

USAC Solicitation for Supply Chain Audit Services

SOLICITATION INFORMATION:

Method of Solicitation: Request for Proposal (“RFP”)
 Contract Period of Performance: One (1) year base plus four (4) option years
 Solicitation Number: AAD-21-016
 Solicitation Issue Date: May 21, 2021
 Question Due Date: ~~May 31~~ June 1, 2021 at 2:00 PM ET
 Offer Due Date: June 21, 2021 at 2:00 PM ET

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 Senior Procurement Specialist 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

I. ABOUT USAC

Through its administration of the Universal Service Fund (“USF”) programs on behalf of the Federal Communications Commission (“FCC”), Universal Service Administrative Company (“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 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, Audit and Assurance, 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 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 RHC 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 is completing 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 USAC programs can be found at:

<https://www.usac.org/about/universal-service/>

Purpose of this RFP

In November 2019, the FCC released the Protecting Against National Security Threats to the Communications Supply Train Through FCC Programs Report and Order adopting a rule (47 C.F.R. § 54.9) which prohibits the use of USF support to purchase, obtain, maintain, improve, modify, or otherwise support equipment or services produced or provided by companies found to pose a national security threat to the integrity of communications networks or the communications supply chain. In December 2020, the FCC released the Protecting Against National Security Threats to the Communications Supply Train Through FCC Programs Second Report and Order adopting a rule (47 C.F.R. § 54.10) to implement the Secure and Trusted Communications Networks Act of 2019, which prohibits prospective use of certain federal subsidies, including USF funds, to purchase, rent, lease, or otherwise obtain any covered communications equipment or service, or maintain any covered communications equipment or service previously purchased, rented, leased, or otherwise obtained, identified on the FCC-issued [Covered List](#) (as described below), released on March 12, 2021 (and updated as needed) which prohibits the use of a Federal subsidy made available through a program administered by the FCC that provides funds to be used for the capital expenditures necessary for the provision of Since November 2019, the FCC has issued various rules and orders on this matter. (The Protecting Against National Security Threats to the Communications Supply Train Through FCC Programs Report and Order, the Protecting Against National Security Threats to the Communications Supply Train Through FCC Programs Second Report and Order, and related orders and rules are collectively referred to as “Requirements”).

Section 1.50002 of the FCC’s rules directs the Public Safety and Homeland Security Bureau (“PSHSB”) to publish a list of communications equipment and services (the “Covered List”) that are deemed to pose an unacceptable risk to the national security of the United States or the security and safety of United States persons, based exclusively on any of four sources for such a determination and that such equipment or services possess certain capabilities as enumerated in section 2(a) of the Secure and Trusted Communications Networks Act of 2019, Pub. L. No. 116-124, 133 Stat. 158 (2020) (codified as amended at 47 U.S.C. §§ 1601–1609). Pursuant to the FCC’s rules, the PSHSB will maintain this Covered List on the FCC’s website, and will monitor the status of any determinations in order to update the Covered List. More information on how the Covered List is compiled and updated can be found in the FCC’s rules at 47 C.F.R. § 1.50000 *et seq.* The current Covered List as of May 2021, indicates that recipients of universal service support may not use federal subsidies, including universal service funds, for telecommunications equipment or video surveillance equipment produced by Huawei, ZTE, Hytera, Hangzhou Hikvision, and Dahua. Please note: This list is not exhaustive, and the FCC may modify the list at any point. A company on the Covered List is called a “Covered Company”. USF recipients must retain sufficient documentation to affirmatively demonstrate that no funds administered by the FCC were used to The purpose of this RFP is to select qualified contractor/s to perform performance audits to determine whether the entities are compliant with the Requirements.

Contractor shall address all aspects of performance audit principles, regardless of whether these principles are explicitly stated in this RFP.

The audits must be performed by a licensed accounting/audit firm that complies with American Institute of Certified Public Accountants (“AICPA”) professional standards. Auditors must be

familiar with the USF programs and the Requirements governing the National Security Supply Chain. The audits must be conducted in accordance with Generally Accepted Government Auditing Standards (“GAGAS”) issued by the Comptroller General of the United States (July 2018).

USAC anticipates conducting, at a minimum, the number of audits necessary to assess general rates of compliance with FCC requirements among USF recipients. The time required to audit each USF recipient may vary significantly depending on the scope of the USF recipients’ participation in the program.

The National Supply Chain Audit Services Program were developed pursuant to the following objectives:

1. Conduct audits of USF beneficiaries of three universal service support mechanisms including USAC together with its contractors and sub-contractors;
2. Tailor the audit type and scope to program risk elements, size of disbursement, audit timing, and other relevant factors;
3. Incur reasonable audit costs in relation to overall program disbursements and the amount disbursed to the USF recipient being audited;
4. Spread audits throughout the year to smooth workload, improve efficiencies, control costs, reduce unnecessary burdens on USF recipients, and maintain a pool of trained auditors; and
5. Retain capacity to expand the scope of the audits or for targeted and risk-based audits to be conducted as recommended by USAC management, the FCC and/or law enforcement entities.

USAC will award multiple indefinite-delivery, indefinite-quantity (“IDIQ”) task order-based contract(s) resulting from this RFP to the responsible selected contractor(s) whose offer is most advantageous to USAC with respect to price and certain other factors discussed herein considered. The selected contractor(s) will be responsible for performing these objectives in accordance with Section B Statement of Work.

II. Confidentiality

This RFP and any resultant contract is subject to the terms of the Confidentiality Agreement (attached hereto as Attachment 3) which must be executed by Offeror (as defined in Section C.I) and submitted along with any proposal for this RFP.

SECTION B:

Statement of Work

1. OVERVIEW

USAC is seeking multiple qualified professional firms to perform performance audits of select USF recipients. Contractor shall perform sufficient testing to determine whether the USF recipients are compliant with the Requirements. Contractor shall address all aspects of performance audit principles, regardless of whether these principles are explicitly stated in this RFP.

2. TYPE OF CONTRACT

The Contract will be an indefinite-delivery, indefinite-quantity (“IDIQ”) task order based contract. During the term of the Contract, as defined below, 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 a base period of one year (the “Initial Term”) with four (4) one-year renewal options (each a “Renewal Option”). The Initial Term, together with any exercised Renewal Option shall be defined as the “Contract Term”. The duration of the Contract shall be the Contract Term unless extended by USAC pursuant to Section C.XXXIX or terminated sooner in accordance with the Contract. The Contract Term shall commence on the first day of the Contract Period of Performance as stated in the Solicitation Information (the “Effective Date”) set forth in the Contract. 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.

