

USAC Solicitation for Beneficiary and Contributor Audit Program Services

Second Amendment Revised

SOLICITATION INFORMATION:

Method of Solicitation: Request for Proposal (RFP)
Contract Period of Performance: 1 Year; Four (4) 1 year options
Solicitation Number: AA-19-089
Solicitation Issue Date: July 25, 2019
Offer Due Date: August 26, 2019

CONTRACT TO BE ISSUED BY:

Universal Service Administrative
Co. 700 12th Street, NW, Suite 900
Washington, DC 20005

CONTACT INFORMATION:

USAC CONTACT INFORMATION	OFFEROR CONTACT INFORMATION
Noor Jalal Procurement Specialist III P: 202-263-1616 E: rfp@usac.org	(complete) Name: _____ POC: _____ POC Title: _____ POC Phone: _____ POC Email: _____ Address: _____

OFFEROR SIGNATURE:

Name and Title

Date

SECTION A:

About Us and the Work

1. ABOUT USAC

Through its administration of the Universal Service Fund (USF) programs on behalf of the Federal Communications Commission (“FCC”), USAC works to promote the availability of quality services at just, reasonable and affordable rates and to increase access to advanced telecommunications services throughout the nation. Specifically, the USF programs provide funding for the expansion of telecommunications and broadband access to rural communities and health care facilities, schools and libraries across the country, and low income households. Through program administration, auditing, and outreach, USAC works with contributors, service providers, and program beneficiaries to achieve the program goals articulated by the FCC for each of these programs.

The FCC has reformed the USF to support further investment in and access to evolving broadband infrastructure, making the programs a primary vehicle to support this critical national priority. USAC, as the administrator of the USF, plays a critical role in supporting the ambitious vision to ensure that all citizens in the United States have access to high-speed broadband. The organization has approximately 500 employees. USAC works in close partnership with the FCC and other federal and state partners to support the achievement of the USF program goals.

USAC administers the USF programs—High Cost, Lifeline, Rural Health Care, and Schools and Libraries. USAC strives to provide efficient, responsible stewardship of the programs, a key national asset in making important telecommunications and Internet services available to consumers, health care providers, schools, and libraries throughout the United States. The program divisions are supported by additional USAC personnel in Finance, General Counsel, Information Systems, Internal Audit, the Enterprise Program Management Office and Human Resources.

Consistent with FCC rules, USAC does not make policy for or interpret unclear provisions of statutes or the FCC’s rules. Universal service is paid for by contributions from telecommunications carriers, including wireline and wireless companies, and interconnected Voice over Internet Protocol providers, including cable companies that provide voice service, based on an assessment of their interstate and international end-user revenues. These contributions are most typically passed through to consumers through a universal service fee line item on their telephone bills.

High Cost Program

The High Cost Program is dedicated to preserving and advancing voice and broadband service, both fixed and mobile, in rural areas of the United States. The High Cost Program ensures that rates for broadband and voice services are reasonably comparable in every region of the U.S. Like all USF programs, the administration of the High Cost Program has undergone significant modernization in the last several years to increase innovation and ensure beneficiaries have access

to updated technology. USAC is leveraging the new High Cost Universal Broadband Portal (HUBB), which allows Carriers participating in modernized Connect America programs to file deployment data showing where they are building out mass-market, high-speed internet service by precise location. This information includes latitude and longitude coordinates for every location where service is available, and USAC will eventually display this information on a public-facing map to show the impact of Connect America funding on broadband expansion throughout rural America.

Lifeline Program

The Lifeline Program provides a monthly discount on landline or wireless phone service to eligible low-income households. USAC works to ensure program integrity by making measurable and vital progress towards reducing program inefficiencies and waste while supporting the needs of Lifeline Program stakeholders through a detailed understanding of their challenges. To combat fraud, waste, and abuse, USAC reviews processes regularly to increase compliance, identify avenues for operational improvements, and refine program controls, such as audit processes. USAC has focused on data analytics to improve customer service and outreach approaches and increase the reach and effectiveness of the program to better serve service providers and subscribers. USAC is in the process of building the National Verifier, which will include the national Lifeline Eligibility Database to determine subscriber eligibility.

Rural Health Care (RHC) Program

The Rural Health Care Program supports health care facilities in bringing medical care to rural areas through increased connectivity. The Rural Health Care Program provides reduced rates for broadband and telecommunications services via the Healthcare Connect Fund Program and Telecommunications Program. These telecommunications and broadband services are necessary to support telemedicine and allow cutting edge solutions and treatments to be accessible to Americans residing in rural areas.

Schools and Libraries (E-rate) Program

The Schools and Libraries Program helps schools and libraries obtain high-speed Internet access and telecommunications at affordable rates. Recent E-rate Modernization Reform efforts focused on broadband to and within schools and libraries to support a modern and dynamic learning environment for all students. In support of improved program outcomes, USAC completed the E-rate Productivity Center (EPC) which enables electronic participation in the reformed Schools and Libraries Program. E-rate program funding helps ensure connectivity for schools and libraries across the country. USAC is investing in new tools and data analytics capabilities to support the success of the program in alignment with the FCC's goals.

Additional information on USF programs can be found at: <https://www.usac.org/about/about/universal-service/default.aspx>.

2. PURPOSE OF THIS RFP

The purpose of this Request for Proposal (RFP) is to select up to eight (8) qualified audit firms to provide audit services to perform limited scope performance audits of select beneficiaries and

service providers of the USF High Cost, Lifeline, Schools and Libraries and Rural Health Care programs. The firms shall perform sufficient testing to determine whether the beneficiaries and service providers are compliant with rules and regulations of the FCC and USF program requirements (collectively, “Program Rules”).

SECTION B:

Requirements and Scope of Work

1. OVERVIEW

USAC is seeking up to eight (8) qualified audit firms to perform limited scope performance audits of select beneficiaries and service providers of the USF High Cost, Lifeline, Schools and Libraries and Rural Health Care programs. The firms shall perform sufficient testing to determine whether the beneficiaries and service providers are compliant with rules and regulations of the Federal Communications Commission (“FCC”) and USF program requirements (collectively, “Program Rules”). The selected firms shall address all aspects of performance audit principles, regardless of whether they are explicitly stated in this Statement of Work.

Audits must be performed by licensed accounting/audit firms (“firms”) that comply with American Institute of Certified Public Accountants (“AICPA”) professional standards. Auditors must be familiar with applicable FCC regulations governing the USF and the particular universal service support mechanism under which the audited beneficiary is receiving support. Audits must be conducted in accordance with Generally Accepted Government Auditing Standards (“GAGAS”) issued by the Comptroller General of the United States (July 2018).

The audits are designed to: (1) assess compliance by USF beneficiaries and service providers with applicable law; (2) deter waste, fraud, and abuse by beneficiaries and service providers of the universal service programs; (3) detect waste, fraud, and abuse by beneficiaries and service providers to the USF; and (4) identify areas for improvement in the compliance of beneficiaries and service providers with applicable law and in the administration of the USF. USAC anticipates conducting, at a minimum, the number of audits necessary to assess general rates of compliance with FCC rules on an annual basis among program participants. The time required to audit each beneficiary or service provider may vary significantly depending on the scope of the beneficiary's or service provider's participation in the program.

The Beneficiary and Contributor Audit Program (BCAP) was developed pursuant to the following objectives:

1. Provide for audits of beneficiaries and service providers of the four universal service support mechanisms;
2. Tailor the audit type and scope to program risk elements, size of disbursement, audit timing, and other specific factors that affect the risk and consequences to program integrity;
3. Incur reasonable audit costs in relation to overall program disbursements, amount disbursed to the beneficiary being audited, and USF administrative costs;

4. Spread audits throughout the year to smooth workload, improve efficiencies, control costs, reduce unnecessary burdens on beneficiaries and service providers, and maintain a pool of trained auditors; and
5. Retain capability capacity for targeted and risk-based audits to be conducted as recommended by USAC management, the FCC and/or law enforcement entities.

2. TYPE OF CONTRACT

This is an indefinite-delivery, indefinite-quantity (IDIQ) task order contract. USAC intends to award multiple contracts under this procurement for limited scope performance audit services (the “Services”). During the contract term, audit task orders will be priced primarily on a time and materials (“T&M”) with a not-to-exceed (“NTE”) price basis. Each task order awarded will be determined using the fixed unit prices proposed, and result in a firm-fixed price for that task order. Fixed unit prices must be fully loaded and include all direct and indirect costs set forth in this Section B, including equipment, product support, supplies, general and administrative expenses, overhead, materials, travel, labor, taxes, shipping, and profit. All travel expenses to be incurred will adhere to the USAC travel policy.

3. CONTRACT TERM

The term of this Contract shall be for one year with four (4) one-year renewal options (“Contract Term”). The term of this Contract shall commence on the Effective Date stated on the cover page. USAC may award task orders at any time during the Contract Term. The performance period of each task order will be stated within the task order. USAC anticipates that the task order performance period will be within the Contract Term, but the performance period may extend beyond the Contract Term in accordance with this section.

The period of performance of the Contract shall commence on the date specified in the Contract (the “Effective Date”) and shall continue in effect for a period of five (5) years (the “Term”), unless extended by USAC or terminated sooner in accordance with the Contract.

USAC may require continued performance of the Services within the limits and at the costs specified in the Contract. USAC may extend the term of the Contract more than once, but the total extension of performance under the Contract shall not exceed six (6) months.

4. WHERE THE WORK TAKES PLACE

All Services provided pursuant to the Contract must be performed within the United States (including Alaska and Hawaii) or its recognized territories. The Contractor shall perform Services at its own facilities and, when necessary, at the location of the audited entities. USAC may conduct occasional meetings or training at its headquarters located at 700 12th Street NW, Suite 900, Washington, DC 20005 or at the Federal Communications Commission (FCC) offices located at 445 12th Street SW, Washington, DC 20554. USAC shall provide appropriate office space and appropriate access to its computer network for duties performed at USAC headquarters, if necessary. Each Contractor will be

required to complete the [USAC Visitor Form](#) and wear a badge while on premises.

5. COMPANY PROFILE

USAC is a not-for-profit Delaware corporation operating under the oversight of the FCC. USAC is not a federal agency, a government corporation, a government controlled corporation or other establishment in the Executive Branch of the United States Government. USAC is not a contractor to the Federal Government. The Contract awarded as a result of this RFP will not be a subcontract under a Federal prime contract. USAC does, however, conduct its procurements in accordance with the terms of a Memorandum of Understanding with the FCC, which requires USAC to adhere to the following provisions from the Code of Federal Regulations: 2 C.F.R. §§ 200.318-321; 200.323; 200.325-326 and App. II to C.F.R. Part 200 (collectively “Procurement Regulations”).

6. CONTRACTING OFFICER’S REPRESENTATIVE

The Contracting Officer’s Representative (COR) for the Contract is Sheryl Gelman, Senior Manager of Program Management Office. The USAC Contracts Administrator (CA) for the Contract is Noor Jalal, the USAC point of contact for contractual matters (e.g. proposal submissions, invoicing, payment, task order modifications and other matters not related to performance).

7. PERFORMANCE REQUIREMENTS – GENERAL PROVISIONS

A. Performance Standard.

Contractor shall perform the Services in accordance with the terms, conditions, specifications and timeframes set forth in the Contract, and consistent with industry best practices for similarly situated companies performing similar services and providing similar deliverables. (“Performance Standard”).

B. Contractor Experience.

Contractor shall have a proven background of managing and performing limited scope compliance audits. The Contractor shall have proven experience in the following:

Program	Audit Firm Experience
High Cost	<ul style="list-style-type: none">• Experience auditing complex financial statements.• Experience auditing telecommunications companies.• Knowledge of cost studies.• Experience with inventories of fixed assets.• Experience working with complex formulas and calculating the monetary effect of audit findings (including calculating on-top adjustments such as the \$250 line cap and the budget control mechanism). <p>* <i>Note –Test work on deployment obligations will not be required.</i></p>

Lifeline	<ul style="list-style-type: none"> • Experience utilizing software to perform data comparisons on large data sets for completeness and accuracy of reporting • Experience with data analytics and drill down analysis • Experience in selecting samples to test large volumes of data
Schools and Libraries	<ul style="list-style-type: none"> • Experience with telecommunications services and equipment • Experience with equipment inventories
Rural Health Care	<ul style="list-style-type: none"> • Experience with telecommunications services and equipment • Experience with equipment inventories

A. Data Analytic Experience.

Contractor shall have resources readily available who are highly experienced in data analytics using software tools to analyze big data and effectively report results.

B. Collaboration.

Contractor shall work collaboratively with USAC during the Contract Term in accordance with the requirements of the Contract.

C. Ethical Standards.

In conducting the performance audits, Contractor and its employees are expected to comply with all ethical standards applicable to United States Government employees (as set forth in 5 C.F.R. § 2635).

D. Subcontracting.

Subcontracting the Services of Key Personnel to another firm will not be permitted. See section B.10.E for key personnel positions. USAC’s prior written approval is required for subcontracting non key personnel positions.

E. Deliverable Format.

Contractor shall provide, in electronic format, complete copies of all reports, working papers or other documents required by the Contract, and related background supporting materials. The electronic format to be used shall be as specified by USAC, but shall be a standard format such as Word, Excel or Adobe PDF. Contractor must protect all carrier data and documents using standard privacy procedures.

F. Month End Accrual and Invoice.

1. Month End Accrual. Contractor shall provide a month end accrual to USAC Accounting by the third (3rd) business day of each month. The “Month End Accrual Report” will be further defined after Contract award.
2. Invoice. Contractor shall provide an invoice each month by the eighteenth (18th) business day of each month. A standard template will be used by the Contractor and

provided after Contract award with the related invoice requirements. USAC'S COR will be responsible for approving each invoice for payment and shall adhere closely to these requirements.

