



# USAC Solicitation for Beneficiary and Contributor Audit Program & Supply Chain Audit Services – Revision 3

## SOLICITATION INFORMATION:

**Method of Solicitation:** Request for Proposal (“RFP”)  
**Contract Period of Performance:** One (1) Base Year plus Four (4) Option Years  
**Solicitation Number:** AAD-24-069  
**Solicitation Issue Date:** April 2, 2024  
**Question Due Date:** April 12, 2024 at 11:00 a.m. ET  
**Offer Due Date:** May ~~14~~16, 2024 at 11:00 a.m. ET

## CONTRACT TO BE ISSUED BY:

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

## CONTACT INFORMATION:

USAC CONTACT INFORMATION	OFFEROR CONTACT INFORMATION
Anthony Smith Senior Procurement Specialist Phone: 202-916-3486 Email: <a href="mailto:Procurement@usac.org">Procurement@usac.org</a> ; <a href="mailto:Anthony.Smith@usac.org">Anthony.Smith@usac.org</a>	(complete) Name: _____ POC: _____ POC Title: _____ POC Phone: _____ POC Email: _____ Address: _____

## OFFEROR SIGNATURE:

\_\_\_\_\_

Name and Title

\_\_\_\_\_

Date

# SECTION A:

## About Us and the Work

### 1. ABOUT USAC

Through its administration of the Universal Service Fund (“USF”) programs on behalf of the Federal Communications Commission (“FCC”), the Universal Service Administrative Company (“USAC”) works to promote the availability of quality telecommunications 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, and low income households. Through program administration, auditing, and outreach, USAC works with contributors, service providers (including mobile providers), and program beneficiaries to achieve the program goals articulated by the FCC for the High Cost Program, Lifeline Program, Rural Health Care Program, and Schools and Libraries Program.

USAC strives to provide efficient, responsible stewardship of the programs, each of which is 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 other divisions, including Finance, General Counsel, Information Systems, Audit and Assurance, Enterprise Program Management, and Human Resources.

Consistent with FCC rules, USAC does not make policy nor interpret unclear provisions of statutes or the FCC’s rules. The USF is funded by contributions from telecommunications carriers, including wireline and wireless companies, and contributions from interconnected voice over internet protocol (“VoIP”) 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 designed to ensure that consumers in rural, insular, and high-cost areas have access to modern communications networks capable of providing voice and broadband service, both fixed and mobile, at rates that are reasonably comparable to those in urban areas (“High Cost”). High Cost fulfills this universal service goal by allowing eligible carriers who serve these areas to recover some of their costs from the USF. Historically, the High Cost program has subsidized voice to ensure universal access to basic phone lines through legacy funds that calculate support based on carrier costs. The legacy funds that continue to pay out support to traditional rural telephone companies certified as eligible telecommunication carriers (ETCs) are Frozen High Cost Support (FHCS), High Cost Loop (HCL), Connect American Fund Intercarrier Compensation (CAF ICC) Recovery and Connect America Fund Broadband Loop Support (CAF BLS). Like all USF programs, the administration of High Cost has undergone significant modernization in the last several years to increase innovation and ensure beneficiaries have access to updated technology. USAC developed and now leverages the High Cost Universal Broadband

Portal (“HUBB”), which allows participating carriers 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 displays this information on a public-facing map to show the impact of high-cost funding on broadband expansion throughout the United States.

### **Lifeline Program**

The Lifeline Program provides support for discounts on broadband and voice services to eligible low-income households (“Lifeline”). USAC uses its centralized application system, the Lifeline National Eligibility Verifier (“National Verifier”), to verify consumer eligibility through proof of income or the consumer’s participation in a qualifying federal benefit program, such as Medicaid, the Supplemental Nutritional Assistance Program (“SNAP”), Federal Public Housing Assistance, or Veterans and Survivors Pension Benefit. USAC focuses on metrics and data analytics for Lifeline improvement, and provides outreach efforts to eligible households to increase participation in and the effectiveness of Lifeline. USAC also works to ensure program integrity by supporting the needs of Lifeline stakeholders, reducing program inefficiencies, and combating waste, fraud, and abuse. USAC reviews processes regularly to increase compliance, identify avenues for operational improvements, and refine program controls, such as audit processes.

### **Rural Health Care Program**

The Rural Health Care Program supports health care facilities in bringing medical care to rural areas through increased connectivity (“RHC”). RHC consists of two main component programs: (1) the Telecommunications Program (“Telecom”) and (2) the Healthcare Connect Fund Program (“HCF”). The FCC established Telecom in 1997 to subsidize the difference between urban and rural rates for telecommunications services. Under Telecom, eligible rural health care providers can obtain rates on telecommunications services in rural areas that are reasonably comparable to rates charged for similar services in corresponding urban areas. In 2012, the FCC established HCF to promote the use of broadband services and facilitate the formation of health care provider consortia that include both rural and urban health care providers. HCF provides a discount on an array of advanced telecommunications and information services such as Internet access, dark fiber, business data, traditional DSL, and private carriage services. These telecommunications and broadband services support telemedicine by ensuring that health care providers can deliver cutting edge solutions and treatments 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 services and equipment at affordable rates (“E-Rate”). E-Rate provides a discount for the cost of broadband and telecommunications services to and within schools and libraries in order to support a modern and dynamic learning environment. Applicants and service providers submit FCC Forms (e.g. requests for services or funding) and other compliance-related documentation to the E-Rate Productivity Center (“EPC”), an electronic platform that enables participation in the program. USAC frequently invests in new tools and data analytics capabilities to support the success of the program in alignment with the FCC’s goals.

## **Contributor Revenue (Contributions)**

Universal service support is money collected from telecommunications companies and then dedicated to fulfilling the goals of universal service. Universal service is paid for by contributions from telecommunications carriers, including wireline and wireless companies, and interconnected Voice over Internet Protocol (VoIP) providers, including cable companies that provide voice service, based on an assessment of their interstate and international end-user revenues. Telecommunications companies are required by law to make contributions to the USF, paying in a percentage of their end-user interstate and international revenues. These contributions are most typically passed through to consumers through a universal service fee line item on their telephone bills.

All telecommunications companies must register with USAC, whether they contribute to the USF directly or through their underlying carriers. All intrastate, interstate, and international providers of telecommunications (including VoIP providers) within the United States, with limited exceptions, are legally obligated to file the FCC Form 499. This filing determines whether carriers must contribute to the USF and how much the contribution will be.

The term “telecommunications” refers to the transmission, between or among points specified by the user, of information of the user’s choosing, without change in the form or content of the information as sent and received.

## **Supply Chain**

In November 2019, the FCC released the Protecting Against National Security Threats to the Communications Supply Chain 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 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. Since November 2019, the FCC has issued various rules and orders on this matter. The FCC defines the Covered List as a list, published and maintained by the FCC’s Public Safety and Homeland Security Bureau, of covered communications equipment and services 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.



At this time, the FCC has identified the following as Covered List Companies: Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, and Dahua Technology Company, and their parents, affiliates, and subsidiaries to the extent they were included on the Covered List for the applicable audit period.

Additional information on USF programs can be found at: <https://www.usac.org/about/>

## 2. 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 (as defined in Section C.1.D of this RFP) 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; 200.324; 200.326-327 and App. II to C.F.R. Part 200 (collectively “Procurement Regulations”).

## 3. CONFIDENTIALITY

Any party that provides a bid and proposal to this RFP is considered an “Offeror”. Any Offeror that is awarded work under this RFP and enters into a contract with USAC to deliver the awarded work is considered a “Contractor”.

This RFP and any Contract is subject to the terms of the Confidentiality Agreement (attached hereto as **Attachment 4**) which must be executed by Offeror and submitted along with any proposal for this RFP.

# **SECTION B: Requirements and Scope of Work**

## **1. OVERVIEW**

USAC is seeking qualified audit firms to perform limited scope performance audits of select beneficiaries and service providers of High Cost, Lifeline, E-Rate and RHC as well as audits of select contributors to the USF and participants subject to supply chain requirements. Contractors awarded a Contract under this RFP will be allowed to bid to perform audit services under an awarded task order (or task orders) that will individually focus on one (1) of the four (4) USF programs, contributions, or supply chain requirements. Offerors do not need to have experience in all audit areas to submit a bid to this RFP or to submit a bid on a task order issued pursuant to a Contract.

For each awarded task order, Contractors shall perform sufficient testing to determine whether the beneficiaries, service providers and contributors are compliant with rules and regulations of the FCC, USF program, and supply chain requirements set forth in Title 47 C.F.R. Part 54 Subparts A – H, K, and M (collectively, “Program Rules”). The specific Program Rules to be audited in each task order issued under the Contract and pursuant to a Task Order Request for Proposal (“TORP”) will be identified in each TORP (the task order process is described in more detail under Section B.3). Contractors shall address all aspects of performance audit principles, regardless of whether they are explicitly stated in this Section B, Statement of Work.

All Consultants must be licensed accounting/audit firms that comply with American Institute of Certified Public Accountants (“AICPA”) professional standards in order to be able to perform Services (as defined in Section C.1.U of this RFP) under an awarded task orders under an awarded Contract. Contractors must be familiar with applicable FCC regulations governing the USF and the particular universal service support mechanism under which the audited beneficiary is receiving support. Audits must be conducted in accordance with Generally Accepted Government Auditing Standards (“GAGAS”) issued by the Comptroller General of the United States (July 2018, as amended) or the latest applicable edition based on the GAGAS revision effect date.

The audits are designed to: (1) assess compliance by USF beneficiaries and service providers with applicable law; (2) deter waste, fraud, and abuse by beneficiaries and service providers of the universal service programs; (3) detect waste, fraud, and abuse by beneficiaries and service providers to the USF; and (4) identify areas for improvement in the compliance of beneficiaries and service providers with applicable law and in the administration of the USF. The time required to audit each beneficiary or service provider may vary significantly depending on the scope of the beneficiary's or service provider's participation in the program.

The Beneficiary and Contributor Audit Program (“BCAP”) and National Supply Chain Audit Program were developed pursuant to the following objectives:

1. Provide for audits of beneficiaries and service providers of the four (4) universal service support mechanisms as well as contributors to the fund and supply chain compliance;

2. Tailor the audit type and scope to program risk elements, size of disbursement, audit timing, and other specific factors that affect the risk and consequences to program integrity;
3. Incur reasonable audit costs in relation to overall program disbursements (or contribution to the USF for contributors), amount disbursed to the beneficiary being audited (or the amount contributed to the USF for contributors), and USF administrative costs;
4. Spread audits throughout the year to smooth workload, improve efficiencies, control costs, reduce unnecessary burdens on beneficiaries and service providers, and maintain a pool of trained auditors; and
5. Retain capability capacity for targeted and risk-based audits to be conducted as recommended by USAC management, the FCC, and/or law enforcement entities.

## 2. TYPE OF CONTRACT

This is an indefinite-delivery, indefinite-quantity (“IDIQ”) task order based contract. USAC intends to award multiple contracts under this procurement. During the “Contract Term” (as described and defined in Section B.3 and Section C.1.E), task orders will be priced primarily on a time and materials (“T&M”) basis with a not-to-exceed (“NTE”) price. Each task order awarded will be determined using the fixed labor rates proposed in **Attachment 2: Pricing Schedule** and will result in a NTE price for that awarded task order. Fixed labor rates 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. In accordance with the terms and conditions of the Contract and USAC’s Travel Expenses Policy (see **Attachment 3**), USAC will reimburse Contractor for necessary and reasonable travel expenses incurred in performance of this request for Services. The travel expenses will be included in the NTE price of each awarded task order.

## 3. TASK ORDER PROCESS

USAC will issue task orders, pursuant to a 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 who meet the qualifications listed under, the position descriptions set forth in **Attachment 1**.

Unless otherwise specified in a task order, Contractor Staff (as defined in Section C.1.G) assigned to a task order shall maintain a work schedule consistent with USAC’s normal business hours and work practices. Contractor Staff are expected to comply with all of USAC’s rules pertaining to conduct in the workplace. Any change in Contractor’s Key Personnel (as described in Section B.11 of this RFP and defined in Section C.1.N of this RFP) must be approved, in writing, by the USAC Procurement Department 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.

## A. Steps for Each Task Order

Contractors will become Offerors for task orders for which they provide a proposal. Contractor shall perform the following steps which are necessary for task order award. Contractor shall submit one (1) proposal in response to each TORP, which must include the following information:

- A cover page that includes the following:
  - The name of Offeror’s organization;
  - Offeror’s contact name;
  - Offeror’s contact information (address, telephone number, email address, website address);
  - Offeror’s Unique Entity ID number;
  - The date of submittal;
  - A statement verifying the proposal is valid for a period of one hundred twenty (120) days; and
  - The signature of a duly authorized Offeror representative.
- A list, by name, of all Key Personnel, along with the labor category they will fill. For each Key Personnel, provide a biography that includes their educational background, job and related experience, a list of specific efforts they have supported, and references.
- A detailed and comprehensive production schedule that includes a proposed schedule and approach for managing and providing the Services and Deliverables required by the task order. Offeror should also outline any deviations from the task order defined Deliverables or objectives.
- Hourly breakdown of each Key Personnel.
- Total not to exceed labor hour cost for the project.

USAC will review Contractor’s proposal in response to a TORP, provide feedback if any adjustments or negotiations are required, and subsequently award the task order.

## 4. CONTRACT TERM

The term of this Contract shall be for a base period of one (1) year with four (4) one-year renewal options (“Contract Term”), unless extended by USAC or terminated sooner in accordance with the Contract. The Contract Term shall commence on the first day of the awarded Contract period of performance (the “Effective Date”) as set forth in the awarded Contract. USAC may award task orders at any time during the Contract Term. The performance period of each awarded task order will be stated within the awarded task order. USAC anticipates that the awarded 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.

## 5. PLACE OF PERFORMANCE

- A. All required Services under the awarded Contract must be performed within the United States 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, D.C. 20005 (“USAC Headquarters”) or at the FCC offices located at 45 L St NE, Washington, D.C. 20554.



- B. A Contract kick-off meeting may be held at USAC Headquarters or virtually. USAC will not reimburse Contractor for any travel related expenses for kick-off, status, and other meetings.
- C. Contractor shall schedule, coordinate, and hold a Contract kick-off meeting no later than five (5) workdays after Contract award, at the location approved by USAC. The meeting will provide an introduction between Contractor Staff and USAC personnel who will be involved with the awarded Contract. The meeting will provide the opportunity to discuss technical, management, and security issues, review Contractor's proposed project timeline, and reporting procedures. At a minimum, the attendees shall include Contractor Key Personnel, Contractor Staff capable of obligating the Contractor, and USAC personnel.
- D. Services requiring work at USAC Headquarters will include appropriate workspace and appropriate access to USAC's computer network. **NOTE: To access USAC IT Systems, Contractor must 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 designated as federal system of records (i.e., National Verifier and National Lifeline Accountability Database (or "NLAD")).**
- E. Status update meetings and other meetings may be held virtually, except to the extent that USAC or Contractor requires in-person presence and in accordance with USAC and Contractor Continuity of Operations Plan ("COOP"). While attending USAC Headquarters for meetings or to conduct audits, Contractor Staff will be considered as visitors. All visitors are required to complete [USAC's Visitor Form](#), and wear a badge while on premises. The Contract kick-off meeting and all in-person meetings will be held at USAC Headquarters or other reasonable locations designated by USAC. Contractor may also be required to attend meetings at the FCC offices located at 45 L Street NE, Washington, D.C. 20554.
- F. Contractor shall comply with all guidance published by the Safer Federal Workforce Task Force for all Contractor Staff during the Contract Term.

To provide adequate COVID-19 safeguards for USAC employees, Contractor shall ensure that all Contractor Staff that enter USAC premises will comply with USAC's COVID-19 Safety, Quarantine & Isolation Policy.

Nothing in this Section shall excuse noncompliance with any applicable federal, state, and local laws establishing more protective safety protocols than those established by this Section.

- G. Upon written request by USAC, Contractor shall provide a COOP including business continuity plans, disaster recovery plans, emergency operations plan and procedures, and associated plans and procedures in the event performance must be conducted virtually.

## 6. USAC PROGRAM MANAGER AND CONTRACTS ADMINISTRATOR

The Program Manager ("PM") for the awarded Contract is Kianna Braxton-Johnson. The PM may be contacted via email at [Kianna.Braxton-Johnson@usac.org](mailto:Kianna.Braxton-Johnson@usac.org). The USAC Contract Administrator ("CA") for the awarded Contract is Samuel Carrington, who is the USAC point of contact for contractual matters

(e.g. Contract administration, Contract modifications and other matters not related to performance). The CA may be contacted via email at [Samuel.Carrington@usac.org](mailto:Samuel.Carrington@usac.org).

