



The Athens Messenger

Wednesday, December 06, 2006

Going with lower bid costs district

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Because Athens City Schools chose a local Internet provider that was not approved by the state and not connected to a statewide education database, it lost out on \$21,000 in state funding.

Athens City School District used to get \$3,000 per building for Internet use through the Ohio K-12 Network, which amounted to a total of \$21,000. The money comes from the Ohio Department of Education. Schools must apply for the money, and to be eligible they must use a state-sponsored Internet provider that has connections to the Third Frontier Network, an educational database.

The catch is the Athens district was offered a lower bid and faster service through Intelliwave, a locally owned Internet company that offered Athens City Schools a price of \$60,480. The next closest bid was \$90,016, offered by a provider with connections to the Third Frontier Network. Because Athens City Schools went with the lower bid, it lost out on the \$21,000.

Adding up the numbers, it would seem that Athens City Schools still saved money despite the loss of the funding, however state funding is a little more complicated than that. Through the E-rate program, a federal program based on the number of free and reduced-price lunches a district provides, Athens City Schools saves a large percent of its Internet cost. Therefore, with the \$60,480 bid, Athens City Schools only had to pay \$22,568.

But if Athens City Schools had gone with the bid of \$90,016, it would have only paid \$39,472 through the E-rate program. Subtract the \$21,000 it would have gotten from the state had it gone with a state-approved Internet service, and its total Internet bill would have come to \$17,472.

Because Athens City Schools went with the lower bid, it ended up paying \$4,096 more than it would have paid if it went with the second-lowest bid, despite the fact that on paper the price initially looks much lower.

But Tim Owen, the district technology director for Athens City Schools, contends that he did exactly as he was supposed to do by going with the lower bid. He asserts that he can only take into consideration the bid price, not any loss in state funding that would result from his decision.

"We aren't supposed to take into consideration any discounts or cuts in state funding," Owen said. "We are only supposed to consider the price of the bid. What's frustrating to me is that we followed the rules, and it ended up costing my district \$21,000."

But Greg Davidson, the chief technology officer at the Ohio Department of Education, contends that Athens City Schools would have been in line if it had considered the E-rate exchange.

"What that program requires is that the district goes with the most cost-effective bid," Davidson said.

Davidson also asserts that the rules were set up to support state-supported Internet providers to encourage schools to connect to the Third Frontier Network, a highly expensive system that the state has invested resources in.

"We recommend our providers because we want a consistent connection," Davidson said. "We want school districts to connect to the state education network and the Third Frontier Network. We provided these services, and we pay part of the Internet cost. It's a fiber optic network that connects across the state, and it's not cheap."

Carly Glick, a connections director with E-Tech, which helps oversee the program, contends that the system isn't designed to discriminate against local providers, but merely provide more consistency throughout the state.

"We are encouraging consistent connections and encouraging connections through the Third Frontier Network," Glick said. "This allows schools access to a high-speed network. It's a cost-effective way of doing business in the classroom."

But Owen contends that for his district's purposes, using the local provider established a faster connection, and on paper, a cheaper price. He maintains that the Ohio K-12 Network is designed to send money back into the hands it came from - the state.

"They are funneling it through themselves, and giving it back to themselves," Owen said.

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