G. Audit Report Template.

Contractor shall work with USAC to develop a standardized audit report template that includes but is not limited to an Executive Summary, Audit Results and Recovery, Scope and Procedures, and Audit Findings. The standardized audit report template shall be used by all Contractors except where the template is in conflict with specific audit firm standards. Any deviations from the standard template will require USAC's prior written approval.

8. SERVICES

A. General Services

The objectives of the Beneficiary and Contributor Audit Program (BCAP) is to provide program oversight to support the effective and efficient implementation of the USF and to help ensure that entities receiving support are in compliance with program rules and regulations. The purpose of this procurement is to acquire services from outside audit firms to support the compliance audit program activities including performance audits of USF program beneficiaries and service providers.

Contractors shall provide compliance audit services in accordance with GAGAS issued by the Comptroller General of the United States (July 2018), for the USF programs: High Cost, Lifeline, Schools and Libraries, and Rural Health Care. In addition to compliance audits, Contractor shall perform Agreed Upon Procedure ("AUP") audits when warranted.

B. Task Orders

USAC will issue task orders for audit services to perform the performance audits. As specified in the task order(s) Contractors shall provide trained and experienced personnel sufficient to complete an audit assignment and provide USAC with final audit reports within the task order period of performance. The period of performance will vary for individual task orders, but the term will generally range from nine (9) months to one (1) year. USAC will assign the appropriate period of performance to each task order by estimating the amount of time necessary to perform the field work, report preparation and report finalization. Audits assigned in a contract year must be completed within the same contract year, unless otherwise specified in the task order.

Work performed under the task order must be conducted according to the requirements set forth in the Contract and in the task order. All personnel assigned to task orders shall, in addition to meeting the position-specific qualifications, have good technical writing ability,

interpersonal skills, and communication skills, and conduct themselves in a professional manner.

It is essential to the mission of this oversight audit program, that the Contractor provide a consistent, quality work product based on its experience, knowledge and continuing professional education in performing GAGAS audits. USAC, or its designee, will provide specialized USF beneficiary program training as USAC deems reasonably necessary to support the objectives of each task order.

All required Contractor personnel assigned to performance of this Contract shall attend training that may be presented by USAC, or its designee.

C. Audit Scope

Audit scope will be defined within each task order and may differ between task orders depending on the program beneficiaries and service providers selected for audit and the period audited. All audits will be performed to ensure the audited entity is compliant to the program rules and regulations set forth in C.F.R. Title 47.Part 54.Subparts B – G (Collectively, “Program Rules”). The audits shall be sufficiently comprehensive to provide USAC and the FCC with notice of any non-compliance with program rules or waste, fraud, or abuse (intentional or unintentional). The Contractor shall provide USAC and the FCC with a report detailing any findings of non-compliance with Program Rules and any documentation required to support the audit findings. The Contractor shall furnish all supporting work papers to USAC, the FCC Enforcement Bureau or the FCC Office of Inspector General upon request.

D. Auditor Testing

The Contractor shall perform sufficient testing to detect noncompliance with applicable laws and FCC rules and regulations that have an effect on the determination of USF support received by the beneficiaries or service providers. These exceptions can identify monetary and/or non-monetary findings. If reliable information comes to the Contractor’s attention that provides evidence concerning possible noncompliance then it must be reported.

E. Audit Program

The Contractor shall develop an audit program (“Audit Program”) specific to the Program Rules for the Program under audit. This includes, but is not limited to the testing procedures and audit steps the Contractor will follow in conducting the performance audits, including planning, fieldwork and preparation of the audit report. Additional details for the Audit Program are set forth below under “Deliverables.”

1. High Cost Audit Program Procedures

The procedures developed by the Contractor to conduct performance audits of High Cost beneficiaries shall include, but are not necessarily limited to the following:

- a. Ensure that the carrier is eligible to receive High Cost support.
- b. Obtain understanding and ensure reasonableness of related party transactions.
- c. Evaluate the accuracy of the carrier's line counts, access minutes and/or number of exchanges, and ensure line counts are mapped and/or classified appropriately.
- d. Review the carrier's supporting documentation for the following Part 32 account line items on the Data Collection Form (HCL) and the Form 509 (ICLS/CAF BLS)(e.g., trial balance, cost study, etc.).
- e. Examine cost studies for reasonableness and proper allocations.
- f. Ensure proper categorization of cable and wire facilities and central office equipment.
- g. Examine additional supporting documentation for select transactions (e.g., invoices, overhead allocation worksheets, etc.).
- h. Physical inventory of selected fixed assets (via continuing property records or equivalent documentation).
- i. Review the carrier's supporting documentation for the following Part 32 account line items and other line items reported on the Form 509 (ICLS/CAF BLS) (e.g., trial balance, etc.).
- j. Evaluate common line revenue¹ requirement and Consumer broadband-only loop cost²
- k. Evaluate subscriber line charge revenue.
- l. Evaluate transitional carrier common line charge revenues.
- m. Evaluate special access surcharges.
- n. Evaluate line port costs in excess of basic analog service.
- o. Evaluate annual consumer broadband-only revenues.
- p. Evaluate average monthly broadband-only loops.
- q. Evaluate blended average of consumer broadband-only rates.
- r. Review supporting documentation for the following Part 32 account line items and other line items reported on the CAF ICC Tariff Review Plan (CAF ICC)(e.g., trial balance:
 1. Interstate Switched Access Revenues
 2. Transitional Intrastate Access Revenues

¹ Terms and acronyms not otherwise defined herein are standard industry terms. Definitions may be found in reference materials such as "Newton's Telecom Dictionary" by Harry Newton, Flatiron Publishing.

² Connect America Fund – Broadband Loop Support Revenue Requirement

3. Residential Access Recovery Charge Revenues
4. Single-Line Access Recovery Charge Revenues
5. Multi-line Access Recovery Charge Revenues

2. Lifeline Audit Program Procedures

The procedures developed by the Contractor to conduct performance audits of Lifeline beneficiaries shall include, but are not necessarily limited to the following:

- a. Examine Minimum Service Standards.
- b. Evaluate the accuracy of the carrier's Lifeline, and Link Up subscribers.
- c. Ensure subscribers are eligible to receive low-income discounts.
- d. Examine select subscriber bills to ensure:
 1. Amounts claimed are passed on subscriber's bill.
 2. Certain fees are not assessed (e.g., Local Number Portability ("LNP") or assessed properly (federal USF fee).
 3. Tribal subscriber's bill does not fall below one dollar for basic service.
- e. Examine eligibility documentation to verify the carrier properly verified the eligibility of their subscribers.
- f. Examine one-per-household documentation to confirm the subscribers properly certified that they comply with the one-per-household requirement.
- g. Identify deceased subscribers and request proof of life from the carrier.
- h. Examine certification or recertification forms to confirm subscribers properly certified their eligibility.
- i. Examine usage documentation where applicable to confirm the carrier only claimed subscribers who used the Lifeline service within the required timeframe.
- k. Examine Form 555 to confirm the carrier properly performed the annual recertification process.
- l. Examine Form 497 subscribers against the National Lifeline Accountability Database (NLAD) (or comparable state database) to identify any exceptions between the two (2) data sources.
- m. Examine Form 497 subscribers against the National Lifeline Accountability Database (NLAD) (or comparable state database) to identify any exceptions between the two (2) data sources.
- n. Identify subscribers outside the ETC designated service area.

3. Schools and Libraries Audit Program Procedures

The procedures developed by the Contractor to conduct performance audits of Schools and Libraries beneficiaries and service providers shall include, but are not necessarily limited to the following:

Beneficiary [Applicant] Procedures

- a. Evaluate the applicant's competitive bidding process.
- b. Ensure that the applicant is eligible to receive Schools and Libraries Program support.
- c. Evaluate the applicant's discount calculation methodology.
- d. Evaluate the applicant's inventory management and tracking process.
- e. Evaluate the applicant's invoice processing and approval process.
- f. Evaluate the applicant's compliance with the requirements of the Children's Internet Protection Act ("CIPA").

Service Provider Procedures

- a. Evaluate the service provider's background.
- b. Evaluate the service provider's invoice processing and approval process.
- c. Evaluate the service provider's compliance with Schools and Libraries program rules surrounding lowest corresponding price.

4. Rural Health Care Audit Program Procedures

The procedures developed by the Contractor to conduct performance audits of Rural Health Care beneficiaries and service providers shall include, but are not necessarily limited to the following:

- a. Ensure the applicant is eligible to receive RHC program support.
- b. Evaluate the applicant's competitive bidding process.
- c. Determine if the RHC program supported services are eligible and are being used for the provision of Health Care Services.
- d. Evaluate the applicant's and service provider's invoice processing and approval procedures.
- e. Evaluate the applicant's network design to determine whether the network appears reasonable and appropriate.
- f. Evaluate the applicant's Sustainability Plan (HCF Program only).
- g. Determine whether the applicant purchased or constructed excess capacity (HCF Program only).

- h. Determine whether the applicant determined a reasonable fair share for other parties' use of excess capacity (HCF Program only).
- i. Determine whether the urban and rural rates are accurate and calculated in accordance with 47 C.F.R. Sections 54.505 and 54.507 (Telecommunications Program only).

F. Reporting Requirements

1. Contractor shall work with USAC to develop a standardized reporting template that complies with GAGAS requirements and elements. Contractor shall prepare an audit report for each audit using the USAC approved template.
2. Contractor shall calculate the monetary effect of rule violations, if any, noted during the audit and include such calculation and the monetary amount in the audit report in sufficient detail as specified by USAC.
3. Contractor shall prepare and submit, upon USAC request, other reports or data required, such as a capping (summary) report at the end of the engagement.
4. Contractor shall prepare an advance draft of all audit findings. The advance draft shall be submitted via a web-based portal provided by USAC no later than four weeks after completion of fieldwork. Contractor shall not provide the draft findings to the beneficiary or service provider until USAC reviews and approves such findings.
5. Following approval by USAC, Contractor shall provide a draft report to the beneficiary or service provider to obtain written responses from the beneficiary or service provider. The Contractor shall then provide USAC with a copy of the draft audit report for final review and approval. The draft report must reflect auditee and audit firm responses where applicable and have been through all levels of internal review (e.g., concurring partner review) prior to submission to USAC. USAC will review and, if appropriate, approve the release of all draft reports. If USAC does not approve a draft report, Contractor shall promptly address USAC's concerns and re-submit a corrected draft report for USAC's approval.
6. Following USAC's approval of the draft report, Contractor shall submit a final audit report, which incorporates USAC's comments, via a web-based portal provided by USAC. The final report is due no later than two weeks after receipt of approval of the draft.
7. Prior to USAC's acceptance of draft reports, final reports, work papers, and any audit data submitted in electronic form, such reports or data may be evaluated by USAC, FCC or by one or more independent accounting firms of USAC's choosing. Contractor shall cooperate in all respects with USAC's quality review processes, including adequately addressing all comments made during the quality assurance review.
8. All draft and final reports shall be the sole property of USAC.
9. Contractor shall maintain copies of all work papers prepared in the course of each audit for a period of seven (7) years and shall make the work papers available to USAC, or

its designee, upon request.

G. Department of Justice/Litigation Involvement

By entering into a Contract, each Contractor shall be deemed to acknowledge that in the event any potential civil or criminal improprieties are uncovered in the audit process, Contractor shall provide, upon request, investigative support, which includes, but is not limited to, audit, telecommunications expertise and computer forensic support. Contractor shall bring potential improprieties immediately to the attention of USAC's Audit and Assurance Division. To the extent Contractor is asked to provide investigative support to third party investigations of potential criminal improprieties, the relevant level of investigative support will be dealt with on a case-by-case basis, and will be subject to an individual task order with its own scope and estimated price. Task orders for investigative support services will be awarded separately and priced in accordance with the labor rates and pricing procedures set forth herein.

H. Contractor Personnel

Contractor shall provide trained and experienced personnel who are qualified to perform the Services required by the Contract and who meet all qualifications set forth in the Contract. The Contractor must have access to data analytic resources to assist with testing program compliance, noting areas of non-compliance, and supporting any conclusions. In addition to meeting the position-specific qualifications described in **Attachment 1**, all Contractor personnel shall have excellent technical writing, interpersonal, and communication skills, and shall conduct themselves in a professional manner while providing the Services.

I. Project Management

Contractor shall provide dedicated project manager that shall cooperate in all respects with USAC Project Management Office ("PMO"). The project manager shall be responsible for project management and related Deliverables, budgeting, and reporting on the items specified within each task order awarded to the Contractor.

1. Project Communications

During the performance of the engagement, the Contractor shall provide written and/or oral reports to the USAC project manager to convey the status and costs of audits assigned to it for execution or quality review. Contractor shall communicate regularly with the USAC project manager, USAC contracting officer, and other USAC staff as required by USAC regarding the status of the engagement. Contractor will use a standardized reporting template that is approved by the USAC PMO to provide the details necessary for the written communications.

2. Status Meetings

Contractor personnel, including at a minimum the Contractor PMO and senior management responsible for the task order and audits under review, as well as Contractor personnel specifically invited by USAC, shall attend regularly scheduled status meetings (every other week at a minimum) that will be hosted by USAC PMO to discuss and report task progress, address issues/concerns, report expended costs, and identify any problems that require action and notification to USAC Audit and Assurance Division (“AAD”) management. Contractor shall submit a written status report to the USAC PMO weekly on Monday by 12:00PM ET. The status meetings will be conducted on-site at USAC with the required individuals attending in person or via conference call.