USAC may require continued performance of the Services (as defined in Section C.I) within the limits and at the costs specified in the Contract. USAC may also extend the Contract Term as necessary.

4. 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”).

5. USAC PROGRAM MANAGER AND CONTRACTS ADMINISTRATOR

The Program Manager (“PM”) for the Contract is Sheryl Gelman, Senior Manager of Program Management Office, the USAC point of contact for overseeing the performance of services. USAC’s Contracts Administrator (“CA”) for the Contract is Ahmad Mehraban, the USAC point of contact for contractual matters (e.g., proposal submissions, task order modifications and other matters not related to performance).

6. WHERE THE WORK TAKES PLACE

- A.** All Services provided pursuant to the Contract must be performed within the United States (including Alaska and Hawaii) or its recognized territories. Contractor shall perform Services at its own facilities and at the locations of the selected carriers. USAC may conduct occasional meetings or training at its headquarters located at 700 12th Street NW, Suite 900, Washington, DC 20005 (“USAC Headquarters”) 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 sign-in to Confluence at the USAC Receptionist Desk and wear a badge while on premises. Status update meetings, and other scheduled meetings, will be held virtually, except to the extent that USAC or the Contractor requires an in-person meeting.
- B.** Contract kick-off meeting, training, status calls, and other meetings will be held via conference calls using either a conference center or an internet accessed platform, or in person at USAC’s Headquarters. The location of these Contract events will be at USAC’s discretion.
- C.** Services requiring work at USAC Headquarters will include appropriate work space and appropriate access to USAC’s computer network. No hardware or software will be provided.

NOTE: Contractor personnel requiring access to USAC IT Systems will be required to sign USAC’s IT Security Rules of Behavior Form and complete mandatory IT Security and Privacy Awareness Online Training. Contractor may be required to complete Role-Based Privacy Act Training if accessing USAC information systems containing personally identifiable information (PII).

7. TASK ORDER PROCESS

USAC will issue task orders, pursuant to a Task Order Request for Proposal (“TORP”), in accordance with the procedures set forth in this RFP. As specified in each task order(s) issued to Contractor, Contractor will provide experienced personnel who are capable of performing the tasks described in, and meeting the qualifications listed under, the position descriptions set forth in Attachment 1.

Unless otherwise specified in a task order, Contractor personnel assigned to a task order shall maintain a work schedule consistent with USAC normal business hours and work practices. Contractor personnel are expected to comply with all of USAC’s rules pertaining to conduct in the workplace. Any change in Contractor’s Key Personnel (as defined in Section C.XXV) must be approved, in writing, by the USAC Procurement Division and reflected in the task order.

Each task order will outline the Deliverables (as defined in Section C.I) and reporting instructions required specifically for that task order.

The selected Contractor/s must be capable of providing experienced and qualified professional resources, including tools, software and measuring equipment to perform specified task order activities in accordance with timing requirements set forth in each task order.

8. KEY PERSONNEL AND LABOR CATEGORIES

Contractor shall identify the Key Personnel who will be assigned to this Contract. Key Personnel identified in the proposal shall include the:

- Partner/Principal/Director of Auditing Services;
- Senior Manager(s) of Auditing Services;
- Manager(s) of Auditing Services;
- Lead Project Manager; and
- Telecommunications Network Engineer

Contractor shall provide a resume (two page maximum) that includes job experience and skills to communicate the qualifications of the Key Personnel to perform the requested Services.

Key Personnel must meet all required qualifications, as set forth in the position descriptions in Attachment 1, and be available for Contract performance at the time of Contract award. Contractor can propose, if necessary, additional Key Personnel as required to ensure adherence to all services and activities outlined in any related task order. Once approved, the Key Personnel cannot be removed from the Contract without the approval of USAC, and only when a replacement acceptable to USAC is made.

9. PERFORMANCE REQUIREMENTS

- 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 performance audits in accordance with GAGAS and engineering studies. The Contractor shall have significant telecommunications knowledge and resources, including tools, software and measuring equipment, along with the technical expertise necessary to perform the audits.

- C. **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.
- D. **Collaboration:** Contractor shall work collaboratively with USAC during the Contract Term in accordance with the requirements of the Contract.
- E. **Subcontracting:** Subcontracting the Services of Key Personnel, to another firm will not be permitted except for the Telecommunications Network Engineer position. See Section B.9 for Key Personnel positions. USAC's prior written approval is required for subcontracting non Key Personnel positions.
- F. **Deliverable Format:** Contractor shall provide, in electronic format, complete copies of all Studies, reports, working papers or other documents required by the Contract, and related background supporting materials. The electronic format to be used shall be 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.

10. SCOPE OF SERVICES/DELIVERABLES

A. General Services

The objective of the National Supply Chain Audit Services is to verify compliance of USF recipients with the Requirements and make recommendations for recovery and other corrective actions when instances of non-compliance are identified. The purpose of this procurement is to acquire audit services from an outside audit firm to verify compliance with Requirements.

Contractor shall provide performance audit services in accordance with GAGAS issued by the Comptroller General of the United States (July 2018), to determine a USF recipient's compliance. The audits will be performed in accordance with the approved Contractor audit program ("Audit Program") to identify any waste, fraud, abuse or non-compliance with select FCC rules and regulations related to the National Security Supply Chain Order, FCC 19-121, rel. Nov. 26, 2019 (collectively, "Program Rules").

B. Audit Scope

The scope of each audit shall be sufficiently comprehensive to provide USAC and the FCC with notice of any non-compliance with the requirements, including any monetary impacts, or waste, fraud, or abuse (intentional or unintentional). Specifically that:

- i) No Universal Service Funds were used to purchase, obtain, maintain, improve, modify, or otherwise support any equipment or services provided or manufactured by Covered Companies.

- ii) No Federal subsidy made available through a program administered by the FCC that provides funds to be used for the capital expenditures necessary for the provision of advanced communications services has been or will be used to purchase, rent, lease, or otherwise obtain, any covered communications equipment or service, or maintain any covered communications equipment or service previously purchased, rented, leased, or otherwise obtained.

Contractor shall provide USAC and the FCC with a report detailing any findings of non-compliance with the requirements, including the monetary impacts, and any documentation required to support the audit findings. Contractor shall furnish all supporting work papers to USAC, the FCC Office of the Managing Director, the FCC Enforcement Bureau or the FCC Office of Inspector General upon request.

C. Auditor Testing

Contractor shall perform sufficient testing to detect noncompliance with the Requirements. These exceptions can identify monetary and/or non-monetary findings. If reliable information comes to Contractor's attention that provides evidence concerning possible noncompliance it must be reported to USAC within five (5) business days of identifying the issue and also within the audit report.