## 7. PERFORMANCE REQUIREMENTS – GENERAL PROVISIONS

### A. Performance Standard

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

### B. Contractor Experience

Contractor shall have a proven background of managing and performing compliance audits. As each task order will separately focus on one (1) of the four (4) USF programs, contributions or supply chain requirements, a Contractor is not required to have experience in all audit areas to submit a bid to be included in the Contract. Contractor shall have proven experience in one (1) or more of the following:

<b>Program</b>	<b>Contractor Experience</b>
High Cost	<ul style="list-style-type: none"> <li>• Experience auditing complex financial statements.</li> <li>• Experience auditing telecommunications companies.</li> <li>• Knowledge of cost studies.</li> <li>• Experience with inventories of fixed assets.</li> <li>• Experience working with complex formulas and calculating the monetary effect of audit findings (including calculating on-top adjustments such as the \$250 line cap and the budget control mechanism).</li> </ul> <p><i>* Note –Testwork on deployment obligations will not be required.</i></p>
Lifeline	<ul style="list-style-type: none"> <li>• Experience utilizing software to perform data comparisons on large data sets for completeness and accuracy of reporting</li> <li>• Experience with data analytics and drill down analysis</li> <li>• Experience in selecting samples to test large volumes of data</li> <li>• Experience in reviewing billing and other software systems used to collect, analyze, and report data and assessing systems processes related to form submissions</li> </ul>
E-Rate	<ul style="list-style-type: none"> <li>• Experience with telecommunications services and equipment</li> <li>• Experience with equipment inventories</li> </ul>
RHC	<ul style="list-style-type: none"> <li>• Experience with telecommunications services and equipment</li> <li>• Experience with equipment inventories</li> </ul>
Contributor Revenue	<ul style="list-style-type: none"> <li>• Experience auditing complex financial statements</li> <li>• Experience auditing telecommunications companies</li> <li>• Experience with data analytics and utilizing software to perform data comparisons on large data sets for completeness and accuracy of reporting</li> <li>• Experience with telecommunication services</li> </ul>

Program	Contractor Experience
Supply Chain	<ul style="list-style-type: none"> <li>• Experience auditing complex financial statements.</li> <li>• Experience auditing telecommunication companies and the associated networks to identify equipment of various companies</li> <li>• Experience with equipment inventories</li> <li>• Experience with data analytics software to analyze large data sets</li> </ul>

**C. Data Analytic Experience**

Contractor shall have resources readily available who are highly experienced in data analytics using software tools to analyze large data sets 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. Ethical Standards**

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

**F. Subcontracting**

Subcontracting the Services to another firm will not be permitted without prior approval from USAC.

**G. Deliverable Format**

Contractor shall provide, in electronic format, complete copies of all reports, working papers or other documents required by the Contract, and related background supporting materials. The electronic format to be used shall be as specified by USAC, but shall be a standard format such as Word, Excel or Adobe PDF. All draft reports must be submitted to USAC using Word format on USAC’s secure system. Contractor must protect all carrier data and documents using privacy procedures that meet the requirements described in Section C of this RFP.

**H. Month End Accrual and Invoice**

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

responsible for approving each invoice for payment and shall adhere closely to these requirements.

## **I. Audit Report Template**

For each awarded task order, USAC will provide a standard audit report template that includes, but not limited, to having an Executive Summary, Audit Results and Recovery, Scope and Procedures, and Audit Finding Sections that will be used on the audit firm's letterhead. The standardized audit report template shall be used by the Contractor except where the template is in conflict with specific audit firm standards. Any request for deviations from the standard template will require USAC's prior written approval.

## **8. SCOPE OF SERVICES**

### **A. General Services**

1. BCAP. The objective of the BCAP is to provide program oversight to support the effective and efficient implementation of the USF and to help ensure that entities contributing to the USF and receiving USF support are in compliance with Program Rules.

Contractors shall provide compliance audit services in accordance with GAGAS issued by the Comptroller General of the United States (July 2018, as amended) or the latest revision per the revision effective date, for the USF programs (High Cost, Lifeline, E-Rate, and RHC) as well as for contributions.

2. National Supply Chain Audit Program. The objective of the National Supply Chain Audit Program is to verify compliance of USF recipients with the Program Rules and make recommendations for recovery and other corrective actions when instances of non-compliance are identified.

Contractor shall provide performance audit services in accordance with GAGAS issued by the Comptroller General of the United States (July 2018, as amended), to determine a USF recipient's compliance. The audits will be performed in accordance with the approved Contractor 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.

### **B. Task Orders**

USAC will issue task orders for audit services to perform the performance audits. As specified in the task order(s), Contractors shall provide trained and experienced personnel sufficient to complete an audit assignment and provide USAC with final audit reports within the task order period of performance. The period of performance will vary for individual task orders, but the term will generally range from six (6) months to one (1) year. USAC will assign the appropriate period of performance to each task order by estimating the amount of time necessary to perform the field work, report preparation and report finalization.

Services performed under an awarded task order must be conducted according to the requirements set forth in the Contract and in the awarded task order. All personnel assigned to awarded task orders shall, in addition to meeting the position-specific qualifications, have good technical writing ability, interpersonal skills, and communication skills, and conduct themselves in a professional manner.

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

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

### **C. Audit Scope**

Audit scope will be defined within each task order and may differ between task orders depending on the program beneficiaries and service providers selected for audit and the period audited. All audits will be performed to ensure the audited entity is compliant to the applicable Program Rules described in awarded task orders. The audits shall be sufficiently comprehensive to provide USAC and the FCC with notice of any non-compliance with Program Rules or waste, fraud, or abuse (intentional or unintentional). Contractor shall provide USAC and the FCC with a final report detailing any findings of non-compliance with Program Rules and any documentation required to support the audit findings. Contractor shall furnish all supporting work papers to USAC, the FCC Enforcement Bureau or the FCC Office of Inspector General upon request.

### **D. Auditor Testing**

Contractor shall perform sufficient testing (as specified within each awarded task order) to detect noncompliance with applicable laws and FCC rules and regulations that have an effect on the determination of USF support received by the beneficiaries or service providers. These exceptions must identify monetary and/or non-monetary findings. If reliable information comes to Contractor's attention that provides evidence concerning possible noncompliance, then it must be documented in a report to USAC in compliance with Section B.7.I.

### **E. Audit Program**

For each awarded task order, Contractor shall develop an audit program ("Audit Program") specific to the Program Rules under audit as specified within the awarded task order. This includes, but is not limited to, the testing procedures and audit steps Contractor will follow in conducting the performance audits, including planning, fieldwork and preparation of the audit report. Additional details for the Audit Program are set forth below under Section B.9 -- Deliverables.

1. High Cost Audit Program Procedures

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

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

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

<sup>2</sup> Connect America Fund – Broadband Loop Support Revenue Requirement

## 2. Lifeline Audit Program Procedures

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

- a. Examine “Minimum Service Standards” as defined in Lifeline.
- b. Evaluate the accuracy of the carrier’s Lifeline and Link Up consumers<sup>3</sup> and related Lifeline claims submissions.
- c. Ensure subscribers are eligible to receive low-income discounts.
- d. Examine select subscriber bills to ensure:
  1. Amounts claimed are passed on subscriber’s bill.
  2. Certain fees are not assessed (e.g., Local Number Portability (“LNP”) or assessed properly (federal USF fee).
  3. Tribal subscriber’s bill does not fall below one dollar for basic service.
- e. Examine eligibility documentation to verify the carrier properly verified the eligibility of their subscribers.
- f. Examine one-per-household documentation to confirm the subscribers properly certified that they comply with the one-per-household requirement.
- g. Identify deceased subscribers and request proof of life from the carrier.
- h. Examine certification or recertification forms to confirm subscribers properly certified their eligibility.
- i. Examine usage documentation where applicable to confirm the carrier only claimed subscribers who used the Lifeline service within the required timeframe.
- j. For limited scope non-usage audits, review the carrier’s systems and processes to determine that subscribers’ usage was sufficiently tracked and reported to render accurate Lifeline submissions.
- k. Examine the Form 555 to confirm the carrier properly reported subscriber usage details.
- l. Examine Lifeline Claims System subscribers against the NLAD (or comparable state database) to identify any exceptions between the two (2) data sources.
- m. Identify subscribers outside the ETC designated service area.
- n. Examine Lifeline enrollment documentation and compensation records to confirm that enrollment representatives are not receiving bonuses and commissions.

## 3. E-Rate Audit Program Procedures

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

### Beneficiary [Applicant] Procedures

- a. Evaluate the applicant’s competitive bidding process.
- b. Ensure that the applicant is eligible to receive E-Rate support.

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<sup>3</sup> 47 C.F.R. § 54.407 defines a “qualifying low-income consumer” as a consumer who meets the qualifications for Lifeline, as specified in § 54.409.

- c. Evaluate the applicant's discount calculation methodology.
- d. Evaluate the applicant's inventory management and tracking process.
- e. Evaluate the applicant's invoice processing and approval process.
- f. Evaluate the applicant's compliance with the requirements of the Children's Internet Protection Act ("CIPA").

#### Service Provider Procedures

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

#### 4. RHC Audit Program Procedures

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

- a. Ensure the applicant is eligible to receive RHC program support.
- b. Evaluate the applicant's competitive bidding process.
- c. Determine if RHC supported services are eligible and are being used for the provision of health care services.
- d. Evaluate the applicant's and service provider's invoice processing and approval procedures.
- e. Evaluate the applicant's network design to determine whether the network appears reasonable and appropriate.
- f. Evaluate the applicant's "Sustainability Plan" (HCF only).
- g. Determine whether the applicant purchased or constructed excess capacity (HCF only).
- h. Determine whether the applicant determined a reasonable fair share for other parties' use of excess capacity (HCF only).
- i. Determine whether the urban and rural rates are accurate and calculated in accordance with 47 C.F.R. Sections 54.505 and 54.507 (Telecom only).

#### 5. Contributor Revenue Audit Program Procedures

- a. Ensure total revenues on the FCC Form 499-A agrees with the contributor's financial statements or other reliable source documents.
- b. Obtain an understanding of the contributor's processes, business, and environment as they relate to the reporting of information on the FCC Form 499-A.
- c. Evaluate the steps the contributor has taken to develop a reasonable expectation that the identified reseller customers were contributors to the USF and verify that the carrier is not assessing USF pass through surcharges to reseller customers.
- d. Examine end-user invoices to ensure the USF surcharge assessed, to customers, does not exceed the interstate and/or international telecommunications portion of the customer's invoices multiplied by the relevant contribution factor for a given quarter.



- e. Verify that USF surcharges collected from customers are reported on FCC Form 499-A Line 403 and with the appropriate jurisdiction.
- f. Ensure that products and services are accurately reported on the form lines per the FCC Form 499-A Instructions (“Instructions”).
- g. For contributors that report traffic jurisdiction based on actual revenues, ensure that the amounts are properly classified.
- h. For contributors that report traffic jurisdiction based on good faith estimates, confirm that traffic reports or minutes of use reports properly support the estimates.
- i. Ensure that the revenue reported on FCC Form 499-A Line 418 is revenue received from non-telecommunication products and services.
- j. For contributors that offer bundled packages of telecommunications and non-telecommunications, determine that the contributor’s methodology is appropriate and reasonable.
- k. For contributors that offer private line services, determine that the jurisdictional breakout is reasonable.
- l. For contributors that offer interconnected VoIP services, ensure that the products meet the required description per FCC Order 06-94. Verify that traffic studies for VoIP are reasonable.
- m. Ensure that safe harbor percentages are used only for lines allowed by the Instructions.
- n. Ensure that the contributor’s products and services jurisdiction allocations to intrastate, interstate, and international are accurate.
- o. For contributors that report traffic jurisdiction, based on good faith estimates, confirm that traffic reports or minutes of use reports properly support the estimates.
- p. Verify that the amounts reported as uncollectible revenue are reasonable and in accordance with generally accepted accounting principles (“GAAP”).
- q. Evaluate whether the contributor qualifies for the Limited International Revenue Exemption (“LIRE”).
- r. Calculate the monetary effect of any reporting errors as well as the overall impact to the USF contribution base.

## 6. Supply Chain Audit Procedures

- a. Evaluate whether the beneficiary has used universal service support to purchase, obtain, maintain, improve, modify or otherwise support any equipment or services produced by a company identified as a national security threat (“Covered Companies” as defined in Section C.36) by:
  - i. Obtaining and analyzing general ledger details using a data analysis tool to determine transactions involving identified companies.
  - ii. Obtaining and analyzing vendor equipment listings and continuing property records (“CPR”s) to ensure it does not include equipment manufactured by identified companies.
  - iii. Performing inquiries of the beneficiary’s key personnel to understand the processes to procure, use, maintain and keep records of assets.

- iv. Obtaining and reviewing network diagram documentation to identify potential equipment whose origin can be traced to identified companies.
- v. Performing site visits of the beneficiary's study area to inspect and observe telecommunications equipment to determine whether the equipment in service has been manufactured by a company identified.
- vi. Performing procedures to determine whether potential identified equipment or services manufactured by identified companies were procured with universal service funding and calculate a monetary effect.

## **F. Reporting Requirements**

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

all respects with USAC's quality review processes, including adequately addressing all comments made during the quality assurance review. If USAC/FCC determines that Contractor did not complete testwork appropriately, USAC reserves the right to deny any hours associated with addressing review comments.

8. All draft and final reports shall be the sole property of USAC.
9. Contractor shall make the final work papers available to USAC within four (4) weeks of the audit report release.

## **G. Department of Justice/Litigation Involvement**

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

## **H. Contractor Staff**

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

## **I. Project Management**

Contractor shall provide a dedicated project manager that shall cooperate in all respects with USAC Project Management Office ("PMO"). The task order Lead Project Manager shall be responsible for project management and related Deliverables (as defined in Section C.1.I), budgeting, and reporting on the items specified within each task order awarded to Contractor.

### **1. Project Communications**

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

## 2. Status Meetings

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

## 3. Management Review

Contractor management personnel including, at a minimum the Contractor PMO, Partner/Principal (see Section B.11), and senior level management, as well as Contractor Staff specifically invited by USAC, shall attend scheduled management review meetings when required. USAC personnel will include the USAC PMO, USAC CA, and other USAC staff as required, for the purposes of allowing all interested stakeholders to review current status and address issues/concerns. The project review shall describe achievements, work in progress, issues incurred and resolutions, risks identified and related mitigations, major milestones accomplished/missed, and contract labor cost and expenses. The project review report shall provide sufficient information to validate the Contractor’s performance for that time period. Contractor shall submit a draft of the report that will be presented at the project review five (5) business days in advance of the management review meeting. The management review meetings will be conducted on-site at USAC with individuals attending in person unless circumstances preclude their attendance and require attendance via conference call.

## **J. Project Tools**

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

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

## K. Travel

Contractor Staff may be required to travel to USAC’s location for training, to attend occasional meetings at USAC and/or the FCC, and to the various locations of the beneficiaries and contributors subject to audit in order to perform on-site fieldwork. In accordance with the terms and conditions of the Contract and USAC’s Travel Expenses Policy (see **Attachment 3**), USAC will reimburse Contractor for necessary and reasonable travel expenses incurred in performance of the Services, subject to the limitations (e.g., ceiling price) set forth in the Contract.

## 9. DELIVERABLES

Contractor shall provide the following Contract Deliverables:

### A. Final Project Plan

#### 1. General.

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

#### 2. Final Project Plan Content.

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

- a. Overview: High level overview of Contractor’s strategy to successfully complete the audits within the awarded task order period of performance;
- b. Tools: List of data analytical tools that will be used in testing, with a short description of each tool;
- c. Audit Order: The order in which the audits will be announced and performed;
- d. Milestones: The milestones, duration and resources assigned to conduct the work for each audit. The milestones should include:
  - Announcement;
  - Planning;
  - Fieldwork;\*
  - Site Visit, if applicable;
  - Draft Report Review (USAC and FCC);
  - Final Audit Report

- \* The Fieldwork phase of an audit must start no later than four (4) weeks after the Announcement package is delivered to the audited entity.
- e. Planned Schedule: The Final Project Plan must set forth Contractor's planned schedule to complete each of the milestones above for each audit using a Gantt chart prepared in Microsoft Project.
- f. Additional Considerations: Contractor shall take into consideration that the draft audit report will be subject to USAC internal review and an FCC review. The review process may take up to sixty (60) days and the report may require rework based on feedback and comment. All Final Audit Reports shall be delivered to USAC prior to the awarded task order effective end date.

## B. Final Staffing Plan

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

1. Overview. Contractor shall submit a final staffing plan ("Final Staffing Plan") within ten (10) business days after the Effective Date of an awarded task order. The Final Staffing Plan shall be constructed based on the individual audits assigned to Contractor and include the staffing, hourly rates, and Key Personnel assigned to an awarded task order.
2. Content. The Final Staffing Plan shall identify:
  - a. The labor categories to be assigned to the Contract as well as the names of Contract Staff assigned to each labor category; and
  - b. The labor categories that will be assigned to each audit and the estimated number of hours per labor category for each audit.
3. Personnel Qualification Requirements. Contractor shall provide trained and experienced personnel who meet the minimum qualifications listed in the position descriptions set forth in **Attachment 1: Labor Category Descriptions**.

## C. Audit Program

Contractor shall develop an Audit Program (as described in Section B.8.E), specific to the Program Rules under audit as identified within each awarded task order, that includes, but is not limited to, the testing procedures and audit steps the Contractor will follow in conducting the audits, including planning, fieldwork, and preparation of the Audit Report. The Audit Program shall include procedures required to test compliance for those areas that are the highest risk to the Program, as described in Section 8 (Services). The Audit Program shall be delivered to USAC no later than ten (10) business days after completion of the USAC-provided training described in Section 10.A. USAC and the FCC reserve the right to require the Contractor modify or include additional test procedures in the Audit Program.

## D. Draft and Final Audit Reports

1. Report Formats. Contractor shall prepare and deliver draft and final audit reports of all audit findings for each audit assigned to the Contract. Each report shall adhere to the standardized



audit report template developed for the Contract by USAC and the Contractor, and shall be in English, grammatically correct, without misspellings, syntax, or substantive errors, and without any errors in logic.