3. Management Review

Contractor management personnel including, at a minimum the Contractor PMO, Partner, and senior level management, as well as Contractor personnel specifically invited by USAC, shall attend scheduled management review meetings when required. USAC personnel will include the USAC PMO, USAC contracting officer, and other USAC staff as required, for the purposes of allowing all interested stakeholders to review current status and address issues/concerns. The project review shall describe achievements, work in progress, issues incurred and resolutions, risks identified and related mitigations, major milestones accomplished/missed, and contract labor cost and expenses. The project review report shall provide sufficient information to validate the Contractor’s performance for that time period. The Contractor shall submit a draft of the report that will be presented at the project review five (5) business days in advance of the management review meeting. The management review meetings will be conducted on-site at USAC with individuals attending in person, unless circumstances preclude their attendance and require attendance via conference call.

J. Project Tools

Contractor shall use MS Office 2013 and MS Project 2013 to prepare deliverables and manage the agreed upon Final Project Plan (described in Section 9) and budget/costs. Contractor shall also use USAC’s web-based audit management site to: (1) manage and track audit milestones; (2) submit draft and final audit reports; and (3) communicate issues and questions for resolution.

In order to access the USAC web-based site, the Contractor shall adhere to multi-factor authentication to comply with USAC’s security requirements for remote access of sensitive information. This authentication shall be supported through a secure connection between Contractor’s location and USAC headquarters via the use of OKTA for multi-factor authentication, and Citrix for access to USAC’s network. Contractor shall provide a technical point of contact to work with USAC staff to establish a process for users to connect to the network. Remote users must install a Citrix receiver on their local machines and OKTA on their mobile devices to be able to access USAC’s network.

K. Travel

Contractor personnel may be required to travel to USAC's location for training, to attend occasional meetings at USAC and/or the FCC, and to the various locations of the beneficiaries subject to audit in order to perform on-site fieldwork. In accordance with the terms and conditions of the Contract and USAC's Travel Expense Policy, (*see Attachment 2*), USAC will reimburse Contractor for necessary and reasonable travel expenses incurred in performance of the Services, subject to the limitations (e.g. ceiling price) set forth in the Contract.

9. DELIVERABLES

Contractor shall provide the following Contract Deliverables:

A. *Final Project Plan*

1. General. Contractor shall submit a final project plan ("Final Project Plan") within ten (10) business days of the Effective Date of a Task Order. The Final Project Plan will be constructed based on the individual audits assigned to the Contractor. The audits assigned to each Contractor shall be determined based on the results of a conflict of interest exercise, and USAC shall notify the Contractors of which audits were assigned to them three (3) days after completing this exercise. The Final Project Plan will be used by USAC as a baseline to measure audit progress and costs, and to identify, prioritize and control any necessary and approved deviations from the Final Project Plan. During the Term of the Task Order, Contractor shall not deviate from the Final Project Plan in any manner that could impact the Task Order schedule, performance or costs, unless USAC, in its sole discretion, gives prior written approval.

2. Final Project Plan Content.

The following items shall be included in the Final Project Plan:

- a. Overview: High level overview of the Contractor's strategy to successfully complete the audits within the Task Order period of performance;
- b. Tools: List of data analytical tools that will be used in testing, with a short description of each tool;
- c. Audit Order: The order in which the audits will be announced and performed;
- d. Milestones: The milestones, duration and resources assigned to conduct the work for each audit. The milestones should include:
 - Announcement;
 - Planning;
 - Fieldwork;*

- Site Visit, if applicable;
- Draft Report Review (USAC and FCC);
- Final Audit Report

*The Fieldwork phase of an audit must start no later than four (4) weeks after the Announcement package is delivered to the audited entity.

- e. Planned Schedule: The Final Project Plan must set forth the Contractor’s planned schedule to complete each of the milestones above for each audit using a Gantt chart prepared in Microsoft Project.
- f. Additional Considerations: Contractor shall take into consideration that the draft audit report will be subject to USAC internal review and an FCC review. The review process may take up to sixty (60) days and the report may require rework based on feedback and comment. All Final Audit Reports shall be delivered to USAC prior to the Task Order effective end date.

B. Final Staffing Plan

The following items shall be included in the final staffing plan:

1. Overview. Contractor shall submit a final staffing plan (“Final Staffing Plan”) within ten (10) business days after the Effective Date of the Task Order. The Final Staffing Plan shall be constructed based on the individual audits assigned to the Contractor and include the staffing, hourly rates, and Key Personnel assigned to the Task Order.
2. Content. The Final Staffing Plan shall identify:
 - a. The labor categories to be assigned to the Contract as well as the names of personnel assigned to each labor category; and
 - b. The labor categories that will be assigned to each audit and the estimated number of hours per labor category for each audit.
3. Personnel Qualification Requirements. Contractor shall provide trained and experienced personnel who meet the minimum qualifications listed in the position descriptions set forth in **Attachment 1**, Labor Category Descriptions and Labor Rates. Each individual assigned to the Contract must sign a USAC confidentiality agreement, which USAC will keep on file, before starting any work on the Contract.

C. Audit Program

Contractor shall develop an audit program specific to the Program under audit (“Audit Program”) that includes, but is not limited to the testing procedures and audit steps the Contractor will follow in conducting the audits, including planning, fieldwork, and preparation of the Audit Report. The Audit Program shall include procedures required to test compliance for those areas that are the highest risk to the Program, as described in Section 8 (Services).

The Audit Program shall be delivered to USAC no later than ten (10) business days after completion of the USAC-provided training described in Section 10.A. USAC and the FCC reserve the right to require the Contractor modify or include additional test procedures in the Audit Program.

D. Draft and Final Audit Reports

1. Report Formats. Contractor shall prepare and deliver draft and final audit reports of all audit findings for each audit assigned to the Contract. Each report shall adhere to the standardized audit report template developed for the Contract by USAC and the Contractor, and shall be in English, grammatically correct, without misspellings, syntax, or substantive errors, and without any errors in logic.
2. Draft Audit Report. The draft audit report shall be submitted via a web-based portal provided by USAC no later than twenty (20) days after completion of fieldwork. Receipt of this report will initiate the USAC internal and FCC reviews. The review cycle shall be managed by USAC AAD, with the support of the USAC proprietary tool, and the Contractor shall receive feedback and comment throughout the review cycle from USAC AAD and electronic notifications from the tool. The Contractor shall respond to all feedback and comment, and prepare a revised version of the draft report as needed. USAC shall approve the release of the draft report after internal and FCC reviews are completed and the reviewers receive satisfactory responses to their feedback and comment.
3. Final Audit Report. Contractor shall prepare and submit the final audit report via the web-based portal no later than two (2) weeks after receiving approval of the draft report from USAC.
4. Litigation Support. Contractor shall prepare any documentation to support litigation in court, if needed. If required, USAC will pay for these services on a time and materials basis based on the labor hour rates submitted as a part of this Contract.
5. Ownership. All draft and final audit reports shall be the sole property of USAC, and USAC has sole authority to distribute the final audit report to the audited entity.
6. Record Retention. Contractor shall maintain copies of all work papers prepared in the course of each audit for a period of seven (7) years starting with the date the final audit report is released to the beneficiary, and shall make the work papers available to USAC, or its designee, upon request.

E. Project Management Deliverables

1. Project Management Support. Contractor shall provide project management support, including the preparation and submission of weekly status reports, the Final Project Plan, the Final Staffing Plan, and providing data for USAC to manage and report audit progress

to USAC leadership. The Contractor's Lead Project Manager shall manage and track all events identified to successfully complete the audits within the Contract period of performance and shall be responsible for updating the Final Project Plan and the Final Staffing Plan, as needed, and communicating all changes to USAC.

2. Weekly Status Reports. Contractor shall prepare a weekly status report and submit it to USAC each Monday by 12:00 PM ET. The report will follow a template provided by the COR, to include the current status of the assigned audits, percentage of completion, personnel changes, issues affecting Contract progress, and potential findings.

F. Fraudulent Activity Notification

Contractor shall immediately notify USAC of any suspected fraudulent activity discovered during performance of the Services pursuant to the Contract. Such notice shall include a detailed description of the suspected fraudulent activity and shall be given orally and in writing, to:

Teleshia Delmar, Vice President of Internal Audit and Assurance USAC
202/776-0200
teleshia.delmar@usac.org

10. MEETING AND PERSONNEL

A. Project Kick-off Meeting and Training

A project kick-off meeting and Program training shall be held at USAC's offices in Washington, D.C. when deemed necessary to train the Contractor on Program specific rules and regulations.

The project kick-off meeting is intended to serve as an introduction between the Contractor personnel who will perform the Services under the Contract, and USAC personnel who will be involved with the project. The meeting shall provide the forum to discuss technical or business questions, project roles and responsibilities of the respective parties and any project communications.

Following the kick-off meeting, USAC will provide training related to the USF Program and project management Deliverables. The training is estimated to extend between two (2) and three (3) business days depending on the Program and will be comprised of the following three (3) elements:

1. Overview of FCC regulations (including those set forth in 47 C.F.R. Part 54), orders, and directive governing the USAF Support Mechanisms, as well as other program requirements, in addition to the FCC forms that are required to be completed and certified by Lifeline Program applicants;
2. Examples of testing procedures to identify areas of non-compliance with

Program Rules and amounts of recoverable funds; and

3. Contract Deliverables and tools.

The exact location and dates will be communicated within one (1) week after the Effective Date of the Contract. Training will be conducted no earlier than ten (10) business days after the Effective Date. Key Personnel (as defined in Section 10.E) and senior staff auditors shall attend the full Lifeline training in person. Only Key Personnel directly responsible for managing the Contract activities and creating Deliverables are required to attend the training on Contract Deliverables and tools.

B. *Weekly Status Meetings*

During performance of the Contract, Contractor personnel shall communicate on a regular basis with USAC staff, and, as requested by USAC's COR or CA, attend weekly status meetings with USAC staff to discuss project status and progress, impediments, and audit findings. Status meetings will be held by teleconference unless USAC expressly requests the physical presence of Contractor personnel at the meeting. The weekly status report (as described in Section 10.E) shall be used as the basis of the status meeting discussion.

C. *Audit Report Presentations*

Contractor shall be available to prepare and present their work products to varying USAC governing bodies, such as the USAC Board of Directors, the FCC, and Congressional Committees. These presentations will be performed by select Key Personnel and held in the Washington, D.C. area. USAC shall provide Contractor with reasonable notice of the date of a presentation and the materials that shall be presented.

D. *Communication*

Contractor shall be reasonably available and accessible via email or telephone during USAC's normal business hours, which are Monday through Friday (9:00AM-6:00PM ET). When necessary, communication may be made outside of these hours to ensure the progress of the Contract is not impeded.

E. *Key Personnel*

Key Personnel must meet all required qualifications and be available for Contract performance at the time of Contract award. The Contractor can propose, if necessary, additional Key Personnel as required to ensure adherence to all services and activities outlined in the Contract. Once approved, the Key Personnel cannot be removed from the Contract without the approval of the COR, and only when a replacement acceptable to the COR is made. At a minimum, Key Personnel shall include:

1. Partner/Principal/Director of Auditing Services;
2. Senior Manager(s) of Auditing Services;
3. Manager(s) of Auditing Services; and
4. Lead Project Manager.

11. TRAVEL

Contractor personnel may be required to travel to USAC to perform services under the Contract. In accordance with the terms and conditions of the Contract and USAC's Travel Expense Policy, USAC will reimburse the Contractor for necessary and reasonable travel expenses incurred in performance of this request for services. The travel will be included in the not-to-exceed value of the Contract and will be limited to Task Orders where it is specifically requested.

SECTION C:

USAC Terms and Conditions

I. DEFINITIONS

“Contractor” means the Offeror whose proposal was selected for award of the Contract and whose signature is included in Contract Cover Sheet, hereof.

“Data” means recorded information, regardless of form or the media on which it may be recorded, and includes, but is not limited to, technical data and Software.

“Deliverables” means the deliverables, goods, items, products, and material that are to be prepared by Contractor and delivered to USAC as described in Section B (Requirements and Scope of Work).

“Offeror” means an entity submitting a formal proposal in response to this Solicitation.

“Services” means the tasks, services, functions and responsibilities described in Section B and in the Task Orders issued hereunder.

“Software” means computer programs that allow or cause a computer to perform a specific operation or series of operations, together with all modifications to, or enhancements (derivative works) thereof.

II. INSPECTION/ACCEPTANCE

Contractor shall only tender for acceptance Services and Deliverables that conform to the requirements of the Contract. USAC will, following Contractor’s tender, inspect or test the Deliverables or Services and:

- (a) Accept the Services and Deliverables; or
- (b) Reject the Services and Deliverables and advise Contractor of the reasons for the rejection.

If Services and Deliverables are rejected, Contractor must repair, correct or replace nonconforming Deliverables or re-perform nonconforming Services, at no increase in contract price. If repair, correction, replacement or re-performance by Contractor will not cure the defects or is not possible, USAC may terminate for cause under Section C.IX, below, and, in addition to any other remedies, may reduce the Contract price to deduct amounts for the defective work.

Unless specified elsewhere in the Contract, title to items furnished under the Contract shall pass to USAC upon acceptance, regardless of when or where USAC takes possession.

III. ENTIRE CONTRACT/BINDING EFFECT

The Contract, including the following contract documents listed in descending order of precedence:

Universal Service Administrative Co. Beneficiary and Contributor Performance Audit Services | Request for Proposals (RFP)

(1) Sections A-E, including the attachments identified in Section D; and (2) any other attachments - constitutes the entire agreement (Contract) between the parties with respect to the subject matter hereof and supersedes and replaces all prior or contemporaneous understandings or agreements, written or oral, regarding such subject matter. Section B and Section C have priority and shall take precedence over any other Contract document, including Contractor proposals that may be included as attachments to the Contract. Any waiver of any provision of the Contract will be effective only if in writing and signed by the party granting the waiver. The Contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assignees.

IV. CHANGES

The terms of the Contract shall not be modified other than in writing signed by the parties.