High-Level Summary of National Supply Chain Audit Program Procedures

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

1) USF Support Expenditure Verification to ensure USF support was not expended on capital expenditure and maintenance services from Covered Companies

- a. Reconcile USAC disbursements to USF recipient records for the funding year or period under review.
- b. For E-Rate and RHC:
 - i. Obtain details of the expenditure for which USF support was used and reconcile the expenditure items (equipment or services) to the list of items approved by USAC for funding during the application process.
 - ii. Vouch, on a sample basis, expenditure details to verify that they are adequately supported and do not include any expenditure items i.e. network equipment and services that can be traced to Covered Companies.
 - iii. Where transactions described in the Covered List with Covered Companies are identified, obtain and evaluate evidence that equipment and services procured from Covered Companies were not procured with USF funding.
- c. For High Cost:
 - i. Obtain and review evidence of projects completed using USF support and identify any elements of the project expenditure that involve

network equipment and services that can be traced to Covered Companies.

- ii. Analyze USF recipients' financial and transactional information (including financial statements, General Ledger accounts for vendor payments, invoices, contracts, work order details) to identify potential transactions (equipment or services described in the Covered List) with Covered Companies.
- iii. Review USF recipient asset listings and related expense reports documentation and identify network elements that are included in FCC's published list of communication equipment and services from Covered Companies.
- iv. Where transactions described in the Covered List with Covered Companies are identified, obtain and evaluate evidence that equipment and services procured from Covered Companies were not procured with USF funding.

2) Network Architecture Review

- a. Perform network scans using scanning tools that detect critical information about network equipment to identify potential equipment whose provenance can be traced to Covered Companies.
- b. Examine network architecture diagram(s) and supporting information to identify potential equipment whose provenance can be traced to Covered Companies.
- c. Examine network architecture diagram(s) to identify equipment and network elements which could potentially be serviced, maintained, improved, modified or supported by Covered Companies.
- d. Examine asset listings and related documentation and identify using CAGE codes, OEM numbers, serial numbers, radio frequency identification tags or any unique identifier any listed equipment that can be traced to Covered Companies.

3) Site Visits

Contractor shall conduct Site Visits (virtually or in-person) for select USF recipients to:

- a. Verify, on a sample basis, the physical existence of equipment and services funded with USF support;
- b. Ascertain the provenance of network equipment by using CAGE code, OEM numbers, serial numbers, radio frequency identification tags or any unique identifier to determine whether they were manufactured by or procured from Covered Companies; and
- c. Document the details (including type of equipment, make, model, serial number or unique identifier, cost etc. of all network equipment identified

whose provenance was traced to Covered Companies and identify those purchased after the effective date of the National Supply Chain Order.

D. Reporting Requirements

- 1) Contractor shall work with USAC to develop a standardized reporting template that complies with GAGAS requirements and elements. Contractor shall prepare the draft and final audit reports using the USAC approved template.
- 2) Contractor shall calculate the monetary effect of requirement 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 a draft audit report that includes audit findings, if identified. The draft report shall be submitted to USAC no later than two (2) weeks after completion of fieldwork. Contractor shall not provide the draft findings to the USF recipient until USAC reviews and approves such findings.
- 5) Following approval by USAC, Contractor shall provide a draft report to the USF recipient to obtain written responses from the USF recipient. Contractor shall then provide USAC with a copy of the draft audit report that reflects auditee and audit firm responses where applicable, and has been through all levels of internal review (e.g., concurring partner review) prior to submission to USAC.
- 6) USAC will submit the draft report to an internal review that includes the FCC. Contractor shall receive feedback and comment throughout the review cycle, and respond to all feedback and comment within five (5) business days of receipt of the comments. Contractor shall cooperate in all respects with USAC's review process, including adequately addressing all comments made during the internal reviews. A revised version of the draft report will be prepared as needed.
- 7) Contractor shall prepare and submit the final audit report to USAC no later than two (2) weeks after receiving approval of the draft report from USAC.
- 8) Contractor shall submit copies of all work papers prepared in the course of each audit as a closeout procedure two (2) weeks after submitting the final audit report.

E. 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 Task Order. 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.

F. Project Management

Contractor shall provide a project manager that shall cooperate in all respects with AAD 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 Contractor.

1) Bi-Weekly Status Meetings

Contractor personnel, including the Lead Project Manager and Contractor senior management, as well as Contractor personnel specifically invited by USAC, shall attend regularly scheduled status meetings. The purpose of these meetings is for Contractor to report audit progress, address issues/concerns, report expended costs, and identify any problems that require action and notification to USAC AAD management.

USAC will host the status meetings with the required individuals attending in person or via conference call, unless USAC expressly requests the physical presence of Contractor personnel at the meeting. Contractor shall also communicate regularly with the AAD PMO, USAC Contract Administrator, and other USAC staff as required regarding the status of the engagement.

2) Project Review Meeting

Contractor personnel, including the Lead Project Manager and Contractor senior level management, as well as Contractor personnel specifically invited by USAC, shall attend project review meetings when required. The purpose of the project review is for Contractor to report achievements, work in progress, issues and impediments, risks and related mitigations, major milestone accomplished/missed, and labor cost and expenses under a task order.

USAC will host the project review meetings with the required individuals attending in person or via conference call, unless USAC expressly requests the physical presence of Contractor personnel at the meeting. Contractor shall submit a draft of the project review report five (5) business days in advance of the scheduled meeting.

G. Project Tools

Contractor shall use MS Office 2016 and MS Project 2016 to prepare Deliverables and manage the agreed upon project plan and budget/costs. Contractor shall also use USAC’s web-based report management site to: (1) manage and track audit milestones; (2) submit draft audit findings; (3) submit draft and final audit reports; and (4) communicate issues and questions for resolution.

In order to access the USAC web-based site, Contractor shall adhere to multi-factor authentication to comply with USAC’s security requirements for remote access of sensitive information. This authentication will 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.

H. Travel

Contractor personnel may be required to travel to USAC for training, to attend occasional meetings at USAC and/or the FCC, and to the location of the USF recipients subject to audit in order to perform on-site fieldwork. In accordance with the terms and conditions of the Contract and USAC's Travel and Expense Policy set forth in **Attachment 4**, 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.

11. DELIVERABLES

Contractor shall provide the following Deliverables pursuant to a task order:

A. Conflict of Interest Statement

Contractor shall identify any actual, apparent, or potential conflicts of interest, or any circumstances that may give rise to the appearance of a conflict of interest, relating to the performance of this Contract, or provide a statement that no such conflict of interest or appearance issues are known to exist. If Contractor identifies any actual, apparent, or potential conflicts of interest, or any circumstances that may give rise to the appearance of a conflict of interest, relating to the performance of this Contract, Contractor shall provide USAC with a detailed proposal on how Contractor intends to avoid, neutralize, or mitigate the actual or potential conflict of interest.