2. Draft Audit Report. The draft audit report, accompanied by supporting draft work papers, shall be submitted via a web-based portal provided by USAC no later than twenty (20) days after completion of fieldwork. Receipt of this report will initiate the USAC internal and FCC reviews. The review cycle shall be managed by USAC AAD, with the support of the USAC proprietary tool, and the Contractor shall receive feedback and comment throughout the review cycle from USAC AAD and electronic notifications from the tool. The Contractor shall respond to all feedback and comment, and prepare a revised version of the draft report as needed. USAC shall approve the release of the draft report after internal and FCC reviews are completed and the reviewers receive satisfactory responses to their feedback and comment.
3. Final Audit Report. Contractor shall prepare and submit the final audit report via the web-based portal no later than two (2) weeks after receiving approval of the draft report from USAC.
4. Litigation Support. Contractor shall prepare any documentation to support litigation in court, if needed. If required, USAC will pay for these services on a time and materials basis based on the labor hour rates submitted as a part of this Contract.
5. Ownership. All draft and final audit reports shall be the sole property of USAC, and USAC has sole authority dictate to the audit firm when to distribute the final audit report to the audited entity. All audit reports must be delivered to the audited entity upon approval using an electronic secure file transfer method.
6. Record Retention. Contractor shall maintain copies of all final work papers prepared in the course of each audit for a period of ten (10) years starting with the date the final audit report is released to the beneficiary, and shall make the work papers available to USAC, or its designee, upon request.

## **E. Project Management Deliverables**

1. Project Management Support. Contractor shall provide project management support, including the preparation and submission of weekly status reports, the Final Project Plan, the Final Staffing Plan, and providing data for USAC to manage and report audit progress to USAC leadership. Contractor's Lead Project Manager shall manage and track all events identified to successfully complete the audits within the Contract period of performance and shall be responsible for updating the Final Project Plan and the Final Staffing Plan, as needed, and communicating all changes to USAC.
2. Weekly Status Reports. Contractor shall prepare a weekly status report and submit it to USAC each Monday by 12:00 p.m. ET. The report will follow a template provided by the PM, to include the current status of the assigned audits, percentage of completion, personnel changes, issues affecting Contract progress, and potential findings.

## **F. Potential Waste, Fraud, or Abuse Activity Notification**

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

Teleshia Delmar, Vice President of Audit & Assurance Division  
USAC  
700 12<sup>th</sup> Street, NW, Suite 900  
Washington, D.C. 20005  
202-776-0200  
Email: [Teleshia.Delmar@usac.org](mailto:Teleshia.Delmar@usac.org)

## **10. MEETINGS**

### **A. Project Kick-off Meeting and Training**

A project kick-off meeting and training shall be held at USAC's offices (or virtually, if determined by USAC) in Washington, D.C. when deemed necessary to train Contractor on USF program or supply chain specific rules and regulations.

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

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

1. Overview of FCC regulations (including those set forth in 47 C.F.R. Part 54), orders, and directive governing the USF support mechanisms, as well as other program requirements, in addition to the FCC forms that are required to be completed by beneficiaries and program recipients.
2. Examples of testing procedures to identify areas of non-compliance with Program Rules and amounts of recoverable funds; and
3. Contract Deliverables and tools.

The exact location and dates will be communicated within one (1) week after the Effective Date of the Contract. To the extent possible, USAC intends to conduct training no more than ten (10) business days after the Effective Date. All auditors shall attend the full training in person or virtually. Only Key Personnel directly responsible for managing the Contract activities and creating Deliverables are required to attend the training on Contract Deliverables and tools.



## **B. Bi-Weekly Status Meetings**

During performance of the Contract, Contractor staff shall communicate on a regular basis with USAC staff, and, as requested by USAC's PM or CA, attend bi-weekly status meetings with USAC staff to discuss project status and progress, impediments, and audit findings. Status meetings will be held by teleconference unless USAC expressly requests the physical presence of Contractor staff at the meeting. The weekly status report (as described in Section B..E.2) shall be used as the basis of the status meeting discussion.

## **C. Audit Report Presentations**

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

## **D. Communication**

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

Contractor must establish and employ the use of a secure file transfer protocol (SFTP) to exchange information and documentation with all auditees throughout the entire audit process.

## **11. KEY PERSONNEL**

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 task order award. Contractor can propose, if necessary, additional Key Personnel as required to ensure adherence to all services and activities outlined in any related awarded task order. Once approved, Key Personnel cannot be removed from the awarded task order without the approval of USAC, and only when a replacement acceptable to USAC is made.

At a minimum, Key Personnel shall include:

1. Partner/Principal;
2. Director of Auditing Services/Senior Manager(s) of Auditing Services;
3. Manager(s) of Auditing Services;
4. Lead Project Manager;
5. IT Auditor (optional but required for Lifeline Non-Usage task orders); and
6. Telecommunications Network Engineer (optional but required for Supply Chain audit task orders).

## **12. DISCLOSURE OF CONFIDENTIAL INFORMATION**

Any Contract awarded as a result of this RFP requires Contractor to keep all USAC Confidential Information (as defined in Section C.16 of this RFP) confidential.

Any Contractor breach caused by the disclosure of USAC Confidential Information allows USAC to (a) terminate the Contract and/or any awarded task order issued under it for cause, and seek all possible legal, equitable, and contractual remedies, or (b) terminate the Contract and/or any awarded task order issued under it for convenience.

In lieu of termination, USAC can instead require Contractor to do any one (1) or more of the following: (1) require all Contractor personnel providing Services to complete additional training regarding confidentiality obligations; (2) require the removal of Contractor personnel that were responsible for the disclosure of USAC Confidential Information; or (3) require Contractor provide USAC a five percent (5%) service level credit (per breach) on the remaining value of the awarded task order that has not been paid.

By deciding not to immediately terminate the Contract and/or any related awarded task order issued under it for cause or convenience, USAC does not waive its right to do so for any breach, including any such breach Contractor attempts to address as described above.

# Section C:

## USAC Standard Terms and Conditions

### 1. DEFINITIONS

- A. “Added Service” means a service that Contractor may perform for USAC that is not specified in the Scope of Work part of the Contract.
- B. “Code” means the United States Bankruptcy Code.
- C. “Confidential Information” is defined in Section 16 of these USAC Standard Terms and Conditions.
- D. “Contract” means these USAC Terms and Conditions (including the attached USAC Standard Terms and Conditions Privacy and Security Addendum), and any documents attached to these USAC Terms and Conditions that constitutes the entire agreement between the parties with respect to the subject matter hereof.
- E. “Contract Term” means the Initial Term of these USAC Standard Terms and Conditions and any executed Optional Renewal Terms.
- F. “Contractor” means the Offeror (as defined elsewhere in the Contract) whose proposal was selected for award of the Contract.
- G. “Contractor Staff” means Contractor’s employees, subcontractors, consultants, and agents used to provide Services and/or create Deliverables under this Contract, including, but not limited to, Key Personnel. “Contractor Staff” also includes the entity that employs Contractor’s employees, subcontractors, consultants, and agents in all cases except where the context clearly references only individuals.
- H. “Courts” means the district and, if applicable, federal courts located in the District of Columbia.
- I. “Deliverables” means the goods, items, products, and materials that are to be prepared by Contractor and delivered to USAC as described in the Contract.
- J. “Derivative Works” means any and all modifications or enhancements to, or any new work based on, in whole or in part, any USAC Data, Confidential Information, Software, or Deliverable regardless of whether such modifications, enhancements or new work is defined as a “derivative work” in the Copyright Act of 1976.
- K. “Discloser” means a party to this Contract that discloses Confidential Information to the Recipient.

- L. “FCC” means the Federal Communications Commission, including, but not limited to, the Office of the Managing Director, the Office of Economics and Analytics, the Wireless Telecommunications Bureau, the Enforcement Bureau, the Wireline Competition Bureau, and the Public Safety and Homeland Security Bureau.
- M. “Initial Term” means the original duration of these USAC Standard Terms and Conditions as described in Section 2 of these USAC Standard Terms and Conditions.
- N. “Key Personnel” means the full-time employees of Contractor that are in the positions identified elsewhere in the Contract as those that are required to perform the Services.
- O. “Optional Renewal Term” means an additional one year period that can extend the duration of these USAC Standard Terms and Conditions, and that can be exercised at USAC’s sole discretion as described in Section 2 of these USAC Standard Terms and Conditions.
- P. “Privacy and Security Addendum” means the part of this document that includes most of the language regarding Contractor’s obligations around protecting USAC Data.
- Q. “Procurement Regulations” mean the following provisions of the Code of Federal Regulations: 2 C.F.R. §§ 200.318-321, 200-324, 200.326-327 and App. II to C.F.R. Part 200.
- R. “Recipient” means a party to this Contract that receives Confidential Information from a Discloser.
- S. “SAM” means the System for Award Management or suspension or debarment status of proposed subcontractors that can be found at <https://www.sam.gov>.
- T. “SAN” means the Supplier Actionable Notification, which is a method of paying USAC invoices.
- U. “Services” means the services, tasks, functions, and responsibilities described in the Contract.
- V. “Software” means any application programming interface, content management system or any other computer programs, protocols, and commands that allow or cause a computer to perform a specific operation or series of operations, together with all Derivative Works thereof.
- W. “Solicitation” means the request for Services described in the Contract.
- X. “Sub-Recipient” means a partner, joint venturer, director, employee, agent, or subcontractor of a Recipient to whom a Recipient must disclose Confidential Information.
- Y. “Task Order” means the documentation that awards specific Services for a specified period of performance to Contractor. The Task Order is issued pursuant to the terms of this Contract and is awarded through a “Task Order Request for Proposal” process.
- Z. “Task Order Ceiling Price” means a price that USAC will not pay more than found in each Task Order issued pursuant to this Contract.

- AA. “UCSP” means the USAC Coupa Supplier Portal, which is a method of paying USAC invoices.
- BB. “USAC” means Universal Service Administrative Company.
- CC. “USAC Data” means any data, materials, or communications in any form or format, whether tangible or intangible, spoken or written (regardless of media) 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 Derivative Works thereof. All USAC Data is Confidential Information and subject to all requirements in Section 16 of these USAC Standard Terms and Conditions.
- DD. “USAC IT System(s)” means USAC’s electronic computing and/or communications systems (including but not limited to various internet, intranet, extranet, email and voice mail).
- EE. “USAC Standard Terms and Conditions” means this document that provides the legal terms that govern this Contract.
- FF. “USF” means the Universal Service Fund.

## 2. TERM

The Initial Term is the period of time from the Effective Date (as defined in the cover sheet to this Contract) of the Contract to \_\_\_\_\_. After the conclusion of the Initial Term, USAC will have the right to extend the Contract Term by exercising up to four (4) one-year Optional Renewal Terms. USAC may exercise an Optional Renewal Term by written notice to Contractor within ten (10) days prior to expiration of the then current Initial Term or Optional Renewal Term.

## 3. ACCEPTANCE / REJECTION

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.

USAC will only accept Services or Deliverables that meet the acceptance criteria described in a statement of work or scope of work to the Contract. If the Service or Deliverable is Software or hardware intended for USAC IT Systems, USAC will require acceptance testing during an acceptance period that will be described in a statement of work or scope of work to the Contract.

USAC will reject any Service or Deliverable that does not conform to the acceptance criteria described in a statement of work or scope of work to the Contract. 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 does not cure the defects within thirty (30) calendar days or if curing the defects is not possible, USAC may terminate for cause under

Section 12 of these USAC Standard Terms and Conditions, 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.

#### **4. ENTIRE CONTRACT / BINDING EFFECT**

The Contract supersedes and replaces all prior or contemporaneous representations, dealings, understandings, or agreements, written or oral, regarding such subject matter. In the event of any conflict between these USAC Standard Terms and Conditions and any other document made part of the Contract, the USAC Standard Terms and Conditions shall govern. The Contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assignees.

#### **5. MODIFICATIONS**

The terms of the Contract, including these USAC Standard Terms and Conditions, shall not be modified other than in writing executed by both parties.

#### **6. INVOICES**

- A. *Where to Submit Invoices.* Contractor shall submit invoices through the UCSP method or via the SAN method. The UCSP method will require Contractor to register and create an account for the UCSP. An invitation link to the UCSP may be obtained by emailing [CoupaHelp@usac.org](mailto:CoupaHelp@usac.org). The SAN method will require Contractor to invoice USAC directly from the purchase order 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 purchase order. For assistance on all Coupa related billing questions, Contractor may email [CoupaHelp@usac.org](mailto:CoupaHelp@usac.org). For assistance on all non-Coupa related billing questions, Contractor may email [accounting@usac.org](mailto: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.
- D. *Itemization of Invoices.* USAC may require Contractor to re-submit any invoice with a more detailed itemization of charges upon request.

## **7. FEES AND RATES INCLUSIVE OF ALL CHARGES AND TAXES**

All fees and labor rates specified in the Contract include all charges for labeling, packing, packaging, loading, storage, inspection, insurance, profit, and applicable federal, state, or local sales, use, or excise taxes.

## **8. PAYMENT**

Any supplies and Services to be furnished under this Contract shall be ordered by issuance of Task Orders by USAC authorized representatives. Each Task Order issued under this Contract will include a Task Order Ceiling Price. USAC will not be obligated to pay Contractor any amount in excess of the Task Order Ceiling Price unless the Task Order Ceiling Price is increased through a Task Order amendment in advance. USAC will pay invoices submitted in accordance with Section 6 of these USAC Standard Terms and Conditions within thirty (30) calendar days of receipt of invoice, provided the Services and/or Deliverables have been delivered and accepted by USAC.

Contractor will promptly credit to USAC any payment made to which Contractor is not entitled under these USAC Standard Terms and Conditions and refund to USAC any such payment for which there are not sufficient fees against which to credit the overpayment.

Under no circumstance will USAC be liable to pay Contractor any fees not invoiced within ninety (90) days after Contractor was first permitted to invoice USAC as described in Section 6 of these USAC Standard Terms and Conditions.

## **9. ASSIGNMENT, DELEGATION, AND SUBCONTRACTING**

Contractor shall not assign, delegate, 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, delegation, or subcontracting. USAC may require information and assurances that the proposed assignee, delegatee, or subcontractor has the skills, capacity, qualifications, and financial strength to meet all of the obligations under the Contract. An assignment, delegation, or subcontract shall not release Contractor of the obligations under the Contract, and the assignee, delegatee, or subcontractor shall be jointly and severally liable with 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 USAC agrees with Contractor that there is a compelling reason to do so. Contractor shall review the SAM for suspension or debarment status of proposed subcontractors.

## **10. REPORTS**

If any reports are required as part of this Contract, all such reports shall be accurate and timely and submitted in accordance with the due dates specified in this Contract. Should Contractor fail to submit any required reports or correct inaccurate reports, USAC reserves the right to delay payment of invoices until thirty (30) days after an accurate report is received and accepted.

## **11. TERMINATION FOR CONVENIENCE**

USAC may terminate the Contract for any reason or no reason upon one (1) day prior written notice to Contractor without any liability or obligation thereafter. 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 that USAC, in its sole discretion, agrees in writing have resulted directly from the termination.

## **12. TERMINATION FOR CAUSE**

Either party may terminate the Contract for cause upon providing the other party with a written notice. Such notice will provide the other party with a ten (10) day cure period. Upon the expiration of the ten (10) day cure period (during which the defaulting party does not provide a sufficient cure), the non-defaulting party may immediately thereafter terminate the Contract, in whole or in part, if the defaulting party continues to fail to comply with any term or condition of the Contract or fails to provide the non-defaulting 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.

## **13. STOP WORK ORDER**

USAC may, in its sole discretion and without further obligation or liability, 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 Contractor Staff 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, as appropriate, to USAC and deliver to USAC, or as directed by USAC, all USAC Data, Confidential Information, Software, Deliverable, or any Derivative Work to any of the preceding, whether completed or in process, for the work stopped. 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.

## **14. LIMITATION OF LIABILITY**

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. USAC's entire cumulative liability from any causes whatsoever, and regardless of the form of action or actions, whether in contract, warranty, or tort (including negligence), arising under the Contract shall in no event exceed the aggregate amount paid by USAC to Contractor in the year preceding the most recent of such claims. All exclusions or limitations of damages contained in the Contract, including, without limitation, the provisions of this Section, shall survive expiration or termination of the Contract.



## 15. INDEMNITY

Contractor shall indemnify, hold harmless, and defend USAC and its directors, officers, employees, and agents against any and all demands, claims and liability, costs and expenses (including attorney’s fees and court costs), directly or indirectly related to: (a) any claims or demands for actual or alleged direct or contributory infringement of, or inducement to infringe, or misappropriation of, any intellectual property, including, but not limited to, trade secret, patent, trademark, service mark, or copyright, arising out of or related to Contractor’s performance of the Contract; (b) any claims or demands for personal injuries, death, or damage to tangible personal or real property to the extent caused by the intentional, reckless, or negligent acts or omissions of Contractor or Contractor Staff in connection with this Contract; and (c) any claims or demands of any nature whatsoever to the extent caused by Contractor’s breach of any confidentiality, security, or privacy obligations set forth in these USAC Standard Terms and Conditions by Contractor or Contractor Staff; (d) Contractor’s unauthorized use of USAC Software, USAC IT Systems, or USAC Data; (e) any breach of applicable law as described in Section 27 of these USAC Standard Terms and Conditions by Contractor or Contractor Staff; or (f) the negligent, reckless, illegal, or intentional acts or omissions of Contractor or Contractor Staff in connection with the performance of the Services.

## 16. CONFIDENTIAL INFORMATION

- A. *Confidential Information.* Confidential Information includes, but is not limited to, USAC Data, materials, or communications in any form or format, whether tangible or intangible, spoken or written (regardless of media) 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 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, or 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;
  6. PII [defined in the USAC Standard Terms and Conditions Privacy and Security Addendum.]; and
  7. Information that Recipient knows or reasonably should have known is confidential, proprietary, or privileged.

- B. *Non-Disclosure/Use/Irreparable Harm.* It is anticipated that a Discloser may disclose, or has disclosed, Confidential Information to the 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. *Sub-Recipient Access to Confidential Information.* Recipient shall not disclose Confidential Information to a 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 Contractor Staff, to sign a non-disclosure or confidentiality agreement containing terms no less restrictive than those set forth herein. Discloser 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 within one (1) hour upon becoming aware of the breach. Contractor will follow-up with the USAC Privacy Officer and provide information on when and how the breach occurred, who was involved, and what has been done to recover the Confidential Information.
- E. *Exclusions.* If requested to disclose Confidential Information by an authorized governmental or judicial body, Recipient must promptly notify Discloser of the request, and to the extent that it may legally do so, Recipient must refrain from disclosure of the Confidential Information until Discloser 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 immediately notify USAC, with a copy to USAC's General Counsel, of the request. Neither Contractor nor Contractor Staff 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 USAC 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.