V. INVOICES

- A. *Where to Submit Invoices.* Contractor shall submit invoices electronically to **Accounting@USAC.org**. Additionally, Contractor shall submit an electronic invoice to the Contracting Officer's Representative (COR) to receive invoices by the eighteenth (18th) business day of the month in accordance with Section B.VII.H.
- B. *Invoice Content:* Invoices must include:
1. Name and address of Contractor;
 2. Invoice date, number and period of performance;
 3. Contract number and Task Order number (a separate invoice shall be submitted for each Task Order);
 4. Name and address of official to whom payment is to be sent or to notify in event of invoice or payment issues; and
 5. Any other substantiating documentation or information as reasonably required by USAC.
- C. USAC shall not be liable for uncompleted or erroneous transfers which occur as a result of Contractor providing incorrect or out of date ETF information.
- D. *Content of Periodic Invoices.* If periodic invoices are submitted for a Task Order, each invoice shall include only Services that have been completed and Deliverables that have been accepted as of the date of invoice submission and that have not been billed in a prior invoice.
- E. *Contractor Statement to Accompany Invoices.* All invoices shall be accompanied by the following statement signed by Contractor: "I certify that the services and items submitted on this invoice have been performed and delivered in accordance with the Contract [insert Contract number], Task Order No. [insert Task Order number], and that all charges are true, correct and have not been previously billed."

VI. PAYMENTS/RATES

Contractor shall be paid for Services performed on a fixed-price, labor hour or time and materials basis using the labor categories and fixed hourly rates set forth in **Attachment 1**. Fixed-price Task Orders will only be used when it is possible to identify the scope and quantity of work with reasonable certainty. Task Orders with fixed pricing shall include a breakdown of the pricing using the fixed hourly labor rates included in **Attachment 1** and estimated hours for performance. USAC will pay invoices submitted in accordance with Section C.V., above, within thirty (30) calendar days of receipt of invoice, provided the Services and/or Deliverables have been delivered and accepted by USAC. The labor rates are firm and shall remain firm unless agreed to in writing by the parties, or unless Contractor provides a rate reduction or discount thereto. All labor rates specified herein are fully loaded and include all direct and indirect costs and expenses, including applicable federal, state, or local sales, use, or excise taxes, and profit.

VII. PATENT INDEMNITY

Contractor shall indemnify, hold harmless and defend USAC and its directors, officers, employees and agents against any and all claims and liability, including attorney's fees and other costs, for actual or alleged direct or contributory infringement of, or inducement to infringe, or misappropriation of, any patent, trademark or copyright, arising out of or related to Contractor's performance of the Contract.

VIII. ASSIGNMENT/SUBCONTRACTING

Subcontracting the Services of Key Personnel to another firm will not be permitted under the contract as the result of this solicitation. Contractor shall not assign or subcontract non key personnel without obtaining USAC's prior written consent. Consent must be obtained at least thirty (30) days prior to the proposed assignment or subcontracting. USAC may require information and assurances that the proposed assignee or subcontractor has the skills, capacity, qualifications and financial strength to meet all of the obligations under the Contract. An assignment or subcontract shall not release the Contractor of the obligations under the Contract, and the assignee or subcontractor shall be jointly and severally liable with the Contractor. Contractor shall not enter into any subcontract with a company or entity that is debarred, suspended, or proposed for debarment or suspension by any federal executive agency unless there is a compelling reason to do so. Contractor shall review the System for Award Management (SAM) for suspension or debarment status of proposed subcontractors. See <https://www.sam.gov>.

IX. TERMINATION FOR CONVENIENCE

USAC may terminate the Contract for any reason or no reason upon one (1) day prior written notice to the Contractor. Subject to the terms of the Contract, Contractor shall be paid for all time actually spent performing the Services required by the Contract up to date of termination, plus reasonable charges Contractor can demonstrate to the satisfaction of USAC have resulted directly from the termination.

X. TERMINATION FOR CAUSE

Upon the expiration of a ten (10) day cure period (during which the defaulting party did not provide a sufficient cure), the non-defaulting party may terminate the Contract or any Task Order issued hereunder, in whole or in part, *for cause* in the event of the defaulting party's failure to comply with any material term or condition of the Contract or Task Order, as applicable, or if either party fails to provide the other party, upon request, with adequate assurances of future performance. In the event of termination for cause, the non-defaulting party shall be entitled to any and all rights and remedies provided by law or equity. If it is determined that USAC improperly terminated the Contract for cause, such termination shall be deemed a termination for convenience. In the event of partial termination, the defaulting party shall continue to perform the portion of the Services not terminated.

XI. STOP WORK ORDER

USAC may, in its sole discretion, issue a stop work order at any time during the Contract Term. Upon receipt of a stop work notice, or upon receipt of a notice of termination (for cause or convenience), unless otherwise directed by USAC, Contractor shall, on the stop work date identified in the stop work or termination notice: (A) stop work, and cause its subcontractors, consultants or agents to stop work, to the extent specified in said notice; and (B) subject to the prior written approval of USAC, transfer title and/or applicable licenses to use, as appropriate, to USAC and deliver to USAC, or as directed by USAC, all materials, Data, work in process, completed work and other USAC Information or material produced in connection with, or acquired for, the work terminated. In the event of a stop work order, all deadlines in the Contract shall be extended on a day for day basis from such date, plus reasonable additional time, as agreed upon between the parties, acting in good faith, to allow Contractor to reconstitute its staff and resume the work.

XII. LIMITATION OF DAMAGES

Except in cases of gross negligence or willful misconduct, in no event shall either party be liable for any consequential, special, incidental, indirect or punitive damages arising under or relating to the performance of the contract. USAC's entire cumulative liability from any causes whatsoever (including indemnification obligations, if any), and regardless of the form of action or actions, whether in contract, warranty, or tort (including negligence), arising under the contract shall in no event exceed the lesser of Contractor's actual, proven direct damages or the amounts paid to Contractor under the Contract. The parties expressly acknowledge that the limitations and exclusions set forth in this provision have been the subject of active and complete negotiation between the parties and represent the parties' agreement based upon the level of risk to the parties associated with their respective obligations under the contract and the payments provided hereunder to Contractor for its performance of the Services and Deliverables. All exclusions or limitations of damages contained in the contract, including, without limitation, the provisions of this section, shall survive expiration or termination of the contract.

XIII. CONFIDENTIAL INFORMATION

A. *Confidential Information.* Confidential Information includes, but is not limited to, information, Data, material, or communications in any form or format, whether tangible or intangible, spoken or written (collectively referred to hereafter as "Information"), that contains, reflects, or is

derived from or based upon, or is related to: (1) Personally Identifiable Information (PII), as defined by NIST Special Publication 800-122; (2) Management, business, procurement or financial Information of either party, the FCC or a USF stakeholder, including proprietary or commercial Information and trade secrets that have not previously been publicly disclosed; (3) Information concerning USAC's relationships with other vendors, the FCC, USF Stakeholders and financial institutions; (4) Information marked to indicate disclosure limitations such as "Confidential Information," "proprietary," "privileged," "not for public disclosure," "work product," etc.; (5) Information compiled, prepared or developed by Contractor in the performance of the Contract, provided the foregoing shall not include Information that is already lawfully in the possession of the recipient party prior to the receipt of such Information; and (6) any Information identified as confidential by the disclosing party.

- B. *Non-Disclosure/Use/Irreparable Harm.* It is anticipated that one of the parties (Disclosing Party) may disclose, or has disclosed, Confidential Information to the other party (Recipient). At all times during the term of the Contract and thereafter, the Recipient shall maintain the confidentiality of all Confidential Information and prevent its unauthorized disclosure, publication, dissemination, destruction, loss, or alteration. Recipient shall only use Confidential Information for a legitimate business purpose of USAC and in the performance of the Contract. Recipient acknowledges that the misappropriation, unauthorized use, or disclosure of Confidential Information would cause irreparable harm to the Disclosing Party and could cause irreparable harm to the integrity of the USF Programs.
- C. *Employee Access to Confidential Information.* Recipient shall not disclose Confidential Information to partners, joint ventures, directors, employees, agents and subcontractors (sub-Recipient) unless absolutely necessary for a Recipient's or sub-Recipient's performance of the Contract, and if necessary, shall only disclose the Confidential Information necessary for sub-Recipient's performance of its duties. As a pre-condition to access to Confidential Information, Recipient shall require sub-Recipients, including its employees and subcontractors, and the employees of any subcontractor, to sign a non-disclosure or confidentiality agreement containing terms no less restrictive than those set forth herein. The Disclosing Party may enforce such agreements, if necessary, as a third-party beneficiary.
- D. *Contractor Enforcement of Confidentiality Agreement.* Contractor must report, and describe in detail, any breach or suspected breach of the non-disclosure requirements set forth above to the USAC General Counsel immediately (*i.e., within one (1) hour*) upon becoming aware of the breach, including when and how the breach occurred, who was involved, and what has been done to recover the Information.
- E. *Exclusions.* If requested to disclose Confidential Information by an authorized governmental or judicial body, Recipient must promptly notify the Disclosing Party of the request and to the extent that it may legally do so, Recipient must refrain from disclosure of the Confidential Information until the Disclosing Party has had sufficient time to take any action as it deems appropriate to protect the Confidential Information. In the event Confidential Information of USAC is requested, Recipient must notify USAC, with a copy to USAC's Office of General

Counsel, of the request. Neither Contractor nor its subcontractors shall issue any public statement relating to or in any way disclosing any aspect of the Contract without the prior written consent of USAC. Notwithstanding anything herein to the contrary, USAC may, without notice to Contractor, provide the Contract, including Contractor's proposal information, and any information or Data delivered, prepared or developed by Contractor in the performance of the Contract to the FCC or other governmental or judicial body, and may publicly disclose basic information regarding the Contract, e.g., name of Contractor, price, basis for selection, description of services/deliverables and any provisions necessary for USAC to justify actions taken with respect to the Contract.

XIV. RETURN OF USAC INFORMATION

- A. "USAC Information" includes Information and Data provided by USAC to Contractor for use in the performance of the Contract, Data that is collected, developed or recorded by Contractor in the performance of the Contract, including without limitation, business and company personnel information, program procedures and program specific information, and Data that is created or derived from such Data. USAC Information is Confidential Information and subject to all requirements in Section C.XIII.
- B. Promptly upon the expiration or termination of the Contract, or such earlier time as USAC may direct, Contractor shall, at the direction of USAC, and at no additional cost to USAC, return or destroy all USAC Information, including all copies thereof, in the possession or under the control of Contractor. Contractor shall not withhold any USAC Information as a means of resolving any dispute. To the extent that there is a dispute between Contractor and USAC, Contractor may make a copy of such USAC Information as is necessary and relevant to resolution of the dispute. Any such copies shall promptly be destroyed upon resolution of the dispute.
- C. USAC Information is provided to Contractor solely for the purpose of rendering the Services, and USAC Information or any part thereof shall not be sold, assigned, leased, or otherwise transferred to any third party by Contractor (except as required to perform the Services or as otherwise authorized in the Contract), commingled with non-USAC Information, or commercially exploited by or on behalf of Contractor, or its employees or agents. Promptly upon the expiration of the Contract term, or such earlier time as USAC may direct, Contractor shall, at the direction of USAC, and at no additional cost to USAC, return or destroy all copies of USAC Information in the possession or under the control of Contractor or its employees or any subcontractors or their employees. Contractor shall not withhold any USAC Information as a means of resolving any dispute. To the extent that there is a dispute between Contractor and USAC, Contractor may make a copy of such USAC Information as is necessary and relevant to resolution of the dispute. Any such copies shall promptly be destroyed upon resolution of the dispute.

XV. INFORMATION SECURITY

The Contractor shall establish and maintain safeguards to protect the confidentiality, integrity, and restricted availability of Confidential Information, including any personally identifiable information,

in its possession according to National Institute of Standards and Technology (NIST) and the Federal Information Security Management Act (FISMA) requirements. This includes all information that is sent to and received from USAC and USAC Stakeholders. The Contractor and its subcontractors shall ensure that their respective local area networks, servers, and personal computers are secure from unauthorized access from within or outside their respective organizations. The Contractor shall not store or otherwise maintain any USAC Confidential Information in the Cloud without first obtaining USAC's written consent.

XVI. MALICIOUS SOFTWARE

Contractor represents and warrants that it shall use its best efforts to prevent the introduction into USAC's network, software or systems ("USAC IT Systems") of any Software, program, routine, device, or other undisclosed feature that is designed to delete, disable, deactivate, interfere with or otherwise harm USAC's IT Systems or Data, or that is intended to provide unauthorized access or modifications ("Malicious Software"). Contractor agrees that if it introduces, or allows the introduction of Malicious Software into USAC's IT Systems intentionally, negligently or by failure to maintain available safeguards, Contractor must, at no additional cost to USAC, eliminate, or reduce to the greatest extent possible, the effects of the Malicious Software, including restoring Data, and, if the Malicious Software causes a loss of operational efficiency, loss of data or other damages, to mitigate and restore such losses, and to indemnify USAC for any damages.

XVII. FISMA PROVISIONS

The contractor shall meet and comply with all USAC IT Security Policies and all applicable USAC and NIST requirements and other Government-wide laws and regulations for the protection and security of Information Technology. Contractor's security controls must be assessed against the same NIST criteria and standards as if they were a government-owned or-operated system, and comply with FISMA requirements.