B. 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 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 a task order, Contractor shall not deviate from the Final Project Plan in any manner that could negatively affect the schedule in a task order performance or costs, unless USAC, in its sole discretion, gives prior written approval.
- 2) Final Project Plan.

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

- a. Overview: High level overview of Contractor's strategy to successfully complete the audits within the period of performance of a task order;
- b. Milestones: The milestones, duration and resources assigned to conduct the work for the audit. The milestones should include:
 - Announcement;
 - Planning;

- Fieldwork;*
- Site Visit, if applicable;
- Draft Findings Review (subject to USAC and FCC review);
- Draft Report Review (subject to USAC and FCC review);
- Final Audit Report

* The Fieldwork phase of an audit must start no later than two (2) weeks after the Announcement package is delivered to the audited entity.

c. Planned Schedule

The Final Project Plan must set forth Contractor's planned schedule to complete each of the milestones above for each audit using a Gantt chart prepared in Microsoft Project.

d. Additional Considerations

Contractor shall take into consideration that the draft report and the draft final audit report will be subject to USAC and FCC review. The review process may take up to sixty (60) business days and the report may require rework based on feedback and comments. All draft final audit reports shall be delivered to USAC prior to the period of performance end date of a task order.

C. 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. The Contractor will present the Final Staffing Plan using the USAC PMO standard Excel template.
- 2) Final Staffing Plan. The Final Staffing Plan shall be substantially the same as the plan submitted with Contractor's proposal; however, the Key Personnel, staffing and hourly rates must be the same as the staffing plan submitted with Contractor's task order proposal. The Final Staffing Plan shall identify the labor categories to be assigned to a task order as well as the names of personnel assigned to each labor category; 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. Each individual assigned to the Task Order must sign a USAC Confidentiality Agreement, which USAC will keep on file, before starting any work on any task order.

D. Audit Program

Contractor shall develop an Audit Program that includes, but is not limited to the detailed testing procedures and audit steps Contractor will follow in conducting the audit, including planning, fieldwork, and preparation of the audit report. The Audit Program

shall include procedures required to test compliance for those areas described in this contract. The Audit Program shall be delivered to USAC no later than ten (10) business days after completion of the USAC-provided training described in this contract. USAC and the FCC reserve the right to require Contractor modify or include additional test procedures in the Audit Program, when needed, via a Contract/Task Order amendment.

E. Draft and Final Audit Reports

Contractor shall prepare and deliver a draft and final audit report for each audit assigned in a task order in accordance with the requirements and procedures set forth below.

- 1) Report Format. Contractor shall work with USAC to develop a standardized audit report template that complies with GAGAS requirements. Contractor may use its own content and format preferences for the introductory and summary portions of its proposed template, but Contractor's proposed template must follow the USAC Finding template for format and content for each finding documented in the Audit Report. The content for each finding must include a sufficient level of information in the condition that a reader without prior telecom/USAC knowledge could understand how the auditor reached the conclusions.

All draft and final audit reports shall be prepared using the USAC-approved template. Each report shall be in English, grammatically correct, without misspellings, syntax, or substantive errors, and without any errors in logic.

- 2) Draft Audit Report. Contractor shall submit the draft audit report via a USAC web-based portal no later than two (2) weeks after the fieldwork end date. Receipt of this report will initiate the USAC internal and FCC reviews. USAC shall manage the review cycle with the support of the web-based portal. Contractor shall receive feedback and comment throughout the review cycle from USAC via electronic notifications from the web-based portal. Contractor shall respond to all feedback and comment, and prepare a revised version of the draft report as needed.
- 3) Final Audit Report. Contractor shall prepare and submit the final audit report to USAC 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 USF recipient, and shall make the work papers available to USAC, or its designee, two (2) weeks after submitting the

final audit report

F. 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 data for USAC to manage and report audit progress to USAC. Contractor shall manage and track all activities identified in a task order to successfully complete the audits within the Task Order 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 (“Weekly Status Report”) and submit to USAC each Monday by 12:00PM ET. The report will follow the template provided by the USAC AAD PMO, and will include the weekly status of the assigned audits, percentage of completion, budget management, personnel changes, issues affecting Task Order progress and potential findings. The Weekly Status Report shall be used as the basis of the bi-weekly status meeting discussion.
- 3) Month End Accrual. Contractor shall provide a month end accrual by the third (3rd) business day of each month to accounting@usac.org. This accrual will include estimated hours incurred during the preceding month by labor category and shall be provided in the following format:

Task Order Number: xxxxx

Month: month

Labor Category	Estimated Hours	Cost/Hour	Accrual (Hours x Price)

- 4) Month End Invoice. Contractor shall provide a monthly invoice by the eighteenth (18th) business day of each month through the Coupa interface and by emailing the invoice to bcap@usac.org and Sheryl.Gelman@usac.org. The invoice will be formatted as a Microsoft Excel workbook and follow the template provided by the USAC AAD PMO.

The invoice will include:

- a. Labor hours expended. Labor hour expended shall include by audit, the employee name, labor category, hourly labor rate, and total number of labor hours expended.
- b. Travel expense incurred. Travel expense documentation shall include supporting receipts for travel costs as required by the USAC Travel Policy (i.e. receipts for all costs \$25.00 or greater).

- 5) Final Invoice. Contractor shall submit a final invoice within thirty (30) calendar days after the end of the period of performance of a task order.

G. Administrative Deliverables

Contractor shall provide task order administrative support as required to provide Contract artifacts which include, but are not limited to, the submission of accruals and invoices, invoice supporting documentation, signed confidentiality agreements, signed USAC IT access agreements, and task order change requests when applicable. Contractor Lead Project Manager shall be responsible for gathering and submitting all required artifacts throughout the duration of a task order.

H. Task Order Close-Out

Contractor shall prepare and deliver a management closeout memo to the USAC PMO five (5) business days after submitting the final invoice. The objective of this memo is to transfer knowledge gained during the performance of the project services, interactions with USAC team members, and report schedule and cost variances that directly affected the execution of a task order. The closeout memo is intended as a lessons learned exercise to assist in the planning and execution of future task orders.

I. Waste, Fraud or Abuse Activity Notification

Contractor shall immediately notify USAC of any suspected waste, fraud or abuse discovered during performance of the requirements of this Contract. A detailed description of the suspected waste, fraud or abuse activity must be included with the notification. Notice shall be communicated orally and in writing to:

Teleshia Delmar, Vice President of Audit and Assurance Division
USAC
700 12th Street, N.W., Suite 900
Washington, D.C. 20005
202-776-0200
Email: Teleshia.Delmar@usac.org

12. MEETINGS

A. Project Kick-off Meeting and Training

A project kick-off meeting and training will be conducted with required personnel via an internet-accessed platform or shall be held at USAC's Headquarters, to train Contractor on National Supply Chain orders, Requirements and reports, and Project Management Deliverables.