## 17. RETURN OR DESTRUCTION OF USAC DATA

- A. *Return or Destruction of USAC Data.* Except as provided in Section 17.B of these USAC Standard Terms and Conditions, and 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 Data, including all copies thereof, in the possession or under the control of Contractor or Contractor Staff. If USAC directs that Contractor destroy any USAC Data, then, at USAC's request, Contractor shall provide USAC with an executed certificate in writing stating that all such USAC Data was destroyed.

- B. *Acknowledgement of Data Inclusion in Federal System of Record.* Contractor acknowledges and agrees that certain USAC Data may be included in a federal system of record and is subject to record retention schedules set forth by the National Archives and Record Administration and to USAC's records retention policy. Upon expiration or termination of the Contract, information subject to the National Archives and Record Administration's schedules or to USAC's records retention policy shall not be destroyed by Contractor without the written consent of USAC. Contractor will work with USAC in good faith to promptly return all such USAC Data to USAC.
- C. *No Withholding of USAC Data.* Contractor shall not withhold any USAC Data 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 Data as is necessary and relevant to resolution of the dispute. Any such copies shall promptly be destroyed upon resolution of the dispute.
- D. *Destruction of Hard Copies.* If Contractor destroys hard copies of USAC Data, Contractor must do so by burning, pulping, shredding, macerating, or other means if authorized by USAC in writing.
- E. *Destruction of Electronic Copies.* If Contractor destroys electronic copies in computer memory or any other type of media, destruction must be done pursuant to guidelines in NIST SP 800-88 Rev. 1 or the most current revision. ["NIST" is defined in the USAC Standard Terms and Conditions Privacy and Security Addendum.]
- F. *No Other Use.* USAC Data is provided to Contractor solely for the purpose of rendering the Services, and USAC Data 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 Data, modified, decompiled, reverse engineered, or commercially exploited by or on behalf of Contractor, Contractor Staff, or any third party.

## 18. PROPRIETARY RIGHTS

Contractor agrees that all USAC Data, Software, Deliverables, and all Derivative Works thereof are USAC property and shall be deemed USAC Data and are 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 a waiver from Contractor Staff 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 worldwide 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.

USAC may assign to the FCC any intellectual property rights USAC may have to any USAC Data, Software, Deliverables, and all Derivative Works thereof without notice to, or prior consent of, Contractor.

Nothing in this Contract shall be deemed to imply the grant of a license in or transfer of ownership or other rights in the USAC Data, Software, Deliverables, or Derivative Works thereof, and Contractor acknowledges and agrees that it does not acquire any of the same, except to provide Services to USAC as expressly set forth in this Contract.

Contractor shall not, without the prior written permission of USAC, incorporate any USAC Data, Software, Deliverable, or Derivative Work thereof delivered under the Contract not first produced in the performance of the Contract unless Contractor: (a) identifies the USAC Data, Software, Deliverable, or Derivative Work thereof; and (b) grants to USAC, or acquires on USAC's behalf, a perpetual, worldwide, royalty-free, non-exclusive, transferable license to use and modify such USAC Data, Software, Deliverable, or Derivative Work thereof in any way.

## 19. RESPONSIBILITY FOR CONTRACTOR STAFF

Contractor Staff 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 Contractor Staff, including any actions that violate the law, are negligent, or that constitute a breach of the Visitor Form and/or the Contract.

Contractor shall conduct background checks on Contractor Staff and provide evidence of the background checks to USAC upon request.

## 20. KEY PERSONNEL

USAC may specify which Contractor employees are Key Personnel under the Contract. Key Personnel assigned to the Contract must remain in their respective positions throughout the Contract Term. 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 shall apply to their placement on and removal from the Contract.

## 21. 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 Deliverable is not delivered by the date specified herein, USAC reserves the right, without liability, to cancel the Contract as to any Deliverable 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.

## 22. 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 claims, risks, and damages/injuries that may arise under the Contract, including, as appropriate, worker's compensation, employer's liability, commercial general liability, commercial crime coverage, automobile liability, professional liability, cyber liability (which may be included in some professional liability coverage), and excess / umbrella insurance. Upon USAC's request, Contractor shall name USAC as an additional insured to those insurance policies that allow it. Upon USAC's request, Contractor shall cause its insurers to waive their rights of subrogation against USAC. Contractor shall produce evidence of such insurance upon request by USAC. If the insurance coverage is provided on a claims-made basis, then it must be maintained for a period of not less than three (3) years after acceptance of the Deliverables and/or Services provided in connection with this Contract. Contractor shall provide written notice thirty (30) days prior to USAC in the event of cancellation of or material change in the policy.

Contractor shall be liable to USAC for all damages incurred by USAC as a result of Contractor's failure to maintain the required coverages with respect to its subcontractors, or Contractor's failure to require its subcontractors to maintain the coverages required herein.

## 23. 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 as USAC, both in fact and in appearance, and avoid any organizational or personal 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 maintain written standards of conduct covering conflicts of interest and provide a copy to USAC upon USAC's request. Contractor shall promptly notify 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 promptly of any conflicts Contractor has with USAC vendors. Failure to provide adequate means to avoid, neutralize or remediate 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 of this Contract. In order to maintain the absence of an actual or apparent conflict of interest as described herein, 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.

#### **24. 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.

#### **25. 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. 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 term valid and enforceable.

#### **26. CHOICE OF LAW / CONSENT TO JURISDICTION**

The Contract shall be governed by and construed in accordance with the laws of the District of Columbia 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 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 and USAC General Counsel for informal resolution prior to initiating any action in the Courts and must work with USAC in good faith to resolve any disputed issues. If any disputed issue by Contractor is not resolved after thirty (30) calendar days of good faith attempts to resolve it, Contractor may instigate legal proceedings. 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.

#### **27. USAC AND APPLICABLE LAWS**

USAC is not a federal agency, a government corporation, a government controlled corporation, or any 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 the Procurement Regulations. Contractor

shall comply with the Procurement Regulations and all applicable federal, state and local laws, executive orders, rules, regulations, declarations, decrees, directives, legislative enactments, orders, ordinances, common law, guidance, and other binding restriction or requirement of or by any governmental authority related to the Services or Contractor's performance of its obligations under this Contract, and includes without limitation FCC Orders; the rules, regulations and policies of the FCC; the Privacy Act of 1974; and the laws and guidelines named in the USAC Standard Terms and Conditions Privacy and Security Addendum.

## **28. 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 Code, licenses of 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 USAC Data, Software, Deliverable, or any Derivative Work thereof.

## **29. 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.

## **30. INDEPENDENT CONTRACTOR**

Contractor acknowledges and agrees that it is an independent contractor to USAC and Contractor Staff 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 Staff. 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 Staff 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 Staff. 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.

## **31. TEMPORARY EXTENSION OF SERVICES**

USAC may require continued performance of any 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. USAC may exercise an option to extend by written notice to Contractor within ten (10) days prior to expiration of the then current Initial Term or Optional Renewal Term.

## 32. NOTICES

All notices, consents, approvals 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:*

Chief Administrative Officer, Universal Service Administrative Company  
700 12<sup>th</sup> Street, NW, Suite 900  
Washington, DC 20005

Email: To the designated USAC Contract Officer for this procurement, with a copy to [usacprocurement@usac.org](mailto:usacprocurement@usac.org).

With a copy to:

General Counsel, Universal Service Administrative Company  
700 12<sup>th</sup> Street, NW, Suite 900  
Washington, DC 20005  
Email: [OGCContracts@usac.org](mailto:OGCContracts@usac.org)

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

## 33. 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 Data, confidentiality obligations, proprietary rights, and indemnification obligations shall survive the expiration or termination of the Contract.

## 34. FORCE MAJEURE

Neither party to this Contract is liable for any delays or failures in its performance hereunder resulting from circumstances or causes beyond its reasonable control, including, without limitation, force majeure acts of God (but excluding weather conditions regardless of severity), fires, accidents, epidemics, pandemics, riots, strikes, acts or threatened acts of terrorism, war or other violence, or any law, order or requirement of any governmental agency or authority (but excluding orders or requirements pertaining to tax liability). Upon the occurrence of a force majeure event, the non-performing party shall provide immediate notice to the other party and will be excused from any further performance of its obligations effected by the force majeure event for so long as the event continues and such party continues to use commercially reasonable efforts to resume performance as soon as reasonably practicable, and continues to take reasonable steps to mitigate the impact on the other party. If such non-performance continues for



more than ten (10) days, then the other party may terminate this Contract with at least one (1) day prior written notice to the other party. In the event that the force majeure event is a law, order, or requirement made by a government agency or authority related to USAC and the purposes of this Contract, USAC may immediately terminate this Contract without penalty upon written notification to Contractor.

### 35. 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.

### 36. NATIONAL SECURITY SUPPLY CHAIN REQUIREMENTS

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

1. "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.
2. "Covered Equipment or Services" is defined as equipment or services included on the FCC-issued Covered List that pose a national security threat to the integrity of the communications supply chain.
3. "Covered List" is a list of covered communications equipment and services that pose an unacceptable risk to the national security of the United States. The FCC may update the list at any time. The list can be found at [fcc.gov/supplychain/coveredlist](http://fcc.gov/supplychain/coveredlist).
4. "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.
5. "SR Controls" is defined as the Supply Chain Risk Management controls set forth in NIST Special Publication 800-53, Revision 5. ["NIST" is defined in the USAC Standard Terms and Conditions Privacy and Security Addendum.]

B. Prohibition. Contractor will ensure that no funds from USAC or other federal subsidies under this Contract will be used to purchase, obtain, maintain, or otherwise support any equipment or services produced or provided by a Covered Company. Contractor must also ensure that no funds administered by USAC or the FCC under this Contract will be used to purchase, obtain, maintain, or otherwise support Covered Equipment or Services placed on the Covered List. These prohibitions extend 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 and what equipment and services the FCC defines as Covered Equipment or Services and places on the Covered List. Contractor must actively monitor to ensure that no funds from USAC or other federal subsidies 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. Contractor must also ensure that no funds administered by USAC or other federal subsidies are used to purchase, obtain, maintain, or otherwise support any Covered Equipment or Services that the FCC has placed on the Covered List from Contractor or any subcontractor it engages under the Contract. If Contractor finds that they have violated any or all of these prohibitions, then Contractor shall immediately notify USAC. In Contractor's notification to USAC, Contractor shall provide the same information required for non-compliance in Section 36.D of these USAC Standard Terms and Conditions. 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 upon execution of this Contract and 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 36.B. of these USAC Standard Terms and Conditions, 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 or Covered Equipment or Services on the Covered List. If Contractor, or any applicable subcontractor, is not in compliance with Section 36.B. of these USAC Standard Terms and Conditions, Contractor shall inform USAC and provide the following information in the certification:

- (i) If for equipment produced or provided by a Covered Company or equipment on the Covered List:
  - 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 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 or services on the Covered List:
  - 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 supporting evidence for all certifications.

E. SR Controls. Contractor shall also at all times be in compliance with the SR Controls. Subject to SR-8 of the SR Controls, Contractor agrees to immediately notify USAC upon the occurrence of any supply chain compromises, including but not limited to any failure to comply with the SR Controls. Contractor further agrees to immediately notify USAC in the event that Contractor or any entity

involved in Contractor's supply chain is subject to foreign ownership, control, or influence; provided that notice is required only in the event that the foreign ownership interest in such entity exceeds five percent (5%). Contractor shall also provide USAC with the results of any assessments or audits related to Contractor's supply chain processes. The results of assessments or audits may include open-source information that contributed to a decision or result and could be used to help the supply chain entity resolve a concern or improve its processes. Contractor acknowledges that early notification of any actual or potential compromises in the supply chain that may have an adverse effect on USAC is essential. In addition to the reporting requirements set forth above, Contractor shall provide USAC with a certification by December 31 each year confirming that Contractor and all entities involved in Contractor's supply chain are in compliance with the SR Controls.

### 37. PROHIBITION ON A BYTEDANCE COVERED APPLICATION

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

1. "Covered Application" means the social networking service TikTok or any successor application or service developed or provided by ByteDance Limited or an entity owned by ByteDance Limited.
2. "Information Technology" means any equipment or interconnected system or subsystem of equipment, used in the automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by USAC, if the equipment is used by USAC directly or is used by Contractor under this Contract with USAC that requires the use—

(a) Of that equipment; or

(b) Of that equipment to a significant extent in the performance of a service or the furnishing of a product;

The definition of "Information Technology" includes computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware and similar procedures, services (including support services), and related resources.

The definition of "Information Technology" does not include any equipment acquired by a Contractor incidental to this Contract.

- B. Prohibition. Contractor is prohibited from having or using a Covered Application on any Information Technology owned or managed by USAC, or on any Information Technology used or provided by Contractor under this Contract, including equipment provided by Contractor Staff.
- C. Subcontracts. Contractor shall insert the substance of this clause, including this subsection C, in all subcontracts, including subcontracts for the acquisition of commercial products or commercial services.

### **38. ADDED SERVICES**

USAC may at any time submit a request that Contractor perform any Added Services. Before Contractor performs any Added Services, USAC and Contractor must execute an amendment to this Contract that, at a minimum, will provide: (a) a detailed description of the services, functions and responsibilities of the Added Service; (b) a schedule for commencement and completion of the Added Services; (c) a detailed breakdown of Contractor's fees for the Added Services; (d) a description of any new staffing and equipment to be provided by Contractor to perform the Added Services; and (e) such other information as may be requested by USAC.

### **39. ADEQUATE COVID-19 SAFETY PROTOCOLS**

Contractor shall comply with all guidance published by the Safer Federal Workforce Task Force for all Contractor Staff during the Contract Term.

To provide adequate COVID-19 safeguards for USAC employees, Contractor shall ensure that all Contractor Staff that enter USAC premises will comply with USAC's COVID-19 Safety, Quarantine & Isolation Policy.

Nothing in this Section shall excuse noncompliance with any applicable federal, state and local laws establishing more protective safety protocols than those established by this Section.

### **40. PRIVACY AND SECURITY ADDENDUM**

Contractor must comply with the privacy and security requirements and obligations found in the USAC Standard Terms and Conditions Privacy and Security Addendum.

### **41. SECTION 508 STANDARDS**

*Compliance with Section 508.* Contractor 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.* Contractor shall ensure that TDD/TTY users are offered similar levels of service that are received by telephone users supported by the Contract. Contractor 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.

## USAC STANDARD TERMS AND CONDITIONS

### PRIVACY AND SECURITY ADDENDUM

This is the USAC Standard Terms and Conditions Privacy and Security Addendum to, and hereby incorporates, the USAC Standard Terms and Conditions between Universal Service Administrative Company (“USAC”) and [REDACTED] (“Contractor”), dated as of **INSERT DATE** (the “USAC Standard Terms and Conditions”). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Contract.

#### 1. DEFINITIONS

“Authority to Operate” or “ATO”	The official management decision given by a USAC official or officials to authorize operation of an information system and to explicitly accept the risk to USAC operations (including mission, functions, image, or reputation), USAC assets, individuals, and other organizations based on the implementation of an agreed-upon set of security and privacy controls. Authorization also applies to common controls inherited by agency information systems.
“Contractor IT”	Any information technology device, software, hardware, equipment, system, and/or any IaaS, PaaS, or SaaS provided by a CSP that is owned or managed by the Contractor, its agents, or subcontractors.
“Cloud Protocols”	A comprehensive information security program governing standard technical configurations, platforms, or sets of procedures used in connection with the Services operated in cloud infrastructure environments.
“Cloud Service Offering”	A service from a cloud service provider. FedRAMP categorizes Cloud Service Offerings as one of the following: IaaS, PaaS, or SaaS.
“Cloud Service Provider” or “CSP”	A provider of IT infrastructure, product, or SaaS to be acquired by a user of IT services.
“COTS”	Commercial off-the-shelf Software, which is Software, hardware, and information technology products that (1) already exist, (2) are available from commercial sources, (3) are ready-made, and (4) are available for purchase by the general public.
“Cybersecurity/Data Breach”	<p>A successful incident in which sensitive, confidential, or otherwise protected system/data has been accessed and/or disclosed in an unauthorized fashion. For example, a brute force attack against a protected system, attempting to guess multiple usernames and passwords, is a Cybersecurity Incident, but cannot be defined as a Cybersecurity/Data Breach unless the attacker succeeded in guessing a password.</p> <p>If a Cybersecurity Incident grants the attacker access to protected systems, it may qualify as a Cybersecurity/Data Breach. If the attacker obtained access to USAC Data, it is a Cybersecurity/Data Breach.</p> <p>Not every Cybersecurity Incident is a Cybersecurity/Data Breach,</p>

	<p>Privacy Incident, or a Privacy Breach. Most Cybersecurity Incidents do not result in an actual Cybersecurity/Data Breach.</p> <p>Examples of Cybersecurity/Data Breaches may include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Bringing down the USAC.org website (for example, through a Denial of Service (DoS) Attack.</li> <li>• Employee causes ransomware to be installed and encrypts computer or entire network (Phishing Attack, DoS Attack)</li> <li>• Attacker obtains USAC Data through unauthorized access.</li> <li>• Unencrypted USAC Data being disseminated through peer-to-peer file sharing service.</li> </ul>
“Cybersecurity Incident”	An event that attempts to or successfully compromises the integrity, confidentiality, and/or availability of an information asset or USAC Data. A Cybersecurity Incident could be either intentional or accidental in nature. Cybersecurity incidents hereafter may be referred to as a “Cyber Incident” or “Incident”.
“Data at Rest”	State of data while it is on the device that stores it, or data that has reached a destination and is not being accessed or used. This term is primarily used in the context of data encryption. It typically refers to stored data and excludes data that is moving across a network or is temporarily in computer memory waiting to be read or updated. It does not include data in use while it is being processed, accessed, or read where it must be decrypted to be used.
“Data in Transit”	Data transmitted via email, web, collaborative work applications, instant messaging, or any type of private or public communication channel. This term is primarily used in the context of data encryption. It includes all data moving between systems or devices on networks. It does not include data in use while it is being processed, accessed, or read where it must be decrypted to be used.
“Data Leakage”	The inadvertent exposure of data beyond its controlled environment or intended usage, such as a lost or stolen laptop, an employee storing files using an Internet storage application, or an employee saving files on a USB drive to take home.
“Data Loss”	The exposure of proprietary, sensitive, or classified information through either Data Theft or Data Leakage. This includes the intentional or unintentional destruction of information, caused by people and or processes from within or outside of an organization. In a Cybersecurity/Data Breach or Privacy Breach the data is compromised, but Data Loss further describes damage to the integrity, completeness, or control of the data.
“Data Safeguards”	Protections that safeguard USAC Data against destruction, loss, damage, corruption, alteration, loss of integrity, commingling, or unauthorized access or Processing.

