mr. Jolley said the District was in a financial crisis due to the state's mistake and should be reimbursed by the state. He said he had communicated to the state that reimbursement for broadband only was nowhere near enough to make up for the losses. He said representatives at the state told him to relay the information to legislators so language could be added to the emergency bill that was signed that day. Ms. Vagner said the communication that came from the Governor's Office was misleading as to what the state would reimburse. She said the communication spoke to continuing the IEN and most of the IEN no longer existed. She said it also referenced paying vendors for services, but Districts were paying the bills, not the state. She said it indicated that the state was paying a comprehensive bill which was not true. She said it would be very difficult to explain this to legislators without causing more confusion as there were a lot of moving parts. Ms. Cranor said it was clear that the District had to move forward with providing internet services whether or not it was reimbursed by e-rate, or the state. Ms. Vagner said the administration would most likely have to bring another budget amendment to the Board in April. She said the funds would most likely be pulled from secondary text books. She said it was the only account that had that kind of money. Mr. Jolley said most Districts had separate WAN contracts and the District used to but decided it made more sense to combine services with what the state had. He said a lot of Districts were not affected by this situation. Mr. Smart said if the District had continued services with Cable One it would most likely not be in this situation. Ms. Vagner said the Board would kept in the loop as to the administration's communication with legislators. She said the Special Meeting was set and the administration would prepare to bring a budget amendment to the Board at the April 21, 2015 Regular Board Meeting.

Option to Take Any Action Following the Discussion

A motion was made by Mr. Vitale and seconded by Mr. Facer that because a competitive solicitation is impractical under the circumstances associated with ENA currently providing the WAN services, the impending discontinuance of that service and the delays that would be required if a normal bidding process were used established that for purposes of the remainder of the 2014-15 fiscal year there is only one source reasonably available to provide the needed WAN service. Therefore, the Board declares that there is only one vendor for services and the District administration is charged with noticing a sole source procurement to be published in the official newspaper of the political subdivision at least fourteen (14) calendar days prior to the award of the contract. The voting was unanimous in the affirmative.

Adjourn

A motion was made by Ms. Cranor and seconded by Mr. Vitale to adjourn. The voting was unanimous in the affirmative. The Board adjourned the Special Meeting at 4:35 p.m.

APPROVED ON:

21 April 2015

BY:

Janie A. Gehardt
Chair

ATTESTED BY:

[Signature]
Clerk

MINUTES PREPARED BY:

[Signature]
Secretary, Board of Trustees