The project kick-off meeting will serve as an introduction between 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 and business questions, project roles and responsibilities of the respective parties and any project communications.

USAC training related to Requirements and reports, and Project Management Deliverables is estimated to extend up to four (4) business days and shall be comprised of the following three (3) elements:

- (1) Overview of Requirements governing the National Supply Chain, as well as other program requirements, in addition to the FCC forms that are required to be completed and certified by USF recipients;
- (2) Examples of program specific testing procedures to identify areas of non-compliance with the Requirements; and
- (3) Contract Deliverables and Tools.

The USAC Contract Administrator will communicate the project kick-off meeting and training location and dates within one (1) week after the Effective Date of the task order. Training will be conducted no earlier than ten (10) business days after the Effective Date. Key Personnel shall attend training. Only Key Personnel directly responsible for managing a task order and creating Deliverables shall attend the training on Contract Deliverables and Tools.

B. Bi-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 PMO, attend regularly scheduled status meetings as described in the contract. Status meetings will be held by teleconference or internet accessed platform, unless USAC expressly requests the physical presence of Contractor personnel at the meeting. The weekly status report (as described in the Contract) shall be used as the basis of the status meeting discussion.

C. Management Presentations

Contractor shall be available to prepare and present its work products to varying USAC governing bodies, such as the USAC Board of Directors and FCC. These presentations will be performed by select Key Personnel and held in the Washington, D.C. area. Contractor will be notified by USAC, within a reasonable lead-time, 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, Monday through Friday (9:00AM-6:00PM ET). When necessary, communication may be made outside of these hours to ensure the progress of any task order is not impeded.

SECTION C: USAC Terms and Conditions

I. DEFINITIONS

- A. “Contractor” means the Offeror whose proposal was selected for award of the Contract.
- B. “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.
- C. “Deliverables” means the deliverables, goods, items, products, and material that are to be prepared by Contractor and delivered to USAC as described in the Contract.
- D. “Offeror” means an entity submitting a formal proposal in response to this Solicitation.
- E. “Services” means the services, tasks, functions and responsibilities described in the Contract.
- F. “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 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.XI, 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 any attachments identified therein 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. USAC’s Terms and Conditions 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. The parties may bilaterally modify the Contract as needed.

V. INVOICES

- A. *Where to Submit Invoices.* Contractor shall submit invoices through the USAC Coupa Supplier Portal (CSP) method or via the Supplier Actionable Notification (SAN) method. The CSP method will require Contractor to register and create an account for the CSP. An invitation link to the CSP may be obtained by emailing CoupaHelp@usac.org. The SAN method will require Contractor to invoice USAC directly from the purchase order (PO) sent by USAC via email. For the SAN method, the USAC email will contain a notification with action buttons which will allow Contractor to create an invoice, add a comment, and acknowledge the receipt of the PO. For assistance on all Coupa related billing questions, Contractor may email CoupaHelp@usac.org. For assistance on all non-Coupa related billing questions, Contractor may email accounting@usac.org.
- B. *Invoice Submittal Date.* Contractor may submit invoices for payment upon completion and USAC’s acceptance of all of the work associated with a Contract or, if the period of performance of a Contract exceeds sixty (60) days, once every thirty (30) days, with the submission of the first invoice no earlier than thirty (30) days after issuance of the Contract.
- C. *Content of Periodic Invoices.* If periodic invoices are submitted for a Contract, 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.

VI. PRICE/TAXES

Prices stated on the Contract are firm and shall remain firm until USAC’s acceptance of all Services and Deliverables unless otherwise expressly agreed to in writing by both parties. All prices specified herein include all charges for labeling, packing, packaging, loading, storage,

inspection, and insurance. The total firm fixed price for the Services and Deliverables provided under this Contract includes applicable federal, state, or local sales, use, or excise taxes.

VII. PAYMENT / RATES

Contractor shall be paid for Services performed on a fixed-price, service category rate basis using the service categories and fixed rates set forth in **Attachment 2**. USAC will pay invoices submitted in accordance with Section 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.

VIII. 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.

IX. ASSIGNMENT / SUBCONTRACTING

Contractor shall not assign or subcontract all or any portion of the Contract 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>.

X. REPORTING

Reports shall be accurate and timely and submitted in accordance with the due dates specified in this Contract. Should Contractor fail to submit reports or correct inaccurate reports, USAC reserves the right to delay payment of invoices until an accurate report is received and accepted.

XI. 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.

XII. TERMINATION FOR CAUSE

Upon the expiration of a ten (10) day cure period (during which the defaulting party does not provide a sufficient cure), the non-defaulting party may terminate the Contract 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, 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.

XIII. 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 in writing, 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.

XIV. LIMITATION OF DAMAGES

Except in cases of gross negligence or willful misconduct, in no event shall USAC be liable for any consequential, special, incidental, indirect or punitive damages arising under or relating to the performance of the Contract and in no event shall USAC's entire cumulative liability, from any causes whatsoever (including indemnification obligations, if any) exceed the amounts paid to Contractor under the Contract. All exclusions or limitations of damages contained in the Contract, including, without limitation, the provisions of this Section C.XIV, shall survive expiration or termination of the Contract.

XV. 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.

XVI. 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. Management, business, procurement or financial Information of either party, the FCC or a Universal Service Fund (USF) stakeholder, including proprietary or commercial Information and trade secrets that have not previously been publicly disclosed;
 2. Information regarding USAC's processes and procedures (including, but not limited to, program operational Information, Information regarding USAC's administration of its programs, and Information regarding USAC's processing of applications for program support);
 3. Information concerning USAC's relationships with other vendors or contractors, 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; the foregoing shall not include Information that is already lawfully in the possession of the recipient party prior to the receipt of such Information;
 6. Any Information identified as confidential by the disclosing party; and
 7. Personally Identifiable Information (PII), any information about an individual that can be used to distinguish or trace an individual's identity either alone or when combined with other information that is linked or linkable to a specific individual. Examples of PII include name, address, telephone number, date and place of birth, mother's maiden name, biometric records, etc.

- 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 venturers, 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. Contractor will follow-up with the USAC General Counsel and provide information on 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 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.

XVII. 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.XVI.
- 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 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.
- 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.