“Data Security Laws”	FISMA, 44 U.S.C. § 3541, <i>et seq.</i> , the Privacy Act as amended (as may be applicable), and NIST SP 800-53 Rev 5. PII protections in accordance with all federal and USAC requirements, including, but not limited to, OMB Memoranda M-17-12 and guidance from NIST including, but not limited to, NIST SP 800-53 Rev 5 and NIST SP 800-61 Rev 2 (or most current version), and FIPS 140-3. Any federally mandated information security and privacy requirements not described herein.
“Data Theft”	The deliberate or intentional act of stealing information such that controlled data is intentionally stolen or exposed, such as in cases of espionage or employee disgruntlement.
“Event”	An exception to the normal operation of IT infrastructure, systems, services, or privacy. Not all Events become a Cybersecurity Incident or Privacy Incident. Cybersecurity Incidents and Privacy Incidents are Events which can represent a threat, an attack, or a breach.
“Exfiltration”	The unauthorized transfer of information from USAC IT Systems.
“FedRAMP-Authorized,” or “FedRAMP Authorization”	A term used to designate a Cloud Service Offering from a CSP that satisfies the security assessment, authorization, and continuous monitoring requirements of the Federal Risk and Authorization Management Program (“FedRAMP”), a US government-wide program that promotes the adoption of secure cloud services across the federal government by providing a standardized approach to security and risk assessment for cloud technologies and federal agencies; see <a href="http://FedRAMP.gov">FedRAMP.gov</a> .
“FIPS”	Federal Information Processing Standards. FIPS are standards and guidelines for computer systems that are developed by NIST in accordance with FISMA and approved by the Secretary of Commerce. These standards and guidelines are developed when there are no acceptable industry standards or solutions for a particular requirement.
“FISMA”	The Federal Information Security Management Act, 44 U.S.C. §3541, <i>et seq.</i> , as amended by the Federal Information Security Modernization Act of 2014, and their implementing and successor regulations.
“IaaS”	Infrastructure as a service.
“Malicious Code” or “Malware”	Any software, hardware, firmware, program, routine, protocol, script, code, command, logic, or other feature that performs an unauthorized process that will have adverse impact on the confidentiality, integrity, or availability of an information system and that is: (a) designed to (i) disrupt, disable, deactivate, interfere with, or otherwise compromise USAC IT Systems, or (ii) access, modify, disclose, transmit, or delete PII, Confidential Information, or USAC Data; or (b) either inadvertently or upon the occurrence of a certain event, compromises the confidentiality, integrity, privacy, security, or availability of PII, Confidential Information, USAC Data, or USAC IT Systems. Examples of Malicious Code include, but are not limited to, viruses, worms, bugs,

	<p>ransomware, spyware, bots, backdoors, devices, root kits, and Trojan Horses.</p> <p>For purposes of this definition, “root kits” are a set of tools used by an attacker after gaining root-level access to a host to conceal the attacker’s activities on the host and permit the attacker to maintain root-level access to the host through covert means.</p>
“Malicious Cyber Activity”	Any activity, other than those activities authorized by or in accordance with U.S. law, that seek to compromise or impair the confidentiality, integrity, or availability of computers, information systems, communications systems, networks, or physical or virtual infrastructure controlled by computers or information systems, or information resident thereon.
“Multifactor Authentication”	A type of authentication using two or more factors to achieve verification of the identity of a user, process, or device as a prerequisite to allowing access to an information system. A user is granted access only after successfully presenting two or more pieces of evidence to an authentication mechanism. Factors include, but are not limited to: (i) something you know (e.g. password/PIN); (ii) something you have (e.g., cryptographic identification device, token); and/or (iii) something you are (e.g., biometric).
“NIST” and “NIST SP”	NIST means the National Institute of Standards and Technology, part of the U.S. Department of Commerce. NIST SP means a special publication published by NIST.
“OMB”	Office of Management and Budget.
“PaaS”	Platform as a service.
“Personally Identifiable Information” or “PII”	<p>Personally Identifiable Information (PII) is defined as information 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.</p> <p>Examples of PII include name, address, telephone number, date and place of birth, mother’s maiden name, biometric records, social security number, etc.</p>
“PIN”	Personal Identification Number
“Privacy Breach”	A breach leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure, or access to PII. When PII is involved in a Cybersecurity/Data Breach it then becomes a Privacy Breach.
“Privacy Incident”	An unauthorized use or disclosure of confidential, sensitive, or regulated data, like USAC Data, PII, or confidential commercial information. For example, an unauthorized user gains access to a system containing PII and exfiltrates the PII.
“Process” or “Processing”	Any operation or set of operations that is performed using USAC Data, whether or not by automatic means, including, but not limited to, collection, retention, logging, generation, transformation, recording, organization, storage, access, adaptation, alteration, retrieval,



	consultation, use, disclosure, dissemination, making available, alignment, combination, blocking, deleting, erasure, destruction, transfer, or disposal.
“Risk Management Framework” or “RMF”	A seven (7) step process that any organization can use to manage information security and privacy risk for organizations and systems and links to a suite of NIST standards and guidelines to support implementation of risk management programs to meet the requirements of FISMA.
“SaaS”	Software as a service.

## 2. **SECURITY PROVISIONS**

- 2.1 **Data Security Laws Compliance.** Contractor shall comply with the Data Security Laws. For any Contractor IT using a Cloud Service Offering that accesses, stores, or otherwise processes USAC Data, and/or PII, Contractor shall provide documentation and proof of FedRAMP Authorization for use at a moderate risk before any such cloud-based Service may be used. USAC reserves the right to inspect the Authority to Operate or the complete package of documents for any Cloud Service Offering with agency accreditation.
- 2.2 **Contractor Compliance Generally.** Throughout the Contract Term, Contractor shall comply with: (i) USAC’s information privacy and IT security policies; and (ii) the prevailing standards of care and best practices regarding information privacy and IT security to the extent they meet or exceed the requirements of the Data Security Laws, the aforementioned USAC policies, or the obligations set forth in this Privacy and Security Addendum or the USAC Standard Terms and Conditions.
- 2.3 **Contractor Duties Prior to Delivering Services.** Prior to delivering the Services or enabling data-sharing or interoperability of any kind with USAC IT Systems, Contractor shall: (i) demonstrate Contractor system is compliant with FISMA and NIST SP 800-53 Rev. 5 and has received an Authority to Operate by the Contractor’s authorizing official after following the steps laid out in the NIST risk management framework by providing evidence thereof; (ii) work with USAC to document, establish and enable the effective and secure integration of any gateways or data transmission mechanisms necessary for the parties to perform their obligations under the Data Security Laws; (iii) complete any security questionnaires, IT rules of behavior, certifications, assessments, or workforce training reasonably requested by USAC in a timely manner; and (iv) receive prior written authorization from USAC to access USAC IT Systems from USAC. If at any time USAC determines that the establishment of such gateways or data transmission mechanisms is reasonably required to securely access the Services, their establishment shall be at Contractor’s sole cost and expense. Under no circumstances shall USAC’s written authorization to access USAC IT Systems serve as a representation or warranty by USAC that such access is secure or as a waiver of any rights in this Privacy and Security Addendum or the USAC Standard Terms and Conditions. Failure to satisfy the conditions set forth in subsections (i) – (iv) herein to USAC’s reasonable satisfaction shall be considered a material breach of the USAC Standard Terms and Conditions by Contractor.
- 2.4 **Contractor Security Policies.** Throughout the Contract Term, Contractor shall establish and maintain appropriate internal policies and procedures regarding: (i) the security of the Services and Contractor IT systems; and (ii) the permitted use, disclosure, access to, and security of PII,

USAC Data, Confidential Information, and USAC IT Systems. Contractor shall provide USAC upon request with copies of its information privacy and IT security policies and procedures to review. Such policies and procedures shall not materially conflict with USAC's policies and procedures either expressly or by omission. Contractor agrees to maintain strict control of Contractor IT and the access information (e.g. name, username, password, access rights) of all Contract Staff, to immediately remove access for persons no longer authorized, and to inform USAC immediately if Contractor suspects, or reasonably should suspect, there is unauthorized access to USAC Data or the USAC IT System. Contractor shall require Contract Staff to use Multifactor Authentication. Contractor agrees to require all who have access to USAC IT Systems through Contractor to maintain the confidential nature of the Confidential Information, and to not use or access USAC IT Systems except for the benefit of USAC.

- 2.5 Compliance Plan. In providing the Services, Contractor's Data Safeguards shall be no less rigorous than the most protective of: (a) the requirements of applicable Law; (b) the specific standards set forth in this Article; and (c) the applicable USAC standards relating to data security. The parties shall execute an interconnection security agreement prior to any required establishment of direct interconnection between Contractor IT and USAC IT Systems.
- 2.6 PII. Contractor shall ensure that: (i) PII shall be protected in accordance with all laws and USAC requirements, including, without limitation, relevant: (a) OMB Memorandum M-17-12; (b) guidance from the NIST including without limitation the most current revision of NIST SP 800-53 Rev. 5; and (c) FCC requirements or the most current replacement of the above; (ii) to the extent that cloud-based Services are to be employed by Contractor and interact with USAC Data, Contractor shall provide documentation and proof of FedRAMP-Authorization to demonstrate compliance, and such Services shall be certified by FedRAMP for use at a moderate risk by the time the cloud-based Services are implemented (USAC reserves the right to inspect the Authority to Operate or the complete package of documents for those with agency accreditation); and (iii) all Cybersecurity Incidents or Privacy Incidents resulting in any interruption to system services, including the disclosure of PII, shall be tracked in accordance with NIST SP 800-53 Rev. 5, NIST SP 800-61, and OMB Memorandum M-17-12.
- 2.7 Contractor Responsible for Contract Staff. Contractor shall ensure that all Contract Staff will be bound by the same or substantially similar restrictions on collection, use, disclosure, and retention of PII, Confidential Information, USAC Data, and USAC Software. Contractor shall be responsible for any breach of data security or privacy-related obligations by any Contract Staff and shall fully indemnify USAC for any damages incurred as a result of such breach. Contractor will be required to provide annual information security and privacy awareness training to all Contract Staff that will be working under the USAC Standard Terms and Conditions prior to having access to USAC Data or to USAC IT Systems. All Contract Staff will also be required to sign USAC's IT rules of behavior as well as confidentiality and non-disclosure agreements as required by third parties and USAC.
- 2.8 Vendor Insider Threat Program. Vendor will submit Vendor's insider threat program (as required by NIST 800-53 Rev. 5 (see controls PM-12, IR-4(6), IR-4(7), and SI-4(12)) to USAC's Chief Privacy Officer and USAC's Chief Information Security Officer within ninety (90) days of the Effective Date of the Contract. If USAC has any questions regarding Vendor's insider threat program, Vendor will make Contract Staff knowledgeable of Vendor's insider threat program available to USAC upon USAC's request.

- 2.9 Encryption and Secure Storage. PII must be encrypted at all times in accordance with FIPS 140-3 standards. This encryption requirement includes both Data at Rest and Data in Transit. Any PII that is retained in documents or other physical formats must be stored in a secured location and with limited access. The standard for disposal of PII requires practices that are adequate to protect against unauthorized access or use of the PII, including at minimum adhering to the provisions of the USAC Terms and Conditions and this Privacy and Security Addendum.
- 2.10 Further Requirements. Contractor's applications, processes, and systems used in providing the Services shall be approved by USAC's IT security team and shall comply with FISMA, NIST, and OMB requirements. Contractor shall demonstrate Authority to Operate for any system that will temporarily or permanently house USAC Data, in compliance with NIST standards, and will provide all relevant documentation as defined in the NIST RMF lifecycle therein. Contractor further agrees to provide any assistance requested by USAC to enable Contractor or USAC to comply with FISMA requirements, including, without limitation, at Contractor's expense, providing USAC with periodic documentation and reports demonstrating FISMA compliance, system accreditation, and correction of any weakness or deficiency (as defined by FISMA) attributable to Contractor that would prevent Contractor or USAC from complying with FISMA. Contractor shall be responsible at its sole expense to remediate any FISMA noncompliance of its systems or the Services. No less than annually, Contractor shall write, review, and update an assessment of its compliance with all applicable federal mandates and other industry-accepted standards as set forth in this Article to ensure adherence thereto. Contractor will also perform any and all activities needed to ensure continued compliance with all federal mandates and other industry-accepted standards as set forth in this Article.
- 2.11 Contractor Assumption of the Risk. Contractor agrees that access to PII, USAC Data, Confidential Information, and USAC IT Systems is at USAC's sole discretion, and that Contractor's access to such systems or information may be conditioned, revoked or denied by USAC at any time, for any reason, without any liability whatsoever to USAC. Access to USAC IT Systems by Contractor and Contract Staff, including any data-sharing or interoperability between USAC and Contractor, shall be for the sole purpose of providing the Services. Contractor agrees that: (i) USAC IT Systems are owned solely by USAC; (ii) USAC will monitor the use of USAC IT Systems; (iii) neither Contractor nor Contract Staff have any expectation of privacy with regard to USAC IT Systems; and (iv) all information appearing on USAC IT Systems (except for information publicly disclosed by USAC) will be considered Confidential Information. Contractor will not use USAC IT Systems except as expressly authorized by USAC. USAC requires that Contract Staff use a USAC.org email address when providing Services. Contractor agrees that its use of, and access to, USAC IT Systems is completely at its own risk.
- 2.12 Contractor's Obligation for Subcontractors. Contractor agrees to ensure that any subcontractor that accesses, receives, maintains, or transmits PII, USAC Data, Confidential Information, or USAC IT Systems agrees to the same restrictions and conditions that apply to Contractor under this Privacy and Security Addendum and the USAC Standard Terms and Conditions.
- 2.13 Performance Within United States. All Services must be performed within the United States. This requirement is inclusive of: (a) work related to the Services performed by all Contract Staff; and (b) storage and/or processing of data and/or other virtual Services (such as cloud storage, remote data processing, *etc.*).

2.14 Cybersecurity Incidents and Privacy Incidents

- 2.14.1 Contractor Must Notify USAC of Cybersecurity Incidents and Privacy Incidents. Contractor shall examine any Event that is an exception to the normal operation of IT infrastructure, systems, services, or privacy in order to identify if the Event represents a threat, an attack, or a breach. Any Event identified as a Cybersecurity Incident or Privacy Incident requires that USAC be notified at [incident@USAC.org](mailto:incident@USAC.org) and [Privacy@USAC.org](mailto:Privacy@USAC.org) within one (1) hour of becoming aware of an actual or suspected Cybersecurity Incident or Privacy Incident.
- 2.14.2 Notification Requirements. Contractor's notice to USAC shall include the following: (i) a description of the Cybersecurity Incident or Privacy Incident, including the date of the Cybersecurity Incident or Privacy Incident and the date of discovery by Contractor, if known; (ii) a description of the type(s) of Malicious Code, PII, USAC Data, Confidential Information, or USAC IT Systems involved in the Cybersecurity Incident or Privacy Incident, if any; (iii) if applicable and to the extent possible, a list of each individual whose PII has been, or is reasonably believed to have been accessed, acquired, used, or disclosed during or as a result of the Cybersecurity Incident or Privacy Incident; (iv) a brief description of what Contractor is doing to investigate the Cybersecurity Incident or Privacy Incident and mitigate the harm to USAC; (v) any steps Contractor recommends USAC should take to protect itself from potential harm resulting from the Cybersecurity Incident or Privacy Incident; (vi) the name, phone number, and e-mail address of Contractor's representative responsible for responding to the Cybersecurity Incident or Privacy Incident; and (vii) any information required for USAC to comply with the Data Security Laws. Upon receiving Contractor's initial notice, USAC shall have the right to immediately take any security measures it deems reasonably necessary to mitigate the harmful effects to the PII, USAC Data, Confidential Information, or the USAC IT Systems. Contractor will regularly supplement its notice(s) with additional information as it becomes available.
- 2.14.3 Contractor Responsibilities Prior-to and After Cybersecurity Incident or Privacy Incident. Contractor, working with USAC, shall use its best efforts to mitigate and eliminate the effects of the Cybersecurity Incident or Privacy Incident on USAC and, if the Cybersecurity Incident or Privacy Incident causes any loss of operational efficiency, loss of data, or unauthorized disclosure, Contractor will assist USAC in mitigating or restoring such losses or disclosures. Contractor agrees to fully cooperate with USAC in the investigation of the Cybersecurity Incident or Privacy Incident (including participating in any needed forensic investigation and law enforcement investigations) and to participate in, to the extent directed by USAC, the notification of individuals, the media, the FCC, or third parties. Contractor shall promptly respond to USAC's questions regarding the Cybersecurity Incident or Privacy Incident and coordinate with Contract Staff if required to mitigate the harm. To the extent USAC determines necessary, USAC agrees to provide reasonable access to the affected systems in order for Contractor to assist in such restoration of efficiency or data. Notwithstanding anything to the contrary in the USAC Standard Terms and Conditions, if the Cybersecurity Incident or Privacy Incident is due to the negligence or misconduct of Contractor or Contract Staff, then Contractor shall: (i) perform its obligations under this Section at no cost to USAC; (ii) promptly implement or develop any additional protocols, policies, gateways, transmission mechanisms, or security

layers, if reasonably necessary, at its sole cost and expense, and with the approval of USAC; (iii) indemnify USAC for all damages, and if needed PII breach mitigations, under this Section as a result of the Cybersecurity Incident or Privacy Incident. Failure to strictly abide by the USAC Standard Terms and Conditions and this Privacy and Security Addendum shall be considered a material breach of the USAC Standard Terms and Conditions for which USAC shall have the right to immediately terminate for cause.