Safeguarding of Covered Contractor Information Systems:

The Contractor shall apply the following minimum safeguarding requirements and procedures to protect covered contractor information systems. Requirements and procedures for basic safeguarding of covered contractor information systems shall include, at a minimum, the following security controls:

1. Limit information system access to authorized users, processes acting on behalf of authorized users, or devices (including other information systems).
2. Limit information system access to the types of transactions and functions that authorized users are permitted to execute.
3. Verify and control/limit connections to and use of external information systems.
4. Control information posted or processed on publicly accessible information systems.
5. Identify information system users, processes acting on behalf of users, or devices.
6. Authenticate (or verify) the identities of those users, processes, or devices, as a prerequisite to allowing access to organizational information systems.
7. Sanitize or destroy information system media containing USAC Information before disposal or release for reuse.
8. Limit physical access to organizational information systems, equipment, and the respective

- operating environments to authorized individuals.
9. Escort visitors and monitor visitor activity; maintain audit logs of physical access; and control and manage physical access devices.
 10. Monitor, control, and protect organizational communications (i.e., information transmitted or received by organizational information systems) at the external boundaries and key internal boundaries of the information systems.
 11. Implement subnetworks for publicly accessible system components that are physically or logically separated from internal networks.
 12. Identify, report, and correct information and information system flaws in a timely manner.
 13. Provide protection from malicious code at appropriate locations within organizational information systems.
 14. Update malicious code protection mechanisms when new releases are available.
 15. Perform periodic scans of the information system and real-time scans of files from external sources as files are downloaded, opened, or executed.

XVIII. TECHNOLOGY CONSIDERATIONS

For requests for information (RFIs), RFPs, and/or contracts involving the acquisition of commercial off-the-shelf (COTS) software:

COTS or Software as a Service (SaaS) software deployed in the cloud or on USAC's on-premise infrastructure must satisfy the following requirements:

- The product must be able to utilize USAC's instance of OKTA's Identity and Access Management software for user authentication.
- The product must also be able to support and/or work with the OKTA Multi-Factor Authentication (MFA) functions and features.
- OKTA is a cloud-based Identity and Access Management product used by USAC.
- Any USAC data stored in a COTS/SaaS product database must be easily accessed by USAC via standard web services or another standard access mechanism.

For RFIs, RFPs, and/or contracts involving the development of custom software for USF programs (Lifeline, High Cost, Rural Health Care and Schools and Libraries), custom software developed shall reuse the USAC technical stack unless Contractor demonstrates that those components are unable to meet the requirements. Key components of USAC's technical stack include the following:

- Java Programming Language
- .NET Programming Language
- SQL Server
- OKTA (Identity and Access Management)
- Postgres (Relational Database Management System)
- Elastic Search, Logstash, Kibana

- Atlassian based tools (SDLC)
- Apache Tomcat (Application Servers)
- Red Hat Enterprise Linux
- Business Intelligence, Reporting, Geographical Information System, and Data Warehouse tools

Further details of USAC’s technical stack will be provided during the down-selection process.

XIX. PROPERTY RIGHTS

Contractor agrees that all Data, Software, Deliverables, reports or other materials (collectively “Materials”) developed or conceived by Contractor and/or documented by Contractor in the performance of the Contract, as well as all modifications and improvements thereto and all other designs, discoveries and inventions, are USAC property and shall be deemed USAC Information pursuant to Section XIV above and works made-for-hire for USAC within the meaning of the copyright laws of the United States. Accordingly, USAC shall be the sole and exclusive owner for all purposes for the use, distribution, exhibition, advertising and exploitation of such Materials or any part of them in any way and in all media and by all means throughout the universe in perpetuity.

The Contractor shall not, without the prior written permission of the Contracting Officer, incorporate in Data delivered under the Contract any Data not first produced in the performance of the Contract unless the Contractor: (1) identifies the Data; and (2) Grants to USAC, or acquires on USAC’s behalf, a license of the same scope as set forth earlier in this Section XVI.

XX. RESPONSIBILITY FOR CONTRACTOR PERSONNEL

Contractor personnel working on USAC premises may be required to sign and agree to the terms of a [Visitors Form](#) provided by USAC. Contractor is responsible for any actions of its personnel, including any actions that violate law, are negligent or that constitute a breach of the Visitor Form and/or the Contract.

Security Briefings. Before receiving access to IT resources under the Contract, Contractor personnel must provide security training to its own employees. USAC will review and approve Contractor’s security training materials and verify that training certifications and records will be provided upon request, if requested during the annual FISMA audit. If Contractor employees will be in USAC offices or have access to USAC IT systems, pursuant to NIST, Contractor shall conduct background checks on its employees and provide evidence of the background checks to USAC upon request. If Contractor employees will be in USAC offices or have access to USAC IT systems, background checks are required pursuant to NIST.

XXI. RECORD RETENTION

During the term of the Contract and for seven (7) years following final payment, the Contractor shall maintain and make available at its offices at all reasonable times, the records, materials, and other evidence relating to the Contract for examination, audit, or reproduction.

XXII. KEY PERSONNEL

All Contractor employees assigned to the positions identified in Section B.X.D are key personnel. The key personnel assigned to the Contract or to a Task Order must remain in their respective positions throughout the term of the Contract or Task Order, as applicable. USAC may terminate all or a part of the Contract if the Contractor changes the position, role, or time commitment of key personnel, or removes key personnel from the Contract, without USAC's prior written approval.

USAC may grant approval for changes in staffing of key personnel if it determines in its sole discretion, that:

- changes to, or removal of, key personnel is necessary due to extraordinary circumstances (e.g. a key personnel's illness, death, termination of employment, or absence due to family leave), and
- Contractor has resources (e.g., replacement personnel) with the requisite skills, qualifications and availability to perform the role and duties of the outgoing personnel.

Replacement personnel are considered key personnel and this Section XXII shall apply to their placement on and removal from the Contract.

XXIII. INSURANCE

At its own expense, Contractor shall maintain sufficient insurance in amounts required by law or appropriate for the industry, whichever is greater, to protect and compensate USAC from all risks and damages/injuries that may arise under the Contract, including as appropriate, public and commercial general liability, personal injury, property damage and employer's liability and worker's compensation insurance. Contractor shall produce evidence of such insurance upon request by USAC. Contractor shall provide written notice thirty (30) days prior to USAC in the event of cancellation of or material change in the policy.

XXIV. CONFLICT OF INTEREST

It is essential that any Contractor providing Services or Deliverables in support of USAC's administration of the USF maintain the same neutrality, both in fact and in appearance, and avoid any conflict of interest or even the appearance of a conflict of interest. For example, to the extent that Contractor, or any of its principals, has client, membership, financial and/or any other material affiliation with entities that participate in the federal USF in any respect, there may be actual, potential and/or apparent conflict(s) of interest. Contractor shall promptly notify USAC, with a copy to USAC's Office of General Counsel, in writing of any actual or potential conflicts of interest involving Contractor, or any circumstances that give rise to the appearance of a conflict of interest, and the means by which Contractor proposes to avoid, neutralize, or mitigate such conflicts. Failure to provide adequate means to avoid, neutralize or mitigate any conflict of interest may be the basis for termination of the Contract. By its execution hereof, the Contractor represents and certifies that it has not paid or promised to pay a gratuity, or offered current or future employment or consultancy, to any USAC or governmental employee in connection with the award. In order to maintain the required neutrality, Contractor must not advocate any policy positions with respect to the Programs or the USF during the term of the Contract. Neither the Contractor nor its subcontractors shall issue any public statement relating to or in any way disclosing any aspect of the Contract without the prior

written consent of USAC.

XXV. INVALIDITY OF ANY PROVISION

It is the intent of the Parties that the provisions of the Contract will be enforced to the fullest extent permissible, but that the unenforceability of any provision will not render unenforceable or impair the remainder of the Contract, which will be deemed amended, to delete or modify, as necessary, the invalid or unenforceable provisions. The Parties further agree to negotiate replacement provisions for any unenforceable term that are as close as possible to the original term and to change such original term only to the extent necessary to render the same valid and enforceable.

XXVI. WAIVER

Any waiver by either party of a breach of any provision of the Contract shall not operate or be construed as a waiver of any subsequent breach by either party.

XXVII. SEVERABILITY

The invalidity or unenforceability of any provisions of the Contract shall not affect the validity or enforceability of any other provision of the Contract, which shall remain in full force and effect.

XXVIII. CONFLICT OF LAW/CONSENT TO JURISDICTION

The Contract shall be governed by and construed in accordance with the laws of the District of Columbia (the term “laws” is to be construed as broadly as possible to include case law, statutes, regulations, orders, etc.) without regard to any otherwise applicable principle of conflicts of laws. Contractor agrees that all actions or proceedings arising in connection with the Contract shall be litigated exclusively in the State and, if applicable, Federal courts located in the District of Columbia (Courts). This choice of venue is intended to be mandatory and the parties’ waive any right to assert forum non conveniens or similar objection to venue. Each party hereby consents to in personam jurisdiction in the Courts. Contractor must submit all claims or other disputes to the Contracting Officer for informal resolution prior to initiating any action in the Courts and must work with USAC in good faith to resolve any disputed issues. A dispute over payment or performance, whether informal or in the Courts, shall not relieve Contractor of its obligation to continue performance of the Contract and Contractor shall proceed diligently with performance during any dispute over performance or payment.

XXIX. USAC AND APPLICABLE LAWS

USAC is not a Federal agency, a government corporation, a government controlled corporation or other establishment in the Executive Branch of the United States Government. USAC is not a contractor to the Federal Government and the Contract is not a subcontract under a federal prime contract. USAC conducts its procurements in accordance with the terms of a Memorandum of Understanding with the FCC, which requires USAC and its Contractors to adhere to certain procurement-related provisions of the Code of Federal Regulations, 2 C.F.R. §§ 200.318-321, 200-323, 200.325-326 and App. II to C.F.R. Part 200 (collectively “Procurement Regulations”). The Contractor shall comply with the procurement standards and all applicable Federal, State and local

laws, executive orders, rules and regulations applicable to its performance under the Contract.

XXX. RIGHTS IN THE EVENT OF BANKRUPTCY

All licenses or other rights granted under or pursuant to the Contract are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code, or any replacement provision therefore (the "Code"), licenses to rights to "intellectual property" as defined in the Code. The Parties agree that USAC, as licensee of such rights under this Contractor, shall retain and may fully exercise all of its rights and elections under the Code. The Parties further agree that, in the event of the commencement of bankruptcy proceedings by or against Contractor under the Code, USAC shall be entitled to retain all of its rights under the Contract and shall not, as a result of such proceedings, forfeit its rights to any Material, license, Software, Data or works made for hire.

XXXI. TASK ORDER CEILING PRICES

Any supplies and services to be furnished under the Contract shall be ordered by issuance of Task Orders by USAC authorized representatives. Each Task Order issued under this procurement will include a ceiling price (Task Order Ceiling Price). USAC will not be obligated to pay the Contractor any amount in excess of the Task Order Ceiling Price, and the Contractor shall not be obligated to continue performance if to do so would exceed the Task Order Ceiling Price, unless and until the Contracting Officer notifies the Contractor in writing that the Task Order Ceiling Price has been increased and specifies in the notice a revised ceiling price that shall constitute the new Task Order Ceiling Price for performance under the Task Order. The total of all Task Order prices during the term of the Contract shall not exceed the total maximum value (i.e., ceiling price) set forth in Section B.IV.

XXXII. TASK ORDER COMPETITION

- A. USAC will provide IDIQ Contractors a fair opportunity to be considered for each Task Order that is estimated to exceed \$1,000.00 by issuing a Task Order request for proposals (TORPs). TORPs will: (1) describe the work to be performed; (2) identify the period of performance; (3) request proposals by a specified date; (4) request information concerning any potential or actual conflicts of interest or appearance issues relating to the proposed Task Order; (5) include instructions for submission of technical proposals, including the submission of a task plan and staffing plan; and (6) identify the evaluation factors, including price, and their respective importance, and the basis for Task Order award. Contractors responding to the TORP must propose fixed unit prices no higher than those established in their IDIQ contracts (i.e., discounted fixed unit prices may be proposed for an individual Task Order) and a Task Order ceiling price. All proposals received will be evaluated in accordance with the evaluation factors stated in the TORP.
- B. USAC will follow the competition procedure in the foregoing subsection, unless: (i) USAC's need for the services is so urgent that holding any kind of competition would result in unacceptable delays; (ii) Only one of the IDIQ contractors is capable of providing the services required at the level of quality required for the particular services; (iii) The order must be issued

on a sole source basis in the interest of economy and efficiency because it is a logical follow-on to a Task Order already issued under the contract, provided that all contractors were given a fair opportunity to be considered for the original order; or (iv) It is necessary to place an order to satisfy a guaranteed minimum amount.

XXXIII. NON EXCLUSIVITY/INDEPENDENT CONTRACTOR

Nothing herein shall be deemed to preclude USAC from retaining the services of other persons or entities undertaking the same or similar functions as those undertaken by the Contractor hereunder or from independently developing or acquiring goods or services that are similar to, or competitive with, the goods or services, as the case may be, contemplated under the Contract. Contractor acknowledges and agrees that it is an independent contractor to USAC and Contractor's key personnel, employees, representatives, directors, officers, subcontractors and agents are not employees of USAC. USAC will not withhold or contribute to Social Security, workers' compensation, federal or state income tax, unemployment compensation or other employee benefit programs on behalf of Contractor or Contractor personnel. Contractor shall indemnify and hold USAC harmless against any and all loss, liability, cost and expense (including attorneys' fees) incurred by USAC as a result of USAC not withholding or making such payments. Neither Contractor nor any of Contractor's personnel are entitled to participate in any of the employee benefit plans of, or otherwise obtain any employee benefits from, USAC. USAC has no obligation to make any payments to Contractor's key personnel, employees, representatives, directors, officers, subcontractors and agents. Contractor shall not hold herself/himself out as an employee of USAC and Contractor has no authority to bind USAC except as expressly permitted hereunder.

XXXIV. TEMPORARY EXTENSION OF SERVICES

USAC may require continued performance of any Contract services within the limits and at the rates specified in the Contract. USAC may extend the services more than once, but the total extension of performance hereunder shall not exceed six (6) months. The USAC Procurement representative may exercise an option to extend by written notice to the Contractor within ten (10) days prior to expiration of the then current term.