XVIII. INFORMATION SECURITY

Contractor shall comply with Federal Information Security Modernization Act (“FISMA”), 44 U.S.C. section 3541, et seq., the Privacy Act of 1974 (5 U.S.C. § 552a)(as may be applicable), and the most current revision of NIST SP 800-53. Contractor shall protect PII in accordance with all federal and USAC requirements, including, but not limited to, OMB Memoranda M-17-12 and guidance from NIST, including NIST SP 800-53 Rev 4 or later revisions. The Contractor shall cooperate with USAC and/or the FCC to implement any federally mandated information security requirements and privacy regulations that are not already listed in this section.

XIX. 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.

XX. FISMA PROVISIONS

Contractor shall meet and comply with all USAC IT Security Policies and all applicable USAC, NIST, and FISMA requirements and other Government-wide laws and regulations for the protection and security of information systems and data.

Safeguarding of Covered Contractor Information Systems:

USAC's data security strategy includes the requirement to ensure the security of data protection controls regardless of the location or the party responsible for those controls. Contractor acknowledges that it serves a vital role in achieving this goal. Contractor shall apply the following minimum safeguarding requirements and procedures from NIST SP 800-171 "Protecting Controlled Unclassified Information in Nonfederal Systems and Organizations" to protect covered Contractor information systems and USAC Data. Contractor shall provide USAC with copies of its security policies and procedures to review, upon request. USAC may require a written response that may be an attestation of compliance, a submission of supporting document, or both. If USAC requests a written response, Contractor shall submit an electronic copy of the document(s) confirming compliance within 10 calendar days. If there are any requirements that are out of scope or that cannot be complied with, Contractor shall fully explained those requirements with a business justification.

1. Limit information system access to only authorized users, processes acting on behalf of authorized users, or devices (including other information systems).
2. Limit information system access to only 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 only 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.

XXI. TECHNOLOGY CONSIDERATIONS

Contractor shall ensure that commercial off-the-shelf (COTS) software or Software as a Service (SaaS) software deployed in the cloud or on USAC's on-premise infrastructure satisfies the following requirements:

- A. The product must be able to utilize USAC's instance of OKTA's Identity and Access Management software for user authentication and provisioning. OKTA is a cloud-based Identity and Access Management product used by USAC.
- B. Any USAC data stored in a COTS/SaaS product database must be readily accessed by USAC via standard web services or another standard access mechanism.
- C. The product must be FedRAMP-accredited.

For solicitations and contracts involving the development of custom software, Contractor shall ensure that the custom software developed for USAC:

- A. Implements all required security controls and meets FISMA accreditation guidelines.
- B. Reuses available USAC technology services (microservices, APIs) unless Contractor demonstrates that those services are unable to meet the requirements.
- C. Uses 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 / Spring Framework Suite (Language and frameworks)
 - OKTA (Identity and Access Management)
 - Apache Kafka (Messaging)
 - PostgreSQL / PostGIS (Database)
 - Elasticsearch, Logstash, Kibana
 - Atlassian tools (SDLC)
 - Apache Tomcat (Application Servers)
 - Red Hat Enterprise Linux (OS)

Further details of USAC's technical stack and service architecture may be provided as appropriate.

XXII. PROPRIETARY 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 XVII above and works made-for-hire for USAC within the meaning of the copyright laws of the United States. In the event that any of the aforementioned are not considered works made-for-hire for USAC within the meaning of the copyright laws of the United States, Contractor shall and hereby does irrevocably grant, assign, transfer and set over unto USAC in perpetuity all worldwide rights, title and interest of any kind, nature or description it has or may have in the future in and to such materials, and Contractor shall not be entitled to make any use of such materials beyond what may be described in this Contract. Contractor hereby waives, and shall secure waiver from its employees or subcontractors, any moral rights in such assigned materials, such as the right to be named as author, the right to modify, the right to prevent mutilation and the right to prevent commercial exploitation. 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.

Contractor shall not, without the prior written permission of the USAC Procurement Office, incorporate in Data delivered under the Contract any Data not first produced in the performance of the Contract unless 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 XXII.

XXIII. RESPONSIBILITY FOR CONTRACTOR PERSONNEL

Contractor personnel working on USAC premises are required to sign and agree to the terms of a Visitor 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.

Contractor personnel requiring access to USAC IT Systems will be required to sign USAC’s IT Security Rules of Behavior Form and complete mandatory IT Security and Privacy Awareness Online Training. Contractor may be required to complete Role-Based Privacy Act Training, at Contractor’s own cost, if accessing USAC information systems designated as Federal systems of record.

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 are provided, if requested during an annual FISMA audit. If Contractor employees will be in USAC offices or have access to USAC IT systems, background checks are required pursuant to NIST. Contractor shall conduct background checks on its employees and provide evidence of the background checks to USAC upon request.

XXIV. RECORD RETENTION

During the term of the Contract and for three (3) years following final payment, 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.

XXV. KEY PERSONNEL

USAC may specify which Contractor employees are key personnel under the Contract (“Key Personnel”). Key Personnel assigned to the Contract must remain in their respective positions throughout the term of the Contract. USAC may terminate all or a part of the Contract if 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:

- A. 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
- B. 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 XXV shall apply to their placement on and removal from the Contract.

XXVI. SHIPMENT/DELIVERY

Terms of any shipping are F.O.B. USAC’s delivery location unless otherwise noted in the Contract. All goods, products items, materials, etc. purchased hereunder must be packed and packaged to ensure safe delivery in accordance with recognized industry-standard commercial practices. If, in order to comply with the applicable delivery date, Contractor must ship by a more expensive means than that specified in the Contract, Contractor shall bear the increased transportation costs resulting therefrom unless the necessity for such shipment change has been caused by USAC. If any Materials are not delivered by the date specified herein, USAC reserves the right, without liability, to cancel the Contract as to any Materials not yet shipped or tendered, and to purchase substitute Materials and to charge Contractor for any loss incurred. Contractor shall notify USAC in writing promptly of any actual or potential delays (however caused) which may delay the timely performance of this Contract. If Contractor is unable to complete performance at the time specified for delivery hereunder, by reason of causes beyond Contractor’s reasonable control, USAC may elect to take delivery of materials in an unfinished state and to pay such proportion of the Contract price as the work then completed bears to the total work hereunder and to terminate this Contract without liability as to the balance of the materials covered hereunder.

XXVII. 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.

XXVIII. CONFLICTS 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 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. Contractor shall also notify USAC of any conflicts Contractor has with USAC vendors. 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, 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 government employee in connection with the award. In order to maintain the required neutrality, Contractor must not advocate any policy positions with respect to the USF programs or the USF during the term of the Contract. 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.

