

Dear Mr. Hanebuth:

Thank you again for your clarifications. Please allow me to restate that RFP 3162 does not prohibit you or your company from responding to the request. This RFP does not replace nor does it supplant the Microcomputer EPL.

-----Original Message-----

From: EddieH [mailto:eddieh@digitalquest.com]
Sent: Wednesday, June 14, 2000 3:50 PM
To: Michael Boyd
Cc: Cheryl Yelverton; RGlidew156@aol.com
Subject: Re: Governor's RFP for 6000 computers.
Importance: High

Thank-you for responding to our initial e-mail. Unfortunately we must not have clearly stated our position in our original e-mail regarding RFP 3162. We have been blocked from responding to this RFP because none of our Tier 1 rated computer manufacturers would allow us to respond. We are currently authorized to sell both Compaq and Acer America Systems (which we have under the current Microcomputer EPL), but have been shut out completely from this RFP because these manufacturers chose larger groups than us. They are eliminating any competition by not allowing smaller organizations to respond on their behalf.

My question is: Isn't there some way that we can figure out that will allow the smaller businesses in Mississippi to participate in this initiative without leaving it up to the manufacturers to choose who gets the business?

RFP 3162 does not prevent any school district from purchasing computers from any vendor, nor does it prevent you and your company from partnering with an ISO certified manufacturer or any other manufacturer that can satisfy ITS's enterprise rating criteria (see RFP 3162, page 26, PDF version).

We understand and commend the Governor's vision of a computer on every student desk in the state of Mississippi. However, the RFP, as it is currently written, will destroy all competition in the state of Mississippi for the next two years. By having one RFP based on large volume pricing to meet the Governor's goals, all schools will purchase ONLY from this EPL and will no longer purchase off of the Microcomputer EPL which is open to Education and Government. Our business is strictly educational and we have built our entire focus around education for the last 10 years.

This RFP is not an EPL. This is for the one-time purchase of 6,000 computers. This does not prevent school districts from purchasing from ITS's Express Products List.

If this RFP goes through and only a small number of companies will be allowed to sell computers to the school districts for the next two years, then our company won't be the only one destroyed. In your e-mail you stated that, "RFP 3162 does not prevent school districts from purchasing computers from any vendor, nor does it prevent our company from partnering with any ISO certified manufacturer or any other manufacturer that can satisfy ITS enterprise rating criteria". Unfortunately, this statement is not accurate on both points it makes.

Point One - RFP 3162 does not prevent school districts from purchasing

computers from any vendor:

Over ninety percent of all schools in Mississippi currently purchase computers off of the ITS Microcomputer EPL. This RFP would completely eliminate the business vendors receive from the Microcomputer EPL. If you have two computer EPL's running simultaneously, one based on single purchase prices, which is the Microcomputer EPL, and the other based on huge volume discounts, schools will always go with the discount price.

This RFP is not an EPL. This is for the one-time purchase of 6,000 computers. This does not prevent school districts from purchasing from ITS's Express Products List.

Point Two - RFP 3162 does not prevent our company from partnering with any ISO certified manufacturer:

We are currently partnered with two ISO certified manufacturers. These two ISO certified manufacturers, Compaq and Acer America are only allowing the largest computer vendors in the state to respond. They will not allow any of their other educational partners to respond by refusing to give us pricing and refusing to let us submit any proposal for RFP 3162. We are not the only vendors in this state that are being shut out of this RFP in this way.

I hope that this e-mail presents the case of the smaller vendors in Mississippi in a clearer light. We will not be able to survive for two years without the business we rely upon.

We appreciate the time you have taken to respond to our concerns and hope that alternative avenues can be discussed to insure that the State of Mississippi and public education can move forward without closing the doors of small businesses. Please feel free to call our office at (601) 856-0006 and speak with me regarding possible alternatives; assuring that MS schools have the best possible pricing and will still allow smaller organizations to participate. I look forward to hearing from you.

Eddie Hanebuth
President
Technical Training Aids of MS

----- Original Message -----

From: Michael Boyd <mboyd@governor.state.ms.us>
To: EddieH <eddieh@digitalquest.com>
Cc: Cheryl Yelverton <yelverton@its.state.ms.us>
Sent: Wednesday, June 14, 2000 11:38 AM
Subject: RE: Governor's RFP for 6000 computers.

Dear Mr. Hanebuth:

Thank you for your questions and patience. The Governor and members of the task force share your concerns regarding your company's survival, logistics, and the impact relating to RFP 3162. As the Governor's staff liaison to the task force, I will attempt to address each of your concerns.

The Governor's Task Force for Classroom Technology is a time-limited

commission with the sole purpose of accomplishing the Governor's goal of placing an Internet-accessible computer in every public elementary and secondary classroom in Mississippi by the end of 2002. By placing a computer in every classroom, the Governor and the task force hope to enrich the learning experiences of children across Mississippi and prepare them for tomorrow's jobs.

Although RFP 3162 provides for the purchase of 6,000 computers during the next year, there are more than 499,000 students in more than 30,000 Mississippi public classrooms. Governor Musgrove envisions seeing a computer on every desk in every public classroom, so I am not sure that the demand for computers in public schools will diminish as a result of this procurement.