XXXV. NOTICES

All notices, consent, approval or other communications required or authorized by the Contract shall be given in writing and shall be:

- (a) personally delivered,
- (b) mailed by registered or certified mail (return receipt requested) postage prepaid,
- (c) sent by overnight delivery service (with a receipt for delivery), or
- (d) sent by electronic mail with a confirmation of receipt returned by recipient's electronic mail server to such party at the following address:

If to USAC:

VP of Procurement, Universal Service Administrative Co., 700 12th Street, NW,
Suite 900

Washington, DC 20005

Email: To the designated USAC Contract Officer for this procurement, with a copy

to usacprocurement@usac.org.

If to Contractor: To the address or email set forth in the Contractor's proposal in response to the Solicitation.

XXXVI. SURVIVAL

All provisions that logically should survive the expiration or termination of the Contract shall remain in full force and effect after expiration or early termination of the term of the Contract. Without limitation, all provisions relating to return of USAC information, confidentiality obligations, proprietary rights, and indemnification obligations shall survive the expiration or termination of the Contract.

XXXVII. EXECUTION/AUTHORITY

The Contract may be executed by the parties hereto on any number of separate counterparts and counterparts taken together shall be deemed to constitute one and the same instrument. A signature sent via facsimile or PDF shall be as effective as if it was an original signature. Each person signing the Contract represents and warrants that they are duly authorized to sign the Contract on behalf of their respective party and that their signature binds their party to all provisions hereof.

XXXVIII. INDEMNITY

Contractor shall defend, indemnify and hold harmless USAC from and against, any costs, liabilities, damages or expenses (including reasonable attorneys' fees) arising out of or relating to: (1) Claims for personal injuries, death or damage to tangible personal or real property to the extent proximately caused by the negligent acts or negligent omissions of Contractor or its employees, agents, consultants, or Subcontractors in connection with this Contract; and (2) Claims of any nature whatsoever to the extent caused by the violation of contract terms, negligence, illegal or intentional wrongful acts or omissions of Contractor or its employees, agents, consultants, or Subcontractors in connection with the performance of the Services.

SECTION D:

Attachments

Attachment List:

- Attachment 1: Labor Category Descriptions and Labor Rates
- Attachment 2: USAC's Travel and Expense Policy
- Attachment 3: IT Security Network Rules of Behavior Form
- Attachment 4: Confidentiality Agreement
- Attachment 5: Non-Disclosure Agreement (to be provided upon request)

SECTION E:

Instructions and Evaluation Criteria

I. GENERAL

A. CONTACT TERMS AND CONDITIONS

The Contract awarded as a result of this RFP will be governed by, and subject to, the requirements, Terms and Conditions set forth in RFP sections A, B, C, and D and any attachments listed in section D (hereafter collectively referred to as the “Terms and Conditions”). Offeror’s submission of a proposal constitutes its agreement to the Terms and Conditions and their precedence over any other terms, requirements, or conditions proposed by Offeror.

The Offeror’s proposal may identify deviations from, or revisions, exceptions or additional terms (collectively “exceptions”) to the Terms and Conditions, but only if such exceptions are clearly identified in a separate section within each proposal volume entitled “Exceptions to RFP Terms.” Proposals that include material exceptions to the Terms and Conditions may be considered unacceptable and render Offeror ineligible for award unless the Offeror withdraws or modifies any unacceptable exceptions prior to USAC’s selection of the successful Offeror for award. USAC will only consider changes or additions to the RFP Terms and conditions that are included in Offeror’s proposal. After selection of the awardee, USAC will not consider or negotiate any exceptions to the Terms and Conditions.

B. PERIOD FOR ACCEPTANCE OF OFFERS

The Offeror agrees to hold the fixed hourly labor rates in its offer firm for 120 calendar days from the date specified for receipt of offers, unless another time period is specified in an addendum to the solicitation.

Proposals must:

- Concisely address USAC’s requirements, as set forth in the Requirements and Scope of Work (Section B), and should not contain a significant amount of corporate boilerplate marketing information.
- Be submitted to USAC Procurement Department, **no later than 2:00 PM ET on August 26, 2019** (Proposal Due Date).
- Be submitted in the form of one electronic copy submitted to rfp@usac.org. The subject line for all email communication related to this solicitation should **only** state the Solicitation Number, AA-19-089, of this RFP.

C. PROPOSAL SCHEDULE

DATE	EVENT
July 25, 2019	RFP Released
August 1, 2019	Questions due to USAC by 11:00 AM ET
August 5, 2019	Q&A released to potential Offerors
August 26, 2019	Proposal Due to USAC by 2:00 PM ET at rfp@usac.org
September 16, 2019	Anticipated Award Date

To be timely, Offeror’s proposal must be received by USAC by the Proposal Due Date at the email address specified above. Any offer, modification, revision, or withdrawal of an offer received at the USAC office designated in the solicitation after the Proposal Due Date and Time is “late” and will not be considered by USAC, unless USAC determines, in its sole discretion, that (1) circumstances beyond the control of Offeror prevented timely submission, (2) consideration of the offer is in the best interest of USAC, or (3) the offer is the only proposal received by USAC.

D. AMEND, REVISE OR CANCEL RFP

USAC reserves the right to amend, revise or cancel this RFP at any time at the sole discretion of USAC and no legal or other obligations are assumed by USAC by virtue of the issuance of this RFP, including payment of any proposal costs or expenses, or any commitment to procure the services sought herein.

II. NON-DISCLOSURE AGREEMENT

USAC will release a list of all carriers that will be audited under this procurement after each potential Offeror signs a Non-Disclosure Agreement (NDA) (see **Attachment 5**). The intent of this NDA is to allow potential Offerors to determine if there is a conflict of interest. As stated in Section E.VI.A.4, a statement upon submission of your proposal is required.

III. CONTRACT AWARD

USAC intends to evaluate offers and make multiple contract awards to Offerors. USAC may reject any or all offers if such action is in the public’s or USAC’s interest; accept other than the lowest offers; and waive informalities and minor irregularities in offers received.

IV. IDENTIFICATION OF CONFIDENTIAL INFORMATION

The proposal shall clearly and conspicuously identify information contained in the proposal that the Offeror contends is Confidential Information. *See* Section C.XIII.

V. PROPOSAL VOLUME COVER PAGE

Each volume of Offeror’s proposal must contain a cover page. On the cover page, please include:

- The name of the Offeror’s organization,
- The Offeror’s contact name,
- The Offeror’s contact information (address, telephone number, email address, website address),
- The Offeror’s DUNS number,

- The date of submittal,
- A statement verifying the proposal is valid for a period of 120 days, and
- The signature of a duly authorized Offeror's representative.

VI. PROPOSAL CONTENT

Each proposal shall be comprised of the following four volumes:

A. CORPORATE INFORMATION (VOLUME I)

This volume must include:

1. A cover page, as outlined above.
2. An executive summary summarizing all key features of the proposal, including the identification of any affiliated individuals or firms that will assist the Offeror in performing the Contract.
3. Pricing information should not appear in the Executive Summary.
4. A statement regarding any known conflicts of interest.
 - a. USAC procurements are conducted with complete impartiality and with preferential treatment for none. USAC procurements require the highest degree of public trust and an impeccable standard of conduct. Offerors must strictly avoid any conflict of interest or even the appearance of a conflict of interest, unless USAC has otherwise approved an acceptable mitigation plan.
 - b. Offerors must identify any actual or potential conflicts of interest involving the Offeror or any proposed subcontractor, or any circumstances that give rise to the appearance of a conflict of interest, and the means by which it proposes to avoid, neutralize, or mitigate such conflicts. Offerors shall identify such conflicts or potential conflicts or appearance issues to USAC and provide detailed information regarding the nature of the conflict. Examples of potential conflicts include, but are not limited to: (1) any ownership, control or other business or contractual relationship(s), including employment relationships, between the Offeror (or proposed subcontractor) and any USF Stakeholder; (2) an Offeror has a direct personal or familial relationship with a USAC or FCC employee; (3) a former employee of USAC or FCC who had access to confidential procurement-related information works for the Offeror; (4) a USAC or FCC employee receives any type of compensation from the Offeror, or has an agreement to receive such compensation in the future; (5) Offeror has communications with a USAC or FCC employee regarding future employment following the issuance of the RFP for this procurement; (6) any employment or consultation arrangement involving USAC or FCC employees and the Offeror or any proposed subcontractor; and (7) any ownership or control interest in the Offeror or any proposed subcontractor that is held by an FCC or USAC employee.
 - c. Offers must also identify any participation by the Offeror, or any proposed subcontractor(s) or personnel associated with the Offeror, in any of the universal service programs. The requirement in this Section E.V.A applies at all times until Contract execution.

- d. Offerors shall propose specific and detailed measures to avoid, neutralize, or mitigate actual, potential and/or apparent conflicts of interest raised by the affiliations and services described above. If USAC determines that Offeror's proposed mitigation plan does not adequately avoid, neutralize or mitigate any actual or potential conflict of interest, or the appearance of a conflict of interest, Offeror will not be eligible for award of a contract.

B. TECHNICAL (VOLUME II)

This volume must include:

1. A cover page, as outlined above.
2. The Offeror will provide a clear statement of whether the Offeror's performance of the Contract will comply with all requirements, Terms and Conditions set forth in the RFP. Offerors must submit a detailed response to this RFP. The Offeror must clearly state whether it will comply with all requirements, Terms and Conditions set forth in the RFP, and provide detailed information about how it will fulfill the requirements of the RFP. Any deviations from, or exceptions to, the requirements, Terms or Conditions contained in this RFP must be clearly identified. This statement will be no longer than one (1) written page.

Note: Offers that include material deviations from, or take material exceptions to, RFP requirements, Terms or Conditions will be evaluated as technically unacceptable and will be ineligible for award unless USAC subsequently amends the RFP to modify the requirements or, if discussions will be held, decides to address the deviations/exceptions during discussions and thereby resolves the deviations/exceptions are thereby resolved.

Technical proposals that merely repeat the requirements set forth in the RFP and state that Contractor "will perform the statement of work" or similar verbiage will be considered technically unacceptable and will not receive further consideration. USAC is interested only in proposals that demonstrate the Contractor's expertise in performing engagements of this type as illustrated by the Offeror's description of how it proposes to perform the requirements set forth in this RFP.

3. Capabilities. Describe Offeror's capabilities for performing the Contract, including personnel resources and management capabilities. If applicable, describe how subcontractors or partners are used and how rates are determined when using subcontractors. Provide a list of firms, if any, that will be used.
4. Experience. For each of the items below in which your firm has experience, describe relevant work performed and identify the name of the entity, contact name, address, and telephone number. Only proposals submitted by firms that are registered with the American Institute of Certified Public Accountants (AICPA) will be considered for evaluation.
 - a. Describe your firm's experience with FCC regulations governing the USF and the universal service support mechanisms, and with regulations governing state universal

service funds.

- b. Describe your firm's experience in performing audits, specifically in conducting performance audits in accordance with Generally Accepted Government Auditing Standards (GAGAS) and AICPA.
 - c. Describe your firm's experience in performing audits, specifically in providing investigative support, including audit and computer forensic support in accordance with forensic industry principles.
 - d. Describe your firm's experience in analyzing service provider bills, subscriber listings, billing system reports, tariff documents, and FCC forms specific to the telecommunications industry.
 - e. Describe your firm's experience with statistical sampling and data analytics. List the tools used to perform each of these activities.
 - f. Describe your firm's experience with information technology and telecommunication applications (e.g., billing systems, mapping software, cost allocation software, etc.)
 - g. Describe how your prior auditing experience would affect the number of audit hours expended on an audit and the outcome this would have on the resulting audit and fees.
 - h. Describe how your firm has successfully met schedule and cost constraints in performing similar audit engagements. Include metrics regarding schedule compliance and cost performance relative to budget and Not-To-Exceed (NTE) limits in addition to qualitative statements.
 - i. Each offeror must submit certification that the firm is a licensed accounting/audit firm that complies with AICPA professional standards.
 - j. Each offeror must include its most recent final external peer review report within the proposal.
5. Key Personnel. Identify by name all Key Personnel who will be assigned to the Contract. Key Personnel identified in the proposal shall include the following:
- a. Partner/Principal/Director of Auditing Services;
 - b. Senior Manager(s) of Auditing Services;
 - c. Manager(s) of Auditing Services; and
 - d. Lead Project Manager.

Submit resumes for all key personnel, as an appendix (**Appendix A**) to the technical volume, no longer than one (1) page in length for each individual.

If Contractor, at time of proposal and prior to the award of the contract, has information that any such key personnel anticipate terminating his or her employment or affiliation with Contractor, Contractor shall identify such personnel and include the expected termination date in the proposal.

6. Task Order Management. Identify the tools and corporate procedures to manage the task orders to a successful completion.
 - a. Identify the office locations that will service this engagement.
 - b. Describe the project management tools and audit software that will be used during this engagement.
 - c. Provide written certification that each person on the audit team had sufficient training and is competent in the subject matter to be audited.
 - d. Describe your firm's strategy to perform simultaneous audits under one task order. What additional resources are available without subcontracting?
 - e. Describe your firm's policies and procedures for resolving engagement issues such as disputes with auditees regarding program rules.
 - f. Describe the project management support you will provide to manage the tasks and deliverables assigned to your firm, and to interface with the USAC PMO to manage the contract requirements.