XXIX. 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.

XXX. WAIVER

Any waiver of any provision of this Contract must be in writing and signed by the parties hereto. Any waiver by either party of a breach of any provision of this Contract by the other party shall not operate or be construed as a waiver of any subsequent breach by the other party.

XXXI. 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.

XXXII. CHOICE 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 district 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 procurement specialist 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.

XXXIII. 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”). 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.

XXXIV. 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 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.

XXXV. NON EXCLUSIVITY

Except as may be set forth in the Contract, 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 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.

XXXVI. INDEPENDENT CONTRACTOR

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.

XXXVII. SECTION 508 STANDARDS

Compliance with Section 508. Vendor shall ensure that Services provided under the Contract comply with the applicable electronic and information technology accessibility standards established in 36 C.F.R. Part 1194, which implements Section 508 of the Rehabilitation Act, 29 U.S.C. § 794d.

TDD/TTY Users. Vendor shall ensure that TDD/TTY users are offered similar levels of service that are received by telephone users supported by the Contract. Vendor shall also ensure that the Services provided under the Contract comply with the applicable requirements of 18 U.S.C. § 2511 and any applicable state wiretapping laws.

XXXVIII. COVERED COMPANY

A. *Definitions.* For purposes of this Section XXXVIII, the following terms are defined as stated below:

- i. "Covered Company" is defined as an entity, including its parents, affiliates, or subsidiaries, finally designated by the Public Safety and Homeland Security Bureau of the FCC as posing a national security threat to the integrity of communications networks or the communications supply chain.
- ii. "Reasonable Inquiry" is defined as an inquiry designed to uncover information about the identity of the producer or provider of equipment and services that has been

purchased, obtained, maintained, or otherwise supported by funds from USAC under this Contract.

- B. Prohibition.** Contractor will ensure that no funds from USAC under this Contract will be used to purchase, obtain, maintain, or otherwise support any equipment or services produced or provided by a Covered Company. This prohibition extends to any subcontractors that provides Services under the Contract. Contractor is responsible for notifying any subcontractors it engages under this Contract of this prohibition.
- C. Monitoring.** Contractor must actively monitor what entities have been finally designated by the FCC as a Covered Company. Contractor must actively monitor to ensure that no funds from USAC are used to purchase, obtain, maintain, or otherwise support any equipment or services produced or provided by a Covered Company from Contractor or any subcontractor it engages under the Contract. If Contractor finds that funds from USAC are being used to purchase, obtain, maintain, or otherwise support any equipment or services produced or provided by a Covered Company, Contractor shall immediately notify USAC. In Contractor's notification to USAC, Contractor shall provide the same information required for non-compliance in Section XXXVIII.D. Any such notification must have audit ready supporting evidence.
- D. Annual Certification.**

Contractor will conduct a Reasonable Inquiry and provide a certification to USAC in writing no later than December 31 of each calendar year that the Contract is in effect. If Contractor, and all applicable subcontractors, are in compliance with Section XXXVIII.B., Contractor shall state in the annual certification that no funds from USAC have been used to purchase, obtain, maintain, or otherwise support any equipment or services produced or provided by a Covered Company. If Contractor, or any applicable subcontractor, is not in compliance with Section XXXVIII.B., Contractor shall so inform USAC and provide the following information in the certification:

- (i) If for equipment produced or provided by a Covered Company:
 - a. The Covered Company that produced the equipment (include entity name, unique entity identifier, CAGE code, and whether the Covered Company was the original equipment manufacturer (OEM) or a distributor, if known);
 - b. A description of all equipment (include brand; model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); and
 - c. Explanation of the why USAC funds purchased, obtained, maintained, or otherwise supported the equipment and a plan to remove and replace such equipment as expeditiously as possible.
- (ii) If for services produced or provided by a Covered Company:
 - a. If the service is related to item maintenance: A description of all such services provided (include on the item being maintained: brand; model number, such

- as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable);
- b. If the service is not associated with maintenance, the product service code of the service being provided; and
- c. Explanation of the why USAC funds purchased, obtained, maintained, or otherwise supported the services and a plan to remove and replace such service as expeditiously as possible.

Contractor shall retain audit ready supporting evidence for all certifications.

XXXIX. TEMPORARY EXTENSION OF SERVICES

USAC may require continued performance of any Contract services within the limits and at the rates specified in the Contract. Except as may be set forth 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 Contractor within ten (10) days prior to expiration of the then current term.

XL. 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:

Director of Procurement, Universal Service Administrative Company

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.

XLI. 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.

XLII. 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 portable document format (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.

SECTION D: **Attachments**

Attachment List:

- Attachment 1: Labor Category Description
- Attachment 2: Pricing Schedule
- Attachment 3: Confidentiality Agreement
- Attachment 4: USAC Travel and Expense Policy

SECTION E:

Instructions and Evaluation Criteria

1. GENERAL

A. CONTRACT TERMS AND CONDITIONS

The Contracts 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 proposals. 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 Statement 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 June 21, 2021** (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, AAD-21-016, of this RFP.

C. PROPOSAL SCHEDULE

DATE	EVENT
May 21, 2021	RFP Released
June 1 May 31 , 2021	Questions due to USAC by 2:00 PM ET
June 4, 2021	Q&A released to potential Offerors

June 21, 2021	Proposal Due to USAC by 2:00 PM ET at rfp@usac.org
July - August 2021	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. 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.

2. CONTRACT AWARD

USAC intends to evaluate offers and award a contract after all steps in the procurement process have taken place. 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.

3. 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.

4. PROPOSAL FORMAT

Proposals shall be presented in four separate volumes:

1. Volume 1 – Corporate Information
2. Volume 2 – Technical Capability
3. Volume 3 – Past Performance
4. Volume 4 – Price

5. PROPOSAL COVER PAGE

Each proposal volume 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 representative.

6. PROPOSAL CONTENT

The proposal shall be comprised of the following four volumes:

A. Corporate Information (Volume I)

- (A) *Executive Summary.* This section shall summarize all key features of the proposal, including the identification of subcontractors (see section B.10.F for subcontracting limitations), affiliated individuals, or firms that the Offeror proposes to assist in this engagement. A list of any deviations and exceptions from the requirements contained in this RFP shall be identified in the Executive Summary. Pricing information shall not appear in the Executive Summary.
- (B) *Confidentiality and Information Security.* Offeror must explain in detail how they will establish and maintain safeguards to protect the confidentiality and integrity of USAC Confidential Information in their possession as required by the solicitation.
- (C) *Conflict of Interest.* USAC is the appointed neutral administrator of the federal USF. USAC is governed by a Board of Directors comprised of various stakeholders in the universal service programs, and is prohibited from advocating positions on universal service policy matters. Because of USAC's unique role as neutral administrator, it is essential that any contractor providing assistance to USAC in administering the USF maintain the same neutrality, both in fact and in appearance.