- 2.15 Backups. Contractor shall automatically make backups of all USAC Data files found in Contractor's information technology systems. Such backup shall be in a format that is readily accessible and usable by USAC.
- 2.16 Security Audit. USAC or its designated USAC auditor may, at USAC's expense and at any time, perform an audit of the security policies and procedures implemented by Contractor and in effect at Contractor locations. Contractor is responsible for remediation of any identified weakness or findings of noncompliance.
- 2.17 Security and Privacy Assessments. Contractor shall provide support for assessments of FISMA compliance on an annual basis. Security and privacy assessments may include, but are not limited to, third party assessments to achieve FISMA ATO or to maintain continuous monitoring and ongoing authorization of a Contractor IT system in compliance with the RMF and controls described in NIST SP 800-53 Rev 5. The assessment process may also include security penetration testing to identify additional vulnerabilities through ethical hacking and compliance challenging techniques. Assessments shall include but shall not be limited to: (a) Contractor's documented and demonstrated internal controls and procedures related to the Services; (b) cooperation with USAC IT security or privacy staff in connection with testing the effectiveness of such controls and procedures; (c) making at least quarterly representations to USAC regarding any significant changes to such controls and procedures; (d) documenting and tracking all identified material weaknesses or deficiencies reported by an assessment, penetration test, Cybersecurity Incident, Privacy Incident, or any other deficiency that would prevent USAC from complying with law, using a Plan of Action and Milestones ("POA&M") process; and (e) cooperating with USAC auditors in connection with the issuance of the reports described in Section 2.20 of this Privacy and Security Addendum. Contractor shall promptly remediate any weakness identified in any assessment, in no event later than recommended or demanded by the assessors.
- 2.18 Notification and Assistance. Contractor will cooperate with USAC in any litigation and investigation deemed necessary by USAC to protect USAC Data, other USAC Confidential Information, and/or PII. Each party will bear the costs it incurs as a result of compliance with this Section.
- 2.19 Vulnerability Management. Contractor shall address vulnerabilities in accordance with NIST vulnerability management controls including, but not limited to, addressing vulnerabilities in the applicable timeframes set forth in such policies. Contractor shall provide a monthly vulnerability report and a risk mitigation plan to address any identified vulnerabilities. Critical and high vulnerabilities, as defined in NIST management controls, shall be reported to the USAC Chief Information Officer and Chief Information Security Officer, and Contractor shall remedy such vulnerabilities as soon as possible. Contractor shall provide USAC a POA&M to address such vulnerabilities promptly and shall prioritize remediation based on the risks implicated by such vulnerabilities.

## 2.20 Additional Requirements for Services in Contractor IT

- If Contractor becomes aware that the Services in Contractor IT will lose or has lost its respective FedRAMP Authorization, Contractor shall notify USAC within twenty-four (24) hours, shall discontinue use of such Services, and shall initiate activities to replace the Services that have lost FedRAMP Authorization. Contractor and USAC shall work together to identify a replacement solution. A replacement solution must be identified and approved in writing by USAC within ten (10) business days of the initial FedRAMP Authorization changes notification.
- Contractor shall implement and use Cloud Protocols in connection with the Services operated in cloud infrastructure environments provided and controlled by any third-party. USAC's receipt of the Services and Contractor's and USAC's use of the Services shall be in accordance with such Cloud Protocols.
- Contractor shall maintain Contractor IT used by Contractor in performance of the Services. USAC may require Contractor to respond to the information security questionnaires regarding Contractor's information security policies and practices. USAC will conduct its information security review, if required, with reference to the responses Contractor provides to such information security questionnaires. At USAC's request, Contractor shall also respond promptly (within 10 business days) to any new or supplemental information security questions that USAC may require of Contractor during performance. USAC may terminate the Contract upon notice if Contractor fails to provide a timely response to requests for new or supplemental information security information or if USAC determines that Contractor's information security policies or practices increase risk to USAC in a manner unacceptable to USAC.
- Contractor shall maintain administrative, technical, physical, and procedural information security controls compliant with ISO 27001 standards for all Contractor IT used by Contractor in performance of the Services. Contractor shall maintain ISO 27001 compliance certification and notify USAC of any changes to its compliance. Contractor shall provide USAC with its ISO 27001 compliance certification within ten (10) calendar days of the Effective Date.
- Contractor shall maintain administrative, technical, physical, and procedural information security controls as demonstrated in Service Organization Controls ("SOC") 2 Type II reports. Contractor shall maintain these controls and notify USAC of any changes to its compliance. Contractor shall provide USAC with its most current SOC 2 Type II report within ten (10) calendar days of the Effective Date
- On an annual basis, upon written request, Contractor will provide USAC with the most current versions of following:
  - Contractor security policies referenced in Section 2.4 of this Privacy and Security Addendum;
  - Standard Information Gathering (SIG) Lite documentation;
  - SOC 2 Type II report;
  - System ATO(s) or evidence of effective Information Security Continuous Monitoring (ISCM) in compliance with FISMA and NIST SP 800-53 Rev. 5;
  - ISO 27001 certifications.

### 3. **TECHNOLOGY CONSIDERATIONS**

- 3.1 **Deployment in Cloud.** Contractor shall ensure that SaaS, PaaS, or IaaS Cloud Service Offerings, or COTS, deployed in Contractor IT cloud or on any USAC-acquired CSP infrastructure, satisfies the following requirements:
- 3.1.1 The Software must be able to utilize USAC's instance of OKTA's identity and access management software for user authentication and provisioning. OKTA is a FedRAMP Authorized CSP identity and access management product used by USAC.
  - 3.1.2 Any USAC Data stored in a database that is a component of a CSP SaaS, PaaS, or IaaS, or a COTS, must be readily available to USAC in industry standard formats that enable USAC to access, copy, or transfer USAC Data as required.
  - 3.1.3 Any SaaS, PaaS, or IaaS Software must maintain the Authority to Operate and FedRAMP Authorization for the Contract Term.
- 3.2 **Custom Software.** Contractor shall ensure that any custom Software developed and/or deployed for USAC, whether on USAC premise, on a USAC or Contractor cloud, or on a hybrid infrastructure:
- 3.2.1 Meets all USAC architecture, standards, and IT security guidelines and standards. This includes, but is not limited to, the ability to achieve an Authority to Operate based on all applicable OMB, NIST, and FISMA guidelines.
  - 3.2.2 Reuses available USAC technology services (including microservices and application programming interfaces) unless Contractor demonstrates in writing that those services are unable to meet the requirements and USAC agrees to the substitute solution in writing with Contractor.
  - 3.2.3 Uses the USAC technical stack unless Contractor demonstrates in writing that those components are unable to meet the requirements and USAC agrees in writing with Contractor. Details of USAC's technical stack and service architecture will be provided as appropriate.

### 4. **MALICIOUS CODE AND MALICIOUS CYBER ACTIVITIES**

USAC may provide Contractor access to one or more USAC IT Systems. Contractor agrees that the USAC IT Systems are owned by USAC, that USAC reserves the right to monitor use of the USAC IT Systems, that neither Contractor nor Contract Staff should have any expectation of privacy with regard to use of USAC IT Systems, and that all information appearing on USAC IT Systems (except for authorized information provided by Contractor or information publicly disclosed by USAC) will be considered as USAC Confidential Information. Contractor agrees that it will not use USAC IT Systems except as expressly authorized by USAC in this Privacy Security Addendum and the USAC Standard Terms and Conditions. Contractor agrees to maintain strict control of all Contract Staff usernames, passwords, and access lists for USAC IT Systems, to immediately remove such access for those persons no longer authorized, and to inform USAC

immediately if there is reason to believe there is unauthorized access Contractor agrees to cause all who gain access to USAC IT Systems through Contractor to maintain the confidential nature of all Confidential Information, and to not use USAC IT Systems except for the benefit of USAC. Contractor agrees that it will use USAC IT Systems completely at its own risk, and that it will be liable to USAC for any damages incurred by USAC as a result of Contractor's violation of this Section.

Contractor will not introduce Malicious Code into USAC IT Systems or engage in Malicious Cyber Activities in, with, or involving the Services or USAC IT Systems. For any aspect of the Services in Contractor IT, Contractor will comply with NIST SP 800-83 Rev. 1 or the most current revision thereof to prevent Malicious Code. Contractor will perform regularly scheduled (preferably in real-time, but in no event less frequently than daily) virus checks using the latest commercially available, most comprehensive virus detection and scanning programs. If Contractor becomes aware that Contractor introduced Malicious Code into any USAC IT System, or engaged in Malicious Cyber Activities, Contractor will notify USAC immediately. In addition, Contractor will use its best efforts to assist USAC in reducing the effects of the Malicious Code or Malicious Cyber Activities. If the Malicious Code or Malicious Cyber Activity causes a loss of operational efficiency or loss of data, Contractor will assist USAC in mitigating and restoring such losses. USAC will provide reasonable access to the affected systems in order for Contractor to assist in such restoration of efficiency or data. If Malicious Code is found to have been introduced into any USAC IT System or the Services, Contractor will perform all of its obligations under this Section at no cost to USAC, and Contractor will be liable to USAC for damages and costs incurred by USAC as a result of such Malicious Code. If Contractor or Contract Staff has been found to (a) have engaged in any Malicious Cyber Activities; or (b) have allowed Malicious Cyber Activities to have occurred due to its willful, reckless, or negligent actions or omissions, Contractor will be liable to USAC for damages and costs incurred by USAC as a result of such Malicious Cyber Activities.

If Malicious Code is introduced into USAC IT Systems, and/or Contractor or Contract Staff has engaged in Malicious Cyber Activity involving USAC IT Systems, it shall be considered a Cybersecurity Incident or Privacy Incident. If Contractor becomes aware that Malicious Code has been introduced into USAC IT Systems, or Contractor or Contract Staff has engaged in Malicious Cyber Activity, Contractor will notify USAC within one (1) hour of becoming aware.



## **SECTION D: Attachments**

### Attachment List:

- Attachment 1: Labor Category Descriptions
- Attachment 2: Pricing Schedule
- Attachment 3: USAC Travel Expenses Policy
- Attachment 4: USAC Confidentiality Agreement
- Attachment 5: Sample E-Rate TORP
- Attachment 6: Sample Lifeline Non-Usage TORP

# SECTION E: Instructions and Evaluation Criteria

## 1. GENERAL

### A. CONTRACT TERMS AND CONDITIONS

The Contract awarded as a result of this RFP will be governed by, and subject to, the requirements of all Sections of this RFP, including any attachments listed in Section D. Offeror’s submission of a proposal constitutes Offeror’s agreement to the RFP and its precedence over any other terms, requirements, or conditions proposed by Offeror.

Offeror’s proposal may identify deviations from, or revisions, exceptions, or additional terms (collectively “exceptions”) to the RFP, but only if such exceptions are clearly identified in a separate Attachment to the proposal, “Exceptions to RFP Terms.” Proposals that include material exceptions to the RFP 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 that are included in Offeror’s proposal. After selection of the awardee, USAC will not consider or negotiate any exceptions to the RFP.

### B. PERIOD FOR ACCEPTANCE OF OFFERS

Offeror agrees to hold the fixed hourly labor rates in its offer firm for one hundred twenty (120) calendar days from the date specified for receipt of offers unless another time period is specified in an addendum to the RFP.

Proposals must:

- Concisely address USAC’s requirements, as set forth in the Scope of Work (Section B), and should not contain a significant amount of corporate boilerplate marketing information.
- Be submitted to the USAC Procurement Department, **no later than 11:00 a.m. ET on May 14~~16~~, 2024** (“Proposal Due Date”).
- Be submitted in the form of four (4) separate volumes submitted to [procurement@usac.org](mailto:procurement@usac.org) with a copy to [Anthony.Smith@usac.org](mailto:Anthony.Smith@usac.org). The subject line for all email communication related to this solicitation should **only** state the Solicitation Number, AAD-24-069, of this RFP.

### C. PROPOSAL SCHEDULE

Key activities and target completion dates are set forth below. USAC may change these dates at its sole discretion and convenience, without liability.

DATE	EVENT
April 2, 2024	RFP Released
April 12, 2024	Questions Due to USAC by 11:00 a.m. ET
April 18, 2024	Q&A Released to Potential Offerors

April 24, 2024	Virtual Offeror’s Conference
May <del>14</del> 16, 2024	Proposal Due to USAC by 11:00 a.m. ET at <a href="mailto:procurement@usac.org">procurement@usac.org</a>
August 2024	Anticipated Award Date

Due to the importance of this procurement and USAC’s desire to ensure that potential Offerors have all the relevant information available to respond to this RFP, USAC will host a ninety minute (90) Virtual Offeror’s Conference on April 24, 2024 from 11:00 a.m. to 12:30 p.m. where USAC will further discuss the requirements of this solicitation and provide answers to questions. To attend the Virtual Offeror’s Conference, potential Offerors must email ~~the~~ **list-name of** attendees and **their** email addresses to [procurement@usac.org](mailto:procurement@usac.org) with a copy to [Anthony.Smith@usac.org](mailto:Anthony.Smith@usac.org) no later than 12:00 p.m. on April 23, 2024. USAC will promptly review each request and will notify the potential Offeror with the conference information.

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 this RFP 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. SUBMISSION OF QUESTIONS**

USAC will only accept written questions regarding the RFP. All questions must be emailed to [procurement@usac.org](mailto:procurement@usac.org) with a copy to [Anthony.Smith@usac.org](mailto:Anthony.Smith@usac.org) no later than **April 12, 2024, 11:00 a.m. ET**. USAC plans to post all questions and responses under this procurement on our website by **April 18, 2024, 5:00 p.m. ET**.

**E. 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 make multiple contract awards 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.16.

#### 4. PROPOSAL FORMAT

Proposals shall be presented in four (4) 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 Offeror’s organization,
- Offeror’s contact name,
- Offeror’s contact information (address, telephone number, email address, website address),
- Offeror’s Unique Entity ID number,
- The date of submittal,
- A statement verifying the proposal is valid for a period of one hundred twenty (120) days, and
- The signature of a duly authorized Offeror representative.

#### 6. PROPOSAL CONTENT

The proposal shall be comprised of the following four (4) volumes:

##### A. Corporate Information (Volume 1)

This volume must include:

1. A cover page, as outlined above.
2. *Executive Summary*. This section shall summarize all key features of the proposal, affiliated individuals, or firms that Offeror proposes to assist in this engagement. Pricing information shall not appear in the Executive Summary.
3. *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 RFP.
4. *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.

- a. USAC procurements are conducted with complete impartiality and with no preferential treatment. USAC procurements require the highest degree of public trust and an impeccable standard of conduct. Offerors must strictly avoid any conflict of interest or even the appearance of a conflict of interest, unless USAC has otherwise approved an acceptable mitigation plan.
- b. Offerors must identify any actual or potential conflicts of interest including current USAC vendors involving Offeror or any proposed subcontractor, or any circumstances that give rise to the appearance of a conflict of interest, and the means by which it proposes to avoid, neutralize, or mitigate such conflicts. Offerors shall identify such conflicts or potential conflicts or appearance issues to USAC and provide detailed information regarding the nature of the conflict. Examples of potential conflicts include, but are not limited to: (1) any ownership, control or other business or contractual relationship(s), including employment relationships, between Offeror (or proposed subcontractor) and any USF Stakeholder; (2) Offeror has a direct personal or familial relationship with a USAC or FCC employee; (3) a former employee of USAC or FCC who had access to confidential procurement-related information works for Offeror; (4) an USAC or FCC employee receives any type of compensation from Offeror, or has an agreement to receive such compensation in the future; (5) Offeror has communications with a USAC or FCC employee regarding future employment following the issuance of the RFP for this procurement; (6) any employment or consultation arrangement involving USAC or FCC employees and Offeror or any proposed subcontractor; and (7) any ownership or control interest in Offeror or any proposed subcontractor that is held by an FCC or USAC employee. Offerors must also identify any participation by Offeror, or any proposed subcontractor(s) or personnel associated with Offeror, in any of the universal service programs. The requirement in this Section E.7.A.4.b applies at all times until Contract execution.
- c. Offerors shall propose specific and detailed measures to avoid, neutralize, or mitigate actual, potential and/or apparent conflicts of interest raised by the affiliations and services described above. If USAC determines that Offeror's proposed mitigation plan does not adequately avoid, neutralize or mitigate any actual or potential conflict of interest, or the appearance of a conflict of interest, Offeror will not be eligible for award of a contract.