RFP 3162 does not prevent any school district from purchasing computers from any vendor, nor does it prevent you and your company from partnering with an ISO certified manufacturer or any other manufacturer that can satisfy ITS's enterprise rating criteria (see RFP 3162, page 26, PDF version).

Governor Musgrove's top priority is improving and enhancing our educational system. The task force is co-chaired by the State Superintendent of Education; its membership includes school superintendents, principals, and teachers. The Mississippi Department of Education has developed and is updating its Internet enhancements for school curriculum. For other logistical concerns, please refer to Clarifications #4, 8, and 22 (<ftp://www.its.state.ms.us/pub/issinfo/rfps/3162.htm>).

I encourage you provide a response to RFP 3162 by Thursday, June 15, 2000, at 3:00 PM. Should you have additional concerns or questions, please do not hesitate to contact me or Mrs. Cheryl Yelverton, ITS staff.

Sincerely,
Michael Boyd

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Michael Boyd
Policy & Planning Director
Office of Governor Ronnie Musgrove
P.O. Box 139
Jackson, Mississippi 39205

-----Original Message-----

From: EddieH [mailto:eddieh@digitalquest.com]
Sent: Tuesday, June 13, 2000 5:58 PM
To: Michael Boyd
Cc: Cheryl Yelverton; RGlidew156@aol.com
Subject: Govenerner's RFP for 6000 computers.
Importance: High

Hello,

Cheryl Yelverton from Information Technology Services (ITS) asked me to put my concerns in writing. I was talking with Cheryl about the impact of the Governor's Initiative to place an Internet computer in every Mississippi classroom. I have three different categories of concerns..... One category is my company's survival. The second category is logistics. The third is Impact.

Survival:

We have just been notified that Compaq is only partnering with one reseller. Acer America has chosen their partner also. So, we have no manufacturer that is ISO certified that we can work with. (ISO is a rating that the Gartner group feels is important. Fortune 500 companies can afford to be ISO rated.)

Offering such a large carrot to large manufacturing companies is causing quite a stir in the computer world. Companies that do not pay much attention to schools in Mississippi are falling over themselves to sell computers here.

Awarding this contract to a large computer manufacturer partnered with a "large" Mississippi based service provider will kill my educational computer business.

Schools are a unique environment for companies. Most do not understand the needs of a school districts We have built up a six year relationship with the schools in Mississippi and have a great reputation for service and support. A large scale state contract, different than the Microcomputer EPL, will undermine the work that we have sweated over and open the door to a company(s) whose main purpose is to sell computer boxes in the largest volumes possible.

We have equipment in all the Tech Prep Sites (about 149 school districts) around Mississippi and have good working relationships with those schools. The upcoming upgrade for the 89 Tech Prep sites include computers. This RFP will undermine our efforts to sell our services to those sites.

It is hard to work on our reputation and build up a business and have one act of "good will" potentially close our doors.

It is a shame that the hoops we and other vendors in Mississippi have to go through to get on and remain on the Microcomputer EPL are disregarded when "big" jobs come along. As it is we are left out of this project. Is this the best way to handle this?

This reminds me of the stories of the small companies throughout the South that were displaced by large Wal-Mart stores. Let's learn from past mistakes.

Logistics

Where are the schools going to put these computers? If they have no place for them will the vendor be forced to put them on the floor? Most schools that we deal with don't have extra anything hanging around including extra tables and chairs needed for these "free" computers.

Are they all ready for Internet in the classroom? Do they have the wiring? Internal tech support and/or infrastructure?

Are the teachers going to be trained for using the Internet within the scope of their curriculum?

Who is going to pay for the internet access monthly fees?

Is this going to be seen as the \$ 700.00 free computer that cost the schools \$300 to \$500 each or more?

If the state makes this grandiose gesture, will the teachers be upset that teacher pay raises were turned down?

Why not continue to support the Tech Prep Initiative? Do we not have a \$200M investment that is no longer supported that we should support?

Impact:

Schools standardize on computers and companies they are/have been successful with. Most schools work with a single vender and a single computer manufacturer. Large bulk purchases might not be welcomed at all the school districts. Schools have invested time and energy sorting out the good from the bad. A company big enough to deliver 6000 computers is not necessarily the best solution for a school district large or small.

Isn't there a way to allow the schools to buy from whom they wish off of the current Microcomputer EPL? We can figure out some kind of discount!

Schools have been working on their technology plan for putting internet in the classroom for years. To come in on the 11th hour and lay claim to their hard drawn out effort is very insulting.

I had to cancel my meeting with the companies wishing to build us a new building this afternoon, because I believe the impact of this will be so negative on my business that I will not be able to afford my plans for expansion. Please think long and hard of the impact of this project to local companies and classroom teachers before committing to this plan.

Eddie Hanebuth
President
Technical Training Aids of Mississippi

Dave Runkel
Service Manager

Russell Glidewell
Secondary Sales Manager

Philip Boyd
Post-Secondary Sales Manager

Elizabeth Foster
Office Manager

And with great concern for all our families.