B. Technical Capability (Volume II)

- (A) The Offeror must clearly state whether it will comply with the stated requirements and provide detailed information about how it will fulfill the requirements of the RFP.
- (B) The Offeror must clearly describe their most recent experiences in performing similar work and identify methodologies and processes used in providing the services.
- (C) The Offeror must clearly describe their capabilities for performing this Contract, including key personnel resources, management capabilities, tools, software and proposed analytical methods.
- (D) The Offeror must identify by name all proposed Key Personnel to be assigned to this engagement. A resume (not to exceed two pages) must be provided for each individual that includes their educational background, job and related experience, and references. Describe the professional expertise, professional certifications, and the benefit this experience will provide to USAC on this engagement.

C. Past Performance Information (Volume III)

This volume must include:

- A cover page, as outlined above.
- A list of up to three current or recently completed contracts for services similar in scope to those required by this solicitation. Each entry on the list must contain the client's name, the project title, the period of performance, the contract number, the contract value, a primary point of contact (including the telephone number and email address for each point of contact, if available), and 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.
 - 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 an overview of the engagement, a description of the scope of work performed, its relevance to this effort, and 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 page.
 - 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 proposal. 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, Offeror will receive an "unknown" risk in an evaluation of past performance.

D. Price Proposal (Volume IV)

This volume must include:

- A cover page, as outlined above.
- Completed pricing information in, Attachment 2: Pricing Schedule.
 - 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.
 - The labor rates established in this RFP will be used for base and all option years, except that the Contractor may offer discounts to the labor rates at their discretion.

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 four (4) pages.
- b. Volume II – Technical; may not exceed twelve (12) pages ; however excluding **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.

7. EVALUATION

USAC will award multiple indefinite-delivery, indefinite-quantity (“IDIQ”) task order- based contract(s) resulting from this solicitation to the responsible Offeror whose offer 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 awardee – Technical, Past Performance, and Price. When combined the Technical and Past Performance factors are significantly more important than price.

- **Technical:** The technical sub-factors listed below in descending order of importance:
 - Technical Approach
 - The proposal shall include information about how the Contractor will ensure that all content provided is accurate and up-to-date.

- The proposal shall include a list of assumptions and dependencies with completing each of the tasks specified in the Scope of Services.
- The proposal shall include a high-level summary of anticipated challenges and potential problem areas with methods and approaches for resolution.
- Experience
- Capabilities
- Key Personnel
- The proposal shall include a resume for each individual proposed as Key Personnel. The resume shall describe the educational background, job and related experience, and references for that individual. A description that communicates the professional expertise, professional certifications, and the value added of this individual to the USAC engagement must also be included in the resume.
- **Past Performance:** Past performance information will be evaluated to assess the risks associated with an Offeror's performance of this effort, considering the relevance, how recent the project is (no older than 3 years from the date of the solicitation), 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).
- **Price Evaluation:** USAC will evaluate price based on the firm fixed price, listed in the Attachment 2 – Price Schedule. Price is the least important evaluation factor and USAC may not necessarily 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 service category 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.

8. DOWN-SELECT PROCESS

USAC may determine that the number of proposals received in response to this RFP 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 price proposals. Proposals that include proposed prices that is 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.

9. 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 DESCRIPTION

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.	<ul style="list-style-type: none"> ● 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 GAGAS 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.	<ul style="list-style-type: none"> ● 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.

Name/Title	Minimum Education	Minimum Experience	Functional Responsibility
<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.	<ul style="list-style-type: none"> ● 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.	<ul style="list-style-type: none"> ● 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.	<ul style="list-style-type: none"> ● 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.

Name/Title	Minimum Education	Minimum Experience	Functional Responsibility
<i>Lead Project Manager</i>	Bachelor's Degree Project Management Professional (PMP) certification required.	7 years of project management experience managing large-scale initiatives and has strong MS Office skills.	<ul style="list-style-type: none"> ● 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 takes corrective action to ensure that scope, schedule, quality and cost are not impacted. ● Responsible for creating the weekly status report.

Name/Title	Minimum Education	Minimum Experience	Functional Responsibility
<p><i>Telecommunications Network Engineer (SME)</i></p>	<p>Bachelor's Degree in Telecommunication or Engineering</p>	<ul style="list-style-type: none"> ● 10 years of experience in the planning and design or the deployment and configuration of access/distribution wireless/ wireline telecommunication networks with excellent knowledge and understanding of end-to-end network architecture of different telecommunications systems. ● Direct experience in developing upgrading, operating, maintenance, troubleshooting, repair, measurement and testing of wireless / wireline networks with either telecom service providers, equipment or infrastructure manufacturers. ● Strong understanding of OPEX/CAPEX, engineering project budgeting, and financial and procurement aspects of Telecommunications/ IT networks and experience with the telecom industry vendors' eco system ● Experience, knowledge and understanding of telecommunications 	<ul style="list-style-type: none"> ● Participates in planning of engagement and is responsible for all tasks delegated by the Project Manager ● Performs as subject matter expert for network/systems build out analysis and tests. ● Conducts site visits to verify the existence of equipment procured with USF funding and confirm using serial numbers, radio frequency identification tags and other unique identifiers that they were not manufactured by the covered companies. ● Assists the audit team in the review of supporting documentation including fixed asset and vendor listings to identify potential transactions with covered companies ● Reviews the network architecture diagram(s) potential equipment manufactured by covered companies ● Provides updates on project progress and helps draft project report. ● Reviews and provides feedback to contract deliverables.

Name/Title	Minimum Education	Minimum Experience	Functional Responsibility
		<p>industry standards, technology compliance and Regulatory Requirements</p> <ul style="list-style-type: none"> ● Knowledge about access/distribution/core telecommunications equipment of various vendors for both wireless and wireline networks. ● Strong technical writing skills. 	

Attachment 2 – Price Schedule

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	Hourly Rates				
	Base Year	OY1	OY2	OY3	OY4
Partner/Principal/Director Auditing Services					
Senior Manager Auditing Services					
Manager Auditing Services					
Senior Staff Auditing Services					
Junior Staff Auditing Services					
Lead Project Manager					
Telecommunications Network Engineer					

Attachment 3

USAC Confidentiality Agreement

1. I recognize and acknowledge that as a bidder/offeror, 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 acknowledge and agree that if I receive a subpoena or any other request or demand for Confidential Information, I will take all reasonable and appropriate steps to ensure that the request is submitted within one business day of receipt, and prior to any disclosure of such information or records, to 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 this 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.
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 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.

Attachment 4

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 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).