C. PAST PERFORMANCE EVALUATION (VOLUME III)

This volume must include:

1. A cover page, as outlined above.
2. A list of up to three (3) current or recently completed contracts for similar in scope to those required by this solicitation. Each entry on the list must contain: (i) the client's name, (ii) the project title, (iii) the period of performance, (iv) the contract number, (v) the contract value, (vi) a primary point of contact (including the telephone number and email address for each point of contact, if available), and (vii) a back-up point of contact. If a back-up point of contact is not available, please explain how USAC may contact the client in the event the primary point of contact fails to respond.
 - a. For each past performance, provide a description of the relevant performance and the name and telephone number for USAC to contact for past performance information for each project discussed. A past performance description will consist of: (i) an overview of the engagement, (ii) a description of the scope of work performed, (iii) its relevance to this effort, and (iv) the results achieved. This is the time to identify any unique characteristics of the project, problems encountered, and corrective actions taken. Each overview shall not exceed one (1) page.
 - b. USAC will attempt to contact past performance references identified in the proposal for confirmation of the information contained in the proposal and/or will transmit a past performance questionnaire to the contacts identified in the Offeror's proposals. Although USAC will follow-up with the contacts, the Offeror, not USAC, is responsible for ensuring that the questionnaire is completed and returned by the

specified date in USAC's transmittal. If USAC is unable to reach or obtain a reference for the project, USAC may not consider the contract in an evaluation of past performance.

D. PRICE (VOLUME IV)

This volume must include:

1. A cover page, as outlined above.
2. Completed pricing information in **Attachment 1: Bid Sheet**.
 - a. The fixed labor-hour prices should be *fully loaded* and must include wages, overhead, general and administrative expenses, taxes and profit for each labor category.
 - b. The labor rates established in this RFP will be used for all awarded Task Orders, except that the Contractor may offer discounts to the labor rates in Task Order competitions.

E. PRESENTATION and PAGE LIMITATIONS

1. Proposal Presentation
 - a. Proposals must be prepared using Times New Roman font. All text except for diagrams, tables, and charts must be presented in 12 point font. Diagrams, tables, and charts may be presented in a smaller font if needed to fit the page. The reduced font size may not be smaller than 9 point.
 - b. The content of each diagram, table, Gantt chart, and chart must accurately depict the same information included in the text, serving as the visual representation of the written content in the proposal.
 - c. Any diagram, table, Gantt chart or chart must be readable when printed. These documents may be included as Attachments to the proposal using landscape orientation to enhance presentation if needed.
 - d. All diagrams, tables, Gantt charts, and charts must be incorporated into the proposal using the native program from which it was created to eliminate distortion of text by inserting images and pictures.
 - e. The font color used to label column headings must be bolded and a contrasting color from the background color to clearly display headings.
2. Page Limitation

Page count, for each Volume including the cover page, may not exceed the below:

- a. Volume I – Corporate Information; may not exceed three (3) pages.
- b. Volume II – Technical; may not exceed ten (10) pages ; however excluding **Appendix A** (Resumes),
- c. Volume III – Past Performance Information; may not exceed four (4) pages.
- d. Volume IV – Price; may not exceed three (3) pages.

Any proposals received exceeding the page count, will be considered technically unacceptable and may not receive further consideration.

VII. EVALUATION

A. EVALUATION FACTORS

USAC will award multiple contracts resulting from this solicitation to the responsible Offerors whose offers conforming to the solicitation will be most advantageous to USAC, price and other factors considered. The following factors, which are listed in descending order of importance, shall be used to compare offers and select the awardees – technical, past performance, and price. When combined, the technical and past performance factors are significantly more important than price.

1. Technical: The technical sub-factors listed below in descending order of importance:
 - a. Experience
 - Experience conducting audits, especially performance and AUP audits, under GAGAS.
 - Experience with applicable FCC regulations governing the USF and, in particular, the universal service support mechanisms and USF contributors.
 - Experience conducting inventories of telecommunications equipment or Information Technology equipment.
 - Experience and understanding of telecommunications products and subscriber listings.
 - Experience in analyzing billing systems, tariff documents and reports used in the telecommunications industry.
 - b. Personnel and Resources
 - Staffing sufficient to complete task order audits within short time frames, i.e., one year or less.
 - Knowledge and experience of Key Personnel concerning FCC regulations governing the USF and, in particular, the universal service support mechanisms.
 - Data analytics experience using automation
 - c. Management Capability

- Internal quality control procedures.
 - Policies for identifying, avoiding and mitigating conflicts of interest.
 - Project management policies and procedures
 - Policies and procedures for resolving engagement issues such as disputes with auditees regarding program rules.
2. **Past Performance:** Past performance information will be evaluated to assess the risks associated with an Offeror's performance of this effort, considering the relevance, recency and quality of the Offeror's past performance on past or current contracts for the same or similar services. The Offeror's past performance will be evaluated based on the Offeror's discussion of its past performance for similar efforts, information obtained from past performance references (including detailed references for the Offeror's proposed teaming partner(s) and/or subcontractor(s), as applicable) and information that may be obtained from any other sources (including government databases and contracts listed in the Offeror's proposal that are not identified as references).
 3. **Price Evaluation:** USAC will evaluate price based on each individual labor category, in the Bid Sheet. Price is the least important evaluation factor and USAC may not award a Contract to the lowest priced Offeror. USAC further recognizes that the size of a company, its name-recognition, geographical offerings and the expertise/experience of staff impacts the price of the hourly labor rates offered by the firms, thus making comparisons of differently situated firms less meaningful. Therefore, when considering rates, USAC will use the rates of similarly situated companies for reasonableness and comparison purposes. Price may become a more important selection factor if the ratings for the non-price factors are the same or very close to the same. In addition to considering the total prices of the Offerors when making the award, USAC will also evaluate whether the proposed prices are realistic (i.e., reasonably sufficient to perform the requirements) and reasonable. Proposals containing prices that are determined to be unrealistic or unreasonable will not be considered for award.

B. DOWN-SELECT PROCESS

USAC may determine that the number of proposals received in response to this RFP (for one or any number of Service Category) are too numerous to efficiently conduct a full evaluation of all evaluation factors prior to establishing a competitive range. In such case, USAC may conduct a down-select process to eliminate Offerors, prior to discussions, from further consideration based on a comparative analysis of Offerors proposals, with primary focus on the price proposal, but USAC may, in its sole discretion, consider other factors such as quality of proposal, technical capabilities and past performance. Proposals that include proposed prices that are significantly higher than the median proposed price for all Offerors may be excluded from the competition without evaluation under the other evaluation factors. Proposals that contain prices that are unrealistically low in terms of sufficiency to perform the Contract may also be excluded from the competition.

C. RESPONSIBILITY DETERMINATION

USAC will only award contracts to responsible Offerors. USAC will make a responsibility determination based on any available information, including information submitted in an Offeror's proposal. In making a responsibility determination, USAC will consider whether:

1. the Offeror has sufficient resources to perform the Contract;
2. the Offeror has a satisfactory record of performance, integrity and business ethics;
3. the Offeror has the accounting systems and internal controls, quality assurance processes and organizational structure and experience necessary to assure that contract work will be properly performed and accurately invoiced;
4. the Offeror has the facilities, technical and personnel resources required to perform the contract; and
5. the Offeror is not excluded from Government contracting, as listed on the excluded parties list in <https://www.sam.gov>.

Attachment 1

LABOR CATEGORY DESCRIPTIONS AND LABOR RATES

A. LABOR CATEGORY DESCRIPTIONS

Name/Title	Minimum Education	Minimum Experience	Functional Responsibility
<i>Partner/Principal/ Director Auditing Services</i>	Bachelor's Degree in relevant business or technical field	10 years of applicable financial or business consulting experience, including substantial experience in managing the business associated with client requirements.	Organizes and directs overall engagement performance. Ensures that goals and objectives are accomplished within prescribed timeframe and funding parameters. Negotiates and makes decisions for the firm. Participates in project meetings to resolve issues. Ensures compliance with Firm policies and professional standards. Signature authority for final audit reports. Ultimate responsibility for accuracy of audits reports and compliance with forensic audit standards.
<i>Senior Manager Auditing Services</i>	Bachelor's Degree in relevant business or technical field. Certified Fraud Examiner (CFE) certification is desired but not required.	6 years of applicable financial or business consulting experience, including 3 years of management experience.	Responsible for ensuring that all audits are completed as scheduled and that milestone deliverables are timely and meet quality standards. Manages firm staff assigned to audits and resolves project staffing and planning issues. Assigns work to team members. Develops, maintains and monitors work plans. Performs first-line issue resolution. Provides updates on engagement progress and helps draft final report. Conducts on-site quality control inspections if needed. Reviews and approves all milestone documentation.

<i>Manager Auditing Services</i>	Bachelor's Degree in relevant business or technical field. CFE certification is desired but not required.	5 years of applicable financial or business consulting experience, including 2 years of management experience.	Supervises and reviews the work product prepared by more junior personnel and is responsible for authoring draft and final audit reports. Assumes responsibility for coordination of subordinate activities. Monitors project performance and staff relationships. Corrects errors identified during acceptance process. Responsible for tracking and reporting project costs and level of effort of project staff.
<i>Senior Staff Auditing Services</i>	Bachelor's Degree in relevant business or technical field.	3 years of applicable financial or business consulting experience including 1 year of experience in a supervisory capacity.	Analyzes and develops audit recommendations with team. Prepares documentation, reports, and other deliverables for client approval. Assigns specific work tasks to more junior staff. Participates in planning of engagement and is responsible for all tasks delegated by managers. Supports team in implementation and acceptance process.
<i>Junior Staff Auditing Services</i>	Bachelor's Degree in relevant business or technical field	1 year of applicable financial or business consulting experience.	Responsible for planning and performing compliance, financial, and operational audit work in accordance with applicable audit standards. Provides the necessary corrective recommendations when deficiencies are discovered. Prepares clear and concise audit work papers, reports, and other communications to document audit procedures performed and exceptions noted. Assists manager in reporting and tracking of project costs and level of effort.

<i>Lead Project Manager</i>	Bachelor's Degree in relevant business or technical field. Project Management Professional (PMP) certification required.	7 years of project management experience managing large scale audit initiatives and has expertise in project management and strong MS Office skills.	Primary POC with the USAC PMO to manage the execution and completion of assigned audits. Responsible for creating and managing the project plan to accomplish goals pursuant to the agreed upon work and produce the audit deliverables within schedule, cost, and quality standards. Monitors progress related to the project plan and the budget, and reports back to USAC Lead Project Manager. Documents, analyzes, and manages issues and risks, and
------------------------------------	--	--	---

B. LABOR RATES

Contractor shall use the following table of labor categories, which are more fully described above, in submitting labor rates and pricing for their proposal. Labor rates provided must be on a fully burdened basis.

Labor Category	Base Year Rate	Option Year Rates			
		1	2	3	4
Partner/Principal/Director Auditing Services					
Senior Manager Auditing Services					
Manager Auditing Services					
Senior Staff Auditing Services					
Junior Staff Auditing Services					
Lead Project Manager					

Attachment 2 USAC Travel & Expenses Policy

USAC will reimburse Consultant for necessary and reasonable Travel Expenses incurred on behalf of the Consultant while performing Consulting Services on a time-and-materials (T&M) basis only. "Travel Expenses" means the actual costs of transportation to and from the Consultant's primary and regular place of business, meals while working at the off-site location, accommodations in the event travel requires an overnight stay to work at the off-site location, and certain other expenses, to the extent that such expenses are permitted in, and incurred in accordance with these policies and provided that the off-site location is more than 50 miles from the Consultant's regular place of business. The Travel Expenses reimbursable under the Contract are set forth in paragraphs I. to IV. below. Consultant shall exercise sound, practical, and prudent judgment when determining the need for travel on behalf of USAC as well as the appropriate expenses to be incurred in connection with such travel. Consultant will only be reimbursed for the most cost-effective means of travel consistent with the circumstances.

Consultant shall schedule trips to the same location in the most efficient manner to avoid multiple trips and limit the expense to USAC.

Consultant shall pay for Travel Expenses incurred and may seek reimbursement for Travel Expenses only through submission of a proper invoice in accordance with the terms of the Consulting Agreement. The Consultant shall provide itemized receipts for all Travel Expenses. USAC will reimburse Consultant for Travel Expenses only after the expenses have been incurred.

The terms of this Policy apply only to non-local travel, *i.e.*, travel in excess of 50 miles from the Consultant's regular place of business. USAC will not reimburse any expenses for travel by Consultant to locations within a 50-mile radius of his or her regular place of business (local travel).

I. Transportation

- (A) Air and rail transportation by Consultant, regardless of duration or destination, must be at the lowest practical and available fare. No upgrades from basic (coach) service are reimbursable.
- (B) If Consultant uses a personal vehicle for travel related to the Agreement, it is the Consultant employee's responsibility to be adequately insured.
- (C) Reimbursement for non-local travel in excess of 50 miles from the Consultant's regular place of business will be for the lesser of the total dollar amount of mileage (plus tolls and parking charges) reimbursed at the current federal Internal Revenue Service (IRS) rate (<https://www.irs.gov/newsroom/2017-standard-mileage-rates-for-business-and-medical-and-moving-announced>) or the total dollar amount for the equivalent commercial transportation fare. If Consultant chooses to use his or her

Universal Service Administrative Co. | Beneficiary and Contributor Performance Audit Services | Request for Proposals (RFP)

personal vehicle for non-local travel greater than 700 miles in total mileage, (s)he must submit documentation to support that this option was less expensive than a commercial option (e.g., bus, train or plane).

(D) Car Rentals: Consultant shall use the most reasonable cost rental vehicle that can accommodate travel requirements (i.e., terrain and weather) and the number of occupants. Intermediate/standard size cars should meet most travelers' needs. If a more expensive option is required, an explanation must be attached to the invoice. When on travel together, Consultant personnel should share a single rental vehicle. However, no more than four people are required to share a vehicle.

1. GPS (Global Positioning System) navigation systems may be obtained from the rental car agencies and are reimbursable.
2. USAC will not reimburse Consultant for insurance on car rentals. It is recommended that Consultant keep all insurance information with them at all times when traveling and renting automobiles. Consultant is responsible for paying the costs associated with accidents and theft involving rental cars.
3. EZ-pass and prepaid toll devices may be obtained from the rental car agencies and costs will be reimbursed if related to Contract travel.