## B. Technical Capability (Volume 2)

This volume must include:

1. A cover page, as outlined above.
2. **Technical Approach:** An in-depth discussion of Offeror's technical approach to providing the services outlined in Section B, along with a clear statement of whether or not Offeror's performance of the Contract will comply with all requirements stated in this RFP, including the USAC Terms and Conditions set forth in Section C. Offerors must submit a detailed response to this RFP. Any deviations from, or exceptions to, the requirements in this RFP, including the USAC Terms or Conditions set forth in Section C, must be clearly identified in a separate attachment to the proposal.

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

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

3. **Capabilities:** Describe Offeror’s capabilities for performing the Services under the awarded Contract, including key personnel resources, management capabilities, tools, software and proposed analytical methods. If applicable, describe how subcontractors or partners are used and how rates are determined when using subcontractors. Provide a list of firms, if any, that will be used.
4. **Experience:** For each of the items below in which your firm has experience, describe relevant work performed and identify the name of the entity, contact name, address, and telephone number. Only proposals submitted by firms that are registered with the American Institute of AICPA will be considered for evaluation.
  - a. Describe Offeror’s experience with FCC regulations governing the USF and the universal service support mechanisms’ program rules, and with regulations governing state universal service funds.
  - b. Describe Offeror’s experience in performing audits, specifically in conducting performance audits in accordance with GAGAS and AICPA.
  - c. Describe Offeror’s experience in performing audits, specifically in providing investigative support, including audit and computer forensic support in accordance with forensic industry principles.
  - d. Describe Offeror’s experience in analyzing service provider bills, subscriber listings, billing system reports, tariff documents, and FCC forms specific to the telecommunications industry.
  - e. Describe Offeror’s experience with statistical sampling and data analytics. List the tools used to perform each of these activities.
  - f. Describe Offeror’s experience with information technology and telecommunication applications (e.g., billing systems, mapping software, cost allocation software, etc.)
  - g. Describe how Offeror’s prior auditing experience would affect the number of audit hours expended on an audit and the outcome this would have on the resulting audit and fees.
  - h. Describe how Offeror has successfully met schedule and cost constraints in performing similar audit engagements. Include metrics regarding schedule compliance and cost performance relative to budget and Not-To-Exceed (“NTE”) limits in addition to qualitative statements.

- i. Each Offeror must submit certification that the firm is a licensed accounting/audit firm that complies with AICPA professional standards.
  - j. Each Offeror must include its most recent final external peer review report within the proposal.
5. **Key Personnel:** Submit resumes for Key Personnel who may be proposed for task order performance, as an appendix (Appendix A) to the technical volume, no longer than ~~one-two~~ (24) pages in length for each individual. Key Personnel identified in the proposal shall include the following:
- a. Partner/Principal;
  - b. Director/Senior Manager(s) of Auditing Services;
  - c. Manager(s) of Auditing Services;
  - d. Lead Project Manager;
  - e. IT Auditor (Optional but required for “Lifeline Non-Usage Task Orders”);
  - f. Telecommunication Engineer (Optional but required for “Supply Chain Task Orders”);  
and  
f.g. Statistician (Optional)

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

6. **Task Order Management:** Identify the tools and corporate procedures to manage the any awarded task orders under the awarded Contract to a successful completion:
- a. Identify the office locations that will perform Services under the awarded Contract.
  - b. Describe the project management tools and audit software that will be used to perform Services under any awarded task orders under an awarded Contract.
  - c. Provide written certification that each member of the Contract Staff on the audit team had sufficient training and is competent in the subject matter to be audited in accordance with GAGAS requirements.
  - d. Describe Offeror’s strategy to perform simultaneous audits under one (1) awarded task order under an awarded Contract. What additional resources are available without subcontracting?
  - e. Describe Offeror’s policies and procedures for resolving engagement issues such as disputes with auditees regarding program rules.
  - f. Describe the project management support Offeror would provide to manage the tasks and deliverables assigned under one (1) or more awarded task order(s) under an awarded Contract, and to interface with the USAC PMO to manage the Contract requirements.

### C. Past Performance Information (Volume 3)

This volume must include:

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

### D. Price Proposal (Volume 4)

This volume must include:

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



## 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 twelve (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 nine (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.
- f. Each volume of the proposal should be submitted in PDF format as a separate attachment to a single email to [procurement@usac.org](mailto:procurement@usac.org).
- g. The signed RFP cover page and signed Confidentiality Agreement may be submitted in PDF format as separate attachments and will not count towards the page limits for Volumes 1–4 of the Offeror’s proposal.

### 2. Page Limitation

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

- a. Volume 1 – Corporate Information; may not exceed four (4) pages.
- b. Volume 2 – Technical; may not exceed fifteen (15) pages; however, excluding Appendix A (Resumes).
- c. Volume 3 – Past Performance Information; may not exceed five (5) pages.
- d. Volume 4 – 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

### A. EVALUATION FACTORS

USAC will award one (1) or more IDIQ task order-based contract(s) resulting from this RFP to the responsible Offeror whose offer conforming to the solicitation will be most advantageous to USAC, price and other factors considered. The following factors shall be used to evaluate offers and select the awardee – Technical, Experience & Past Performance, and Price.

1. Technical: The technical sub-factors listed below in descending order of importance:
  - a. Technical Approach and Capabilities
    - The proposal shall include detailed information about Contractor's capabilities for performing the Services, including, but not limited to:
      - Tools, software and proposed analytical methods.
      - Internal quality control procedures.
      - Policies for identifying, avoiding, and mitigating conflicts of interest.
      - Project management policies and procedures.
      - Policies and procedures for resolving engagement issues such as disputes with auditees regarding program rules.
    - The proposal shall include information about how 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 Section B.8 (Scope of Services).
    - The proposal shall include a high-level summary of anticipated challenges and potential problem areas with methods and approaches for resolution.
  - b. Key Personnel and Resources
    - Staffing sufficient to complete awarded task order audits within short time frames, i.e., one (1) year or less.
    - Knowledge and experience of Key Personnel concerning FCC regulations governing the USF and, in particular, the universal service support mechanisms.
    - Data analytics experience using automation.
2. Experience & Past Performance:
  - a. Experience
    - Experience conducting audits, especially performance audits and AUP engagements, under GAGAS.
    - Experience with applicable FCC regulations governing the USF and, in particular, the universal service support mechanisms and USF contributors.
    - Experience conducting inventories of telecommunications equipment or Information Technology equipment.
    - Experience and understanding of telecommunications products/services/revenues, and subscriber listings.
    - Experience in analyzing billing systems, tariff documents and reports used in the telecommunications industry.

In addition, 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 five-three (53) years from the date of the solicitation), and quality of Offeror's past performance on past or current contracts for the same or similar services. Offeror's past performance will be evaluated based on the Offeror's discussion of its past performance for similar efforts, information obtained from past performance references (including detailed

references for the Offeror's proposed teaming partner(s) and/or subcontractor(s), as applicable) and information that may be obtained from any other sources (including government databases and contracts listed in the Offeror's proposal that are not identified as references).

3. **Price Evaluation:** USAC will evaluate price based on each individual labor category and proposed rates in **Attachment 2: Pricing Schedule**. USAC recognizes that the size of a company, its name- recognition, geographical offerings and the expertise/experience of staff impacts the price of the hourly labor rates offered by the firms, thus making comparisons of differently situated firms less meaningful. Therefore, when considering rates, USAC will use the rates of similarly situated companies for reasonableness and comparison purposes. Price may become a more important selection factor if the ratings for the non-price factors are the same or very close to the same. In addition to considering the total prices of the Offerors when making the award, USAC will also evaluate whether the proposed prices are realistic (i.e., reasonably sufficient to perform the requirements) and reasonable. Proposals containing prices that are determined to be unrealistic or unreasonable will not be considered for award.

## **B. DOWN-SELECT PROCESS**

USAC may determine that the number of proposals received in response to this RFP (for one (1) or more of the Service Categories) are too numerous to efficiently conduct a full evaluation of all evaluation factors prior to establishing a competitive range. In such case, USAC may conduct a down-select process to eliminate Offerors, prior to discussions, from further consideration based on a comparative analysis of Offerors proposals, with primary focus on the price proposal, but USAC may, in its sole discretion, consider other factors such as quality of proposal, technical capabilities and past performance. Proposals that include proposed prices that are significantly higher than the median proposed price for all Offerors may be excluded from the competition without evaluation under the other evaluation factors. Proposals that contain prices that are unrealistically low in terms of sufficiency to perform the Services described in this RFP may also be excluded from the competition.

## **C. RESPONSIBILITY DETERMINATION**

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

1. Offeror has sufficient resources to perform the Services described in this RFP;
2. Offeror has a satisfactory record of performance, integrity and business ethics;
3. 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. Offeror has the facilities, technical and personnel resources required to perform the contract; and
5. Offeror is not excluded from government contracting, as listed on the excluded parties list in <https://www.sam.gov>.

## Attachment 1

### Labor Category Descriptions

Name/Title	Minimum Education	Minimum Experience	Functional Responsibility
<b><i>Partner/Principal of Auditing Services</i></b>	Bachelor's Degree in relevant business or technical field. Certified Public Accounting (CPA) or Certified Internal Auditor (CIA) certificate required.	10 years of applicable financial or business consulting experience, including substantial experience in managing the business associated with client requirements.	Organizes and directs overall engagement performance. Ensures that goals and objectives are accomplished within prescribed timeframe and funding parameters. Negotiates and makes decisions for the firm. Participates in project meetings to resolve issues as requested. Ensures compliance with Firm policies and professional standards.  Signature authority for final audit reports. Ultimate responsibility for accuracy of audits reports and compliance with audit standards.
<b><i>Director/Senior Manager Auditing Services</i></b>	Bachelor's Degree in relevant business or technical field. CPA or CIA certificate required. Certified Fraud Examiner (CFE) certification is desired but not required.	8 years of applicable financial or business consulting experience, including 3 years of management experience.	Participates in project meetings to resolve issues. 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
<b><i>Manager Auditing Services</i></b>	Bachelor's Degree in relevant business or technical field. CPA or CIA certificate required. CFE certification is desired but not required.	5 years of applicable financial or business consulting experience, including 2 years of management experience.	Supervises and reviews the work product prepared by more junior personnel and is responsible for authoring draft and final audit reports. Assumes responsibility for coordination of subordinate activities. Monitors project performance and staff relationships. Performs quality assurance reviews of senior and junior staff and corrects errors identified during acceptance process. Responsible for tracking and reporting project costs and level of effort of project staff.
<b><i>Senior Staff Auditing Services</i></b>	Bachelor's Degree in relevant business or technical field.	3 years of applicable financial or business consulting experience including 1 year of experience in a supervisory capacity.	Analyzes and develops audit recommendations with team. Prepares documentation, reports, and other deliverables for client approval. Assigns specific work tasks to more junior staff. Participates in planning of engagement and is responsible for all tasks delegated by managers. Supports team in implementation and acceptance process.
<b><i>Junior Staff Auditing Services</i></b>	Bachelor's Degree in relevant business or technical field	1 year of applicable financial or business consulting experience.	Responsible for planning and performing compliance, financial, and operational audit work in accordance with applicable audit standards. Provides the necessary corrective recommendations when deficiencies are discovered. Prepares clear and concise audit work papers, reports, and other communications to document audit procedures performed and exceptions noted. Assists manager in reporting and tracking of project costs and level of effort.

Name/Title	Minimum Education	Minimum Experience	Functional Responsibility
<b><i>Lead Project Manager</i></b>	Bachelor's Degree in relevant business or technical field. Project Management Professional (PMP) certification required.	7 years of project management experience managing large scale audit initiatives and has expertise in project management and strong MS Office skills.	Primary POC with the USAC PMO to manage the execution and completion of assigned audits. Responsible for creating and managing the project plan to accomplish goals pursuant to the agreed upon work and produce the audit deliverables within schedule, cost, and quality standards. Monitors progress related to the project plan and the budget, and reports back to USAC Lead Project Manager. Documents, analyzes, and manages issues and risks, and takes corrective action to ensure that scope, schedule, quality and cost are not impacted. Responsible for creating the weekly status report.
<b><i>IT Auditor (Optional but Required for Lifeline Non-Usage Audits Task Orders)</i></b>	Bachelor's Degree in relevant business or technical field.  Certified Information Systems Auditor (CISA) certification required.	5 years of applicable systems auditing experience of systems.	Responsible for reviewing the auditees' systems and performing interviews to ensure that the appropriate questions are asked for completely understanding of the inputs, outputs and coding of the system for documentation and analyzing purposes. Prepares clear and concise audit work papers (including technology studies), reports, and other communications to document the auditee's system.

Name/Title	Minimum Education	Minimum Experience	Functional Responsibility
<b><i>Telecom Engineer (Optional but required for Supply Chain Task Orders)</i></b>	Bachelor's Degree in relevant business or technical field.	10 years of telecom engineering experience including technology reviews, network design, telecommunication implementation projects.	Responsible for reviewing the auditees' telecommunication system(s), identification and review of telecommunications equipment and network design analysis. Prepares clear and concise audit work papers, reports, and other communications to document the auditee's use of telecommunication equipment.
<b><u>Statistician (Optional)</u></b>	<u>Bachelor's Degree in relevant business or technical field.</u>	<u>6 years of applicable statistical experience; telecommunications industry experience preferred</u>	<p><u>Prepares testing scenarios and tests model performance using various applications developed on a Microsoft Office platform.</u></p> <p><u>Ability to develop mathematical algorithms based on statistical analysis of existing data and an understanding of the process(es) being modeled.</u></p> <p><u>Use mathematical and statistical modelling to identify, interpret, and project trends in algorithm and make adjustments as needed.</u></p>

## Attachment 2 Pricing Schedule

Offeror/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. Hourly labor rates for each task order are based on the Offeror's/Contractor's TORP response and will be fixed for the duration of the awarded task order.

Labor Category	Base Year Rate	Option Year Rates			
		1	2	3	4
Partner/Principal of Auditing Services					
Director/Senior Manager Auditing Services					
Manager Auditing Services					
Senior Staff Auditing Services					
Junior Staff Auditing Services					
Lead Project Manager					
IT Auditor					
Telecommunications Network Engineer					
<u>Statistician</u>					



## Attachment 3

### USAC Travel Expenses Policy

In accordance with the terms and conditions in Section C of the Contract, USAC will reimburse Contractor for necessary and reasonable travel expenses incurred by Contractor while performing services that are required by the terms of the Contract (“Travel Expenses”). The Travel Expenses that are reimbursable under the Contract are set forth in paragraphs I to IV, below. Contractor 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.

Contractor will only be reimbursed for the most cost-effective means of travel consistent with the circumstances. Contractor shall schedule trips to the same location in the most efficient manner to avoid multiple trips and limit the expense to USAC.

Contractor shall pay for Travel Expenses incurred and may seek reimbursement for Travel Expenses only through submission of a proper invoice in accordance with Section C of the Contract. Contractor shall provide itemized receipts for all Travel Expenses allowed under the Contract. USAC will reimburse Contractor for Travel Expenses only after the expenses have been incurred. The terms of this Travel Expenses Policy apply only to travel in excess of 50 miles from Contractor Staff’s regular place of business (“Non-Local Travel”). USAC will not reimburse any expenses for travel by Contractor Staff to locations within a 50-mile radius of his or her regular place of business (“Local Travel”).

The terms of this Travel Expenses Policy apply to Contractors and their subcontractors, and thus the terms “Contractor” and “Contractor Staff” applies also to subcontractors and subcontractor staff, respectively.

#### I. Transportation

- (A) Air and rail transportation by Contractor Staff, regardless of duration or destination, must be at the lowest practical and available fare. No upgrades from basic (coach) service are reimbursable.
- (B) If Contractor Staff uses a personal vehicle for any travel related to the Contract or any task order awarded under the Contract (if applicable), it is Contractor Staff’s responsibility to be adequately insured.
- (C) Reimbursement for Non-Local Travel 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 (found at <https://www.irs.gov/newsroom/irs-issues-standard-mileage-rates-for-2024-mileage-rate-increases-to-67-cents-a-mile-up-1-point-5-cents-from-2023>) or the total dollar amount for the equivalent commercial transportation fare. If Contractor Staff chooses to use his/her/their 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: Contractor Staff shall use the most reasonable cost rental vehicle that can accommodate Non-Local Travel requirements (i.e., terrain and weather) and the number of occupants. Contractor Staff should rent vehicles from Budget when possible to receive the USAC discount. Whenever possible, economy cars should be used. If a more expensive option

is required, an explanation must be attached to the invoice. When on Non-Local Travel together, Contractor Staff 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 Contractor for insurance on car rentals. It is recommended that Contractor Staff keep all insurance information with them at all times when traveling and renting automobiles. Contractor is responsible for paying the costs associated with accidents and theft involving rental car.
3. EZ-pass and prepaid toll devices may be obtained from the rental car agencies and costs will be reimbursed if related to any travel required under a Contract or a task order issued under a Contract, if applicable.

(E) All transportation expenses over \$75 must be supported by a receipt.

## II. Meals

For authorized Non-Local Travel, Contractor will only be reimbursed for meals and incidental expenses for Contractor Staff identified in the Contract, or an awarded task order issued pursuant to the Contract (if applicable), in accordance with the table below. To determine which row applies for the Non-Local Travel of Contract Staff, go to [Per diem rates | GSA](#), complete the required information (either the state and city OR zip code of where the Non-Local Travel will be), click “Find Rates”, and review the “Meals & Incidentals (M&IE) rates and breakdown” information.