II. Meals

(A) Consultant may be reimbursed for meal expenses incurred on non-local travel. Meal expenses must be reasonable and itemized receipts are required for each meal expense in excess of \$25. Meal expenses must be itemized and recorded on an expense statement using actual amounts and broken out by individual meals.

(B) On the days that the non-local travel begins and ends, meals prior to or subsequent to traveling will be reimbursed if travel occurs between the following times:

1. Breakfast: If the Consultant leaves home before 7:00 a.m.
2. Lunch: If the Consultant leaves Consultant's facility before 11:30 a.m. and/or returns after 3:30 p.m.
3. Dinner: If the Consultant arrives home after 8:00 p.m.

III. Accommodations

(A) In cases where non-local travel requires an overnight stay, Consultant will be reimbursed for the cost of a single room at the lowest price suitable and appropriate for the business purpose.

- (B) Consultant will be reimbursed the room charge for internet connection per day provided the internet is used for Contract purposes only.

IV. Other Expenses

Consultant will be reimbursed for the following expenses, provided they are reasonable and necessary:

- (A) Gratuities at usual and customary amounts; and
- (B) Normal and customary baggage fees associated with airline travel.

V. Non-Reimbursable Expenses

Consultant will not be reimbursed for the following expenses. This list is not all inclusive.

- (A) Expenses for hiring rapid mode of transportation vehicles such as “Zip Cars.”
- (B) Expenses of spouses or other family members accompanying Consultant employees on business trips related to the Contract.
- (C) Costs of privately owned or rented aircraft.
- (D) Alcohol (including pro rata portion of gratuities for combined receipts).
- (E) In-room lodging entertainment and services (e.g., movie rentals, concierge and turn-down services, etc.).
- (F) Parking tickets or fines for violation of motor vehicle laws incurred by Consultant.
- (G) Insurance for rental cars.
- (H) Overweight personal baggage in excess of the normal baggage fee charge for the flight.
- (I) Transportation between home and the regular work location as well as any personal travel.
- (J) Expenses for entertainment (alcohol, amusement or recreation, such as visiting nightclubs, theater expenses, sporting events, meals purchased in surroundings not conducive to a business discussion).

Attachment 3

IT Security Network Rules of Behavior

This document explains IT Security’s “Rules of Behavior” (ROB) for users of USAC IT Network Services. USAC defines a user as anyone who connects the USAC’s IT corporate network infrastructure, including employees of USAC, contractors, vendors and other individuals who have a legitimate reason to conduct business with USAC.

Acknowledgment of receipt and understanding of these rules is required to receive authorized access to USAC networks/systems and information while on-site at USAC’s headquarters at 700 12th Street, NW, Suite 900, Washington, DC 20005, and/or when working remotely.

General Policy: Authorized USAC Network/System Users

1. Information network/system access is provided according to USAC’s System Access Procedure and limited to authorized persons whose job responsibilities require their use. Exceptions to this policy include stand-alone personal computers accessing the Internet through USAC’s internal wireless network. (Also see Handheld and Telecommuting Policies, below.)
2. Everyone with a USAC network account must receive periodic (including refresher) training in security awareness and accepted security practices commensurate with duties and responsibilities.
3. USAC’s information network/system is to be used for lawful, authorized USAC business purposes only.
4. All network/system users are expected to comply with safeguards, policies, and procedures that prevent unintentional or deliberate access to USAC information systems by unauthorized persons.
5. USAC monitors, tracks, and records network/system use.
6. When unsure of the policies and procedures for any USAC network/system-related activity, contact a direct supervisor or sponsor.

Computer, Hardware and Workstation Security

7. Accept personal accountability for all activity conducted with assigned user IDs and associated accounts.
8. Prevent others from accessing your computer and account information:
 - Lock computers and secure all equipment when leaving a workstation unattended.
 - Do not share personal account information with others.
 - Use strong passwords and change at least every 90 days.
9. Ensure software installed on USAC computers is USAC-authorized, installed according to its license, and free of malicious code.
10. Make sure USAC computers used contain the latest operating system(s), manufacturer patches, software updates, and current anti-virus protection.
11. Encrypt transportable computers and removable media that contain sensitive information.

12. Obtain the approval of Change Control Board prior to reconfiguring or modifying any USAC computer or hardware peripherals connected to the USAC network.

Software, Document, and Content Management

13. Protect confidential and sensitive information located on computers, on the LAN, and in email files.
14. Do not store files on local hard drives
15. Do not use peer-to-peer file sharing applications or services.

Email, Internet and Instant Messaging

16. Avoid Internet sites with offensive, inappropriate, potentially harmful, and illegal content.
17. Do not use email or the Internet to:
 - Solicit, harass, or otherwise offend anyone or for any unlawful purposes or to access or disclose communications or records of any kind without prior authorization and legitimate business purposes
 - Express one's personal religious, political, or other interests or views.
 - USAC Employees must not include a non-USAC signature quote, byline, or tag line.

IT Security | Network Rules of Behavior

18. If applicable, encrypt outbound emails in Microsoft Outlook by marking them "Confidential."
19. Use only USAC's instant messaging (IM) service.
20. Report downloads of malware and other unknown or unsolicited programs to IT Security at netsec@usac.org.

Handheld and Telecommuting Policies

21. Do not use wireless devices (e.g., cell-phones) to discuss/transmit USAC Confidential Information or Sensitive PII. Exceptions to this policy:
 - When transmitting data on USAC-issued or supported mobile devices.
 - For an approved access portal such as hq.universalservice.org, webmail.universalservice.org and USAC VPN through an encrypted wireless network. (This network may be a home or business access point. This network may not be an ad-hoc, hotspot or connection to unknown networks.)
 - On personally owned phones using the USAC approved Good for Enterprise™ application
22. Access USAC internal network and IT resources through secure mechanisms (VPN, SSH, HTTPS) only.
23. Use unsecured (unencrypted) remote access with a signed waiver from the Vice President and CIO only.
24. Protect property in a common sense approach when using USAC resources offsite.
25. Consider using personal firewalls or firewall appliances when connecting to USAC resources through the public Internet, regardless of use of dial-in or higher-speed connections.

Incident and Event Reporting

26. Promptly report suspicions or concerns about IT security violations (e.g., virus infection, data breach, etc.), to any of the following: IT Security (in person or via email to netsec@usac.org); USAC Service Desk; your sponsor.

Failure to comply with these Rules of Behavior, may result in disciplinary actions including termination of employment and/or administrative action as well as legal action.

Print Name

Date

User signature

Date

ATTACHMENT 4 USAC Confidentiality Agreement

1. I recognize and acknowledge that as a, contractor, subcontractor, consultant, agent, or an employee or other representative thereof (collectively, "a Contractor") for the Universal Service Administrative Company ("USAC"), I may have access to Confidential Information, as that term is defined in Appendix A to this Confidential Information Use and Disclosure Agreement ("Confidentiality Agreement").
2. I acknowledge and agree that I will treat any Confidential Information in the manner set forth in this Confidentiality Agreement. I acknowledge and agree that this obligation applies to the treatment of all Confidential Information to which I obtain access while working as a Contractor for or on behalf of USAC, regardless of the form of the Confidential Information or the manner in which I obtain access to it. I acknowledge and agree that my obligations with respect to confidential information apply to oral and written communications, drafts and final documents, information obtained directly or indirectly, and information obtained pursuant to or outside of my job responsibilities if I obtained the information as a result of my relationship with USAC.
3. I acknowledge and agree that my obligation to treat Confidential Information in the manner set forth in this Confidentiality Agreement will continue even if I am no longer a Contractor.
4. I acknowledge and agree that I will not use Confidential Information for any purpose other than a legitimate business purpose of USAC.
5. I acknowledge and agree that, except as provided in paragraphs 6 and 7 herein or as authorized by the USAC Chief Executive Officer or the USAC General Counsel, or in either one's absence, a respective designee, I will not disclose Confidential Information to any person or entity other than: (a) the provider of the Confidential Information at issue, or (b) an authorized Contractor who has executed a confidentiality agreement with USAC.
6. I acknowledge and agree that this Confidentiality Agreement shall not apply to requests for Confidential Information made by an employee of the Federal Communications Commission ("FCC"), except that I may not disclose Personally Identifiable Information (as that term is defined in Appendix A to this Confidentiality Agreement) without the express advance written approval of the USAC Director of Human Resources or the USAC General Counsel, or in either one's absence, a respective designee.
7. I acknowledge and agree that, subject to the notice requirement in paragraph 8 below, this Confidentiality Agreement shall not prevent disclosure of Confidential Information in response to an official request from the Comptroller General of the United States, the Government Accountability Office, or the United States Congress or a Committee or Subcommittee thereof,

except that I may not disclose Personally Identifiable Information without the express advance written approval of the USAC Director of Human Resources or the USAC General Counsel, or in either one's absence, a respective designee.

8. I may disclose information to the extent required by law, legal process, or applicable professional standards. I acknowledge and agree that if I receive a subpoena or any other legal request or demand for Confidential Information, I will, unless prohibited by law, promptly meaning, generally within one (1) hour unless there are unavoidable circumstances to prevent such one (1) hour reporting) and prior to any disclosure of such information or records, notify the USAC General Counsel, or in the USAC General Counsel's absence, a respective designee.
9. I acknowledge and agree that if I know or have a reasonable basis for believing that any Contractor is using or disclosing Confidential Information in violation of this Confidentiality Agreement, I will immediately so notify the USAC General Counsel.
10. I acknowledge and agree that if I intentionally or unintentionally disclose any Confidential Information in violation of this Confidentiality Agreement, I will immediately so notify the USAC General Counsel.
11. I acknowledge and agree that if I am uncertain or have questions about my obligations under this Confidentiality Agreement, I will immediately seek advice from the USAC Director of Human Resources or the USAC General Counsel.
12. I acknowledge and agree that any violation of this Confidentiality Agreement may subject me to disciplinary action, including suspension or termination from the project, and civil and criminal liability.
13. I acknowledge and agree that signing this Confidentiality Agreement is a condition of my working as a Contractor for USAC.
14. I acknowledge and agree that upon completion or termination of my relationship as a Contractor for USAC, I will return to the USAC General Counsel, the USAC Director of Human Resources, or other person designated by either of them, any Confidential Information in my possession. However, I may retain a copy of information received, developed, or otherwise relating to this contract in order to comply with applicable professional standards
15. I acknowledge and agree that this Confidentiality Agreement is binding upon me as of the date of my signature, that any modification to this Confidentiality Agreement is binding on me as of the date that I sign such modified version, and that my obligations under the Confidentiality Agreement, including any modifications, continue through and beyond the termination of my position as a Contractor and for as long as I have in my possession, access to, or knowledge of Confidential Information.

16. If any provision of this Confidentiality Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, that provision shall be deemed stricken and the remainder of the Confidentiality Agreement shall continue in full force and effect as if it had been executed without the invalid provision.

Acknowledged and agreed:

By (signature): _____

Name (print): _____

Date: _____

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

CONFIDENTIALITY AGREEMENT - APPENDIX A

Personally Identifiable Information is defined as information whose disclosure would constitute an unwarranted invasion of personal privacy, including but not limited to, personnel records, salary and compensation information, medical records, social security number or residential address. In the event of a question about whether disclosure would constitute an unwarranted invasion of personal privacy, the USAC General Counsel or his or her designee will use for guidance the standards set forth in 47 C.F.R. § 0.457(f) and decisions made thereunder.

Confidential Information is defined as:

1. Information, data, material, or communications in any form or format, whether tangible or intangible, including notes, analyses, data, compilations, studies, or interpretations (collectively referred to hereafter as "Information") and any data, material or communications in any form or format, whether tangible or intangible, that contains, reflects, or is derived from or based upon any information or is related to internal USAC management matters, including but not limited to USAC program integrity procedures, if disclosure is reasonably likely to interfere with or prejudice the performance of the internal USAC management functions.
2. Information related to the development of statements of work or evaluation criteria for USAC or FCC procurements (but not final solicitation or procurement documents that are formally released to one or more prospective bidders or offerors), contractor bids or proposals, evaluation of bidders or offerors, selection of contractors, or the negotiation of contracts.
3. Information that is excluded by applicable statute or regulation from disclosure, provided that such statute
(a) requires that the information be withheld from the public in such a manner as to leave no discretion on the issue, or (b) establishes particular criteria for withholding or refers to particular types of information to be withheld. Such information includes copyrighted or trademarked information.
4. Information containing trade secrets or commercial, financial or technical information that (a) identifies company-specific (i.e., non-aggregated) proprietary business information about a Universal Service Fund (USF) contributor (or a potential contributor) or its parent, subsidiary, or affiliate, and (b) has not previously been made publicly available.
5. Information concerning USAC relationships with financial institutions, including but not limited to, account locations, identifiers, balances, transaction activity and other account information and any advice or guidance received from such institutions.
6. Information regarding or submitted in connection with an audit or investigation of a USF contributor, potential USF contributor, USF beneficiary, applicant for USF support, or USAC Staff Person.
7. Information to which USAC, the FCC, or any other government agency might assert a claim of privilege or confidentiality, including but not limited to attorney-client communications, information that constitutes work product or reflects USAC, FCC or other government agency decision-making processes, including law enforcement investigations and program compliance

matters. Such information includes but is not limited to internal USAC information, information exchanged between USAC and the FCC or another government agency and information exchanged between two or more government agencies in any form, including but not limited to letters, memoranda, draft settlement documents, and working papers of USAC, the FCC, other government agencies, and their respective staff.

8. Information that was submitted with a corresponding written request for confidential treatment, protection, or nondisclosure, including, but not limited to, submissions marked "proprietary," "privileged," "not for public disclosure," or "market sensitive information," unless and until such request is denied.
9. Information developed in security investigations. Such information is the property of the investigative agency and may not be made available for public inspection without the consent of the investigative agency.