<b>Meals &amp; Incidental Expenses Total <sup>(1)</sup></b>	<b>Continental Breakfast / Breakfast <sup>(2)</sup></b>	<b>Lunch <sup>(2)</sup></b>	<b>Dinner <sup>(2)</sup></b>	<b>Incidental Expenses</b>	<b>First and Last Day <sup>(3)</sup></b>
<b>\$59</b>	\$13	\$15	\$26	\$5	\$44.25
<b>\$64</b>	\$14	\$16	\$29	\$5	\$48.00
<b>\$69</b>	\$16	\$17	\$31	\$5	\$51.75
<b>\$74</b>	\$17	\$18	\$34	\$5	\$55.50
<b>\$79</b>	\$18	\$20	\$36	\$5	\$59.25

1. This column lists the full daily amount that identified Contractor Staff receive for a single calendar day of Non-Local Travel when that day is neither the first nor last day of Non-Local Travel.
2. The separate amounts for breakfast, lunch and dinner listed in the chart are provided should Contractor Staff need to deduct any of those meals from their trip voucher. For example, if Contractor Staff’s trip includes meals that are already paid for by USAC, Contractor Staff will need to deduct those meals from Contractor Staff per diem.
3. This column lists the amount that identified Contractor Staff receive for the first and last calendar day of Non-Local Travel. The first and last calendar day of Non-Local Travel is calculated at 75 percent.

## III. Accommodations

(A) In cases where Non-Local Travel requires an overnight stay, Contractor will be reimbursed for the cost of a single room at the lowest price suitable and appropriate for the business purpose.

Proximity of the hotel to the remote work location should be considered a relevant factor in selecting lodging.

- (B) Contractor will be reimbursed the room charge for internet connection per day provided the internet is used for Services under the Contract and any awarded task order under the Contract (if applicable) purposes only.

#### **IV. Other Expenses**

Contractor 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**

Contractor 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 Contractor Staff on business trips related to the task order.
- (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., pay-per-view movies, concierge and turn-down services, etc.).
- (F) Parking tickets or fines for violation of motor vehicle laws incurred by Contractor Staff.
- (G) Insurance for rental cars.
- (H) Overweight personal baggage in excess of the normal baggage fee charge.
- (I) Transportation between home and the regular work location as well as any personal travel.
- (J) Expenses for entertainment (in-flight movies, headsets, health club facilities, alcohol, tobacco, controlled substances, gift cards or e-gift cards of any kind, flowers or amusement or recreation, such as visiting events with offensive context or nature, nightclubs, theater expenses, sporting events, meals purchased in surroundings not conducive to a business discussion).
- (K) Airline club memberships.
- (L) Airline upgrades.
- (M) Childcare, babysitting, house-sitting, or pet-sitting/kennel charges.
- (N) Costs incurred by traveler’s failure to cancel travel or hotel reservations in a timely fashion.
- (O) Travel accident insurance premiums or purchases of travel insurance.
- (P) Other expenses not directly related to required travel under the Contract or an awarded task order under the contract.

## Attachment 4

### USAC Confidentiality Agreement

This USAC Confidentiality Agreement (the “Confidentiality Agreement”) is entered into by and between the Universal Service Administrative Company (“USAC”), the disclosing party, and \_\_\_\_\_, located at \_\_\_\_\_ (the “Receiving Party”) for the purpose of preventing the unauthorized disclosure of Confidential Information as defined below. The parties agree to enter into a confidential relationship with respect to the disclosure of certain proprietary and confidential information (“Confidential Information”).

1. The Receiving Party recognizes and acknowledges that as a potential contractor, subcontractor, consultant, agent, or other representative thereof (collectively, a “Contractor”) for the Universal Service Administrative Company (“USAC”), it may have access to Confidential Information, as that term is defined in Appendix A to this Confidentiality Agreement.
2. The Receiving Party acknowledges and agrees that it will treat any Confidential Information in the manner set forth in this Confidentiality Agreement. The Receiving Party acknowledges and agrees that this obligation applies to the treatment of all Confidential Information to which it obtains access while performing services or applying to perform services on behalf of USAC, regardless of the form of the Confidential Information or the manner in which it obtains access to the Confidential Information. The Receiving Party acknowledges and agrees that its obligations with respect to Confidential Information apply to oral and written communications, drafts and final documents, information obtained directly or indirectly if the Receiving Party obtained the information as a result of its relationship with USAC.
3. The Receiving Party acknowledges and agrees that its obligation to treat Confidential Information in the manner set forth in this Confidentiality Agreement will continue even if it is no longer a Contractor.
4. The Receiving Party acknowledges and agrees that it will not use Confidential Information for any purpose other than a legitimate business purpose of USAC.
5. The Receiving Party acknowledges and agrees 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, the Receiving Party will not disclose Confidential Information to any other person or entity.
6. The Receiving Party acknowledges and agrees that this Confidentiality Agreement shall not apply to requests for Confidential Information made by an employee of the Federal Communications Commission (“Commission”), except that the Receiving Party 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 Chief Executive Officer or the USAC General Counsel, or in either one’s absence, a respective designee.
7. The Receiving Party acknowledges and agrees 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 the Receiving Party may not disclose Personally Identifiable Information without the express advance written approval of the USAC Chief Executive Officer or the USAC General Counsel, or in either one's absence, a respective designee.

8. The Receiving Party acknowledges and agrees that if it receives a subpoena or any other request or demand for Confidential Information, the Receiving Party will take all reasonable and appropriate steps such 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. The Receiving Party acknowledges and agrees that if it knows or has a reasonable basis for believing that any USAC staff person or other person or entity is using or disclosing Confidential Information in violation of this Confidentiality Agreement, it will immediately so notify the USAC General Counsel.
10. The Receiving Party acknowledges and agrees that if it intentionally or unintentionally discloses any Confidential Information in violation of this Confidentiality Agreement, it will immediately so notify the USAC General Counsel.
11. The Receiving Party acknowledges and agrees that if it is uncertain or has questions about its obligations under this Confidentiality Agreement, the Receiving Party will immediately seek advice from the USAC General Counsel.
12. The Receiving Party acknowledges and agrees that any violation of this Confidentiality Agreement may subject it to disciplinary action, including suspension or termination of its relationship with USAC, and civil and criminal liability.
13. The Receiving Party acknowledges and agrees that signing this Confidentiality Agreement is a condition of applying to perform services and/or performing services as a Contractor for USAC. The Receiving Party acknowledges and agrees that USAC may modify this Confidentiality Agreement and require it to execute the modified version.
14. The Receiving Party acknowledges and agrees that upon completion or termination of its relationship as a Contractor for USAC, the Receiving Party will return to the USAC General Counsel or other person designated by them, any Confidential Information in its possession.
15. The Receiving Party acknowledges and agrees that this Confidentiality Agreement is binding upon it as of the date of the signature of the Receiving Party, that any modification to this Confidentiality Agreement is binding on the Receiving Party as of the date that it signs such modified version, and that its obligations under the Confidentiality Agreement, including any modifications, continue through and beyond the termination of its position as a Contractor and for as long as it has in its possession, access to, or knowledge of Confidential Information. The Receiving Party further acknowledges and agrees that USAC may, in its sole discretion, modify Appendix A and such modification(s) shall be effective and enforceable against the Receiving Party following written notice to the Receiving Party, which may be by any reasonable method, including but not limited

to hand delivery, mail, courier service, email, or facsimile, and that its signature or agreement is not required for the modification to Appendix A to be effective and binding on the Receiving Party.

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.
17. This Confidentiality Agreement shall be governed by and construed in accordance with the Laws of Washington D.C., without giving effect to the principles thereof relating to the conflicts of laws. The parties agree that the state and federal courts located in Washington D.C. shall have exclusive jurisdiction with respect to any dispute, controversy, or claim arising out of or relating to this Confidentiality Agreement.

**Acknowledged and agreed:**

**By (signature)** \_\_\_\_\_

**Name (print)** \_\_\_\_\_

**Date** \_\_\_\_\_

**CONFIDENTIALITY AGREEMENT – APPENDIX A**

**Personally Identifiable Information** is defined as information 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.

**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 Commission procurements, contractor bids or proposals, evaluation of bidders or offerors, selection of contractors, or the negotiation of contracts.

3. Information that is excluded by applicable statute or regulation from disclosure, provided that such statute (a) requires that the information be withheld from the public in such a manner as to leave no discretion on the issue, or (b) establishes particular criteria for withholding or refers to particular types of information to be withheld. Such information includes copyrighted or trademarked information.
4. Information containing trade secrets or commercial, financial or technical information that (a) identifies company-specific (i.e., non-aggregated) proprietary business information about a Universal Service Fund (USF) contributor (or a potential contributor) or its parent, subsidiary, or affiliate, and (b) has not previously been made publicly available.
5. Information concerning USAC relationships with financial institutions, including but not limited to, account locations, identifiers, balances, transaction activity and other account information and any advice or guidance received from such institutions.
6. Information regarding or submitted in connection with an audit or investigation of a USF contributor, potential USF contributor, USF beneficiary, applicant for USF support, or USAC Staff Person.
7. Information to which USAC, the Commission, 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, Commission 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 Commission 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 Commission, 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 5**

**USAC Beneficiary and Contributor Audit Program (“BCAP”) & Supply Chain Audit Services  
Sample E-Rate Task Order Request for Proposal**

**SOLICITATION INFORMATION**

Method of Solicitation: Task Order Request for Proposal (“TORP”)  
 IDIQ Number: AAD-24-069  
 Task Order Number: #####  
 Task Order Period of Performance: Twelve (12) Months  
 TORP Issue Date: Month/Day, 2024  
 Questions Due Date: Month/Day, 2024 by 11:00 a.m. ET  
 Proposal Due Date: Month/Day, 2024 by 11:00 a.m. ET

**CONTRACT/TASK ORDER TO BE ISSUED BY**

Universal Service Administrative Co.  
 700 12<sup>th</sup> Street, NW, Suite 900  
 Washington, D.C. 20005

**CONTACT INFORMATION**

USAC CONTACT INFORMATION	OFFEROR CONTACT INFORMATION
	(complete) Name: _____ POC: _____ POC Title: _____ POC Phone: _____ POC Email: _____ Address: _____

**OFFEROR SIGNATURE**

\_\_\_\_\_  
 Name and Title

\_\_\_\_\_  
 Date



**TORP #####**

**Under BCAP & Supply Chain Audit Services Contract Number AAD-24-069**

**I. TASK ORDER**

USAC intends to award a single task order (“Task Order”) under the Beneficiary and Contributor Audit Program (“BCAP”) & Supply Chain Audit Services Contract #AAD-24-069 (“Contract”) as the result of this TORP.

Pricing for the work described in this TORP shall be based on Time and Material (“T&M”) with a Not to Exceed (“NTE”) ceiling price in accordance with Contract Section C.8 (“Payment”).

The labor categories and corresponding hourly rates used on the awarded Task Order are based on the hourly rates, or discounts thereto, in the Contract Base Year and are set forth in TORP **Appendix B**.

All entities that receive this TORP are referred to as an “Offeror”. The Offeror that is awarded a Task Order pursuant to this TORP is referred to as “Contractor”.

**II. PURPOSE**

USAC is dedicated to achieving universal service. This important principle suggests that all Americans deserve accessible, affordable and pervasive telephone and internet services.

The purpose of this TORP is to obtain the services of a BCAP Contractor to perform \_\_\_\_\_ ( ) limited scope performance audits on Universal Service E-Rate Program (“E-Rate” or “E-Rate Program”) beneficiaries (“Beneficiaries”) and service providers (“Service Providers”) participating in the E-Rate Program. Contractor shall perform sufficient testing to determine whether the Beneficiaries and Service Providers are compliant with select rules and regulations of the E-Rate Program and provide a conclusion on such. Under the Contract, Offerors and Contractor have an affirmative obligation to keep this TORP and any awarded Task Order confidential.

USAC may include one (1) or more designated employee(s), in its sole discretion, to accompany and monitor the performance of Contractor on site visits and/or participate in Beneficiary or Service Provider interviews required within the scope of the awarded Task Order.

**III. PERIOD OF PERFORMANCE**

Contractor shall complete performance of an awarded Task Order within one (1) year from the effective date of the awarded Task Order. The individual audits shall each be performed within the time period set forth in Contractor’s final project plan (“Final Project Plan”), unless USAC grants an extension for schedule delays that are beyond the reasonable control of Contractor. In the event Contractor becomes aware of the potential for delays on any audit or in performance of the awarded Task Order, Contractor shall immediately notify USAC in writing of such delay. The notice must set forth the reasons for the delay and the estimated duration of the potential delay. USAC may grant, in its sole discretion, an extension for performance, but such extension will only be effective if reflected in a signed amendment to the awarded Task Order.

#### IV. PLACE OF PERFORMANCE

All services provided pursuant to an awarded Task Order must be performed within the United States (including Alaska and Hawaii) or its recognized territories. Contractor shall perform services at its own facilities and, when necessary, at the location of the audited entities identified in **Appendix A**. The project kick-off meeting (described in Section X of this TORP) will be held at USAC's headquarters located at 700 12th Street, N.W., Suite 900, Washington, D.C. 20005 or virtually, at USAC's discretion. Occasional meetings may be conducted at USAC's headquarters or at the Federal Communications Commission ("FCC") offices located at 45 L Street NE, Washington, D.C. 20554. USAC shall provide appropriate office space and appropriate access to its computer network for duties performed at USAC headquarters, if necessary. Contractor Staff (as defined in Section C.1.G of the Contract) 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.

Contractor shall comply with all guidance published by the Safer Federal Workforce Task Force for all Contractor Staff during the Contract Term.

To provide adequate COVID-19 safeguards for USAC employees, Contractor shall ensure that all Contractor Staff that enter USAC premises will comply with USAC's COVID-19 Safety, Quarantine & Isolation Policy.

Nothing in this Section shall excuse noncompliance with any applicable federal, state, and local laws establishing more protective safety protocols than those established by this Section.

#### V. USAC PROGRAM MANAGER & CONTRACT ADMINISTRATOR

The Program Manager ("PM") for the awarded Task Order is TBD. Contractor may contact the PM via email at TBD@usac.org. The USAC Contract Administrator ("CA") for the awarded Task Order is TBD, who is the USAC point of contact for contractual matters (e.g. task order administration, task order modifications and other matters not related to performance). Contractor may contact the CA via email at TBD@usac.org.

#### VI. SCOPE OF SERVICES AND DELIVERABLES

##### A. Services

##### 1. General Services

Contractor shall provide audit services to perform \_\_\_\_ ( ) limited scope performance audits of Beneficiaries and Service Providers of the E-Rate Program as indicated in **Appendix A**. The audits will be performed in accordance with the approved Contractor E-Rate Audit Programs to identify any waste, fraud, abuse or non-compliance with select FCC rules and regulations related to the E-Rate Program, as applicable, including those set forth in C.F.R. Title 47, Part 54, Subpart F, as well as other program requirements, (collectively, "Program Rules"). Contractor shall prepare all reports in accordance with the terms of this TORP, an awarded Task Order, the Contract, and *Generally Accepted Government Auditing Standards* ("GAGAS") issued by the Comptroller General of the United States, as amended (July 2018, as amended).

## 2. Audit Scope

The scope of each audit is delimited by the funding year, and the Funding Request Number (“FRN”) selected by Contractor from the universe of FRNs for each Beneficiary and Service Provider. The period under audit for the Beneficiary audits is Funding Year 2022; the period under audit for the Service Provider audits is Funding Year 2022. Contractor will select a sample of FRNs from the FRNs listed under the Beneficiary or Service Provider in **Appendix A**.

## B. Task Order Deliverables

For the awarded Task Order, Contractor shall provide the following Deliverables (as defined in Section C.1.I of the Contract):

### 1. Conflict of Interest Statement

Contractor shall identify any actual 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 an awarded Task Order, or provide a statement that no such conflict of interest or appearance issues are known to exist. If Contractor identifies any actual 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 an awarded Task Order, Contractor shall provide USAC a detailed proposal on how Contractor intends to avoid, neutralize, or mitigate the actual or potential conflict of interest with the submission of the TORP proposal.

### 2. Final Project Plan

Contractor shall submit a final project plan (“Final Project Plan”) within ten (10) business days of the effective date of the awarded Task Order, which shall be substantially the same as the project schedule (as described in Section XI.D of this TORP) (“Project Schedule”) submitted with Contractor’s task order proposal. The Final Project Plan should include the updated and final Project Schedule in Microsoft Project, which 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 plan. Contractor shall not deviate from the Final Project Plan in any manner that could impact the Task Order schedule, performance or costs, unless USAC, in its sole discretion, gives prior written approval in the form of a signed amendment to the awarded Task Order.

### 3. Final Staffing Plan

Contractor shall submit a final staffing plan (“Final Staffing Plan”) within ten (10) business days after the effective date of the awarded Task Order. The Final Staffing Plan shall be substantially the same as the plan submitted with Contractor’s task order proposal; however, the “Key Personnel” (as defined in in Section C.1.N of the Contract), staffing and hourly rates must be the same as the staffing plan submitted with the Contractor’s task order proposal (“Staffing Plan”). The Final Staffing Plan shall identify the labor categories assigned to an awarded Task Order, the names of personnel assigned to each labor



category, the labor categories assigned to each audit, and the estimated number of hours per labor category for each audit.

Contractor shall provide trained and experienced personnel who meet the minimum qualifications listed in the position descriptions set forth in Section B.VII and Attachment 1. Contractor shall certify in writing to USAC that all personnel assigned to the awarded Task Order are trained on the Program Rules before commencing the performance of any audit services on the awarded Task Order.

#### 4. E-Rate Audit Program

Contractor shall develop two (2) limited scope audit programs (“Audit Programs”): one (1) Audit Program for the Beneficiary audits, and one (1) Audit Program for the Service Provider audits. Each Audit Program shall include, but is not limited to the testing procedures and audit steps Contractor will follow in conducting the E-Rate audits, including planning, fieldwork, and preparation of the audit report. The Audit Programs will be developed to perform a limited scope audit that includes the procedures required to test compliance for those areas that are the highest risk to the E-Rate Program as determined jointly by USAC and the FCC Office of Managing Director.

Each testing procedure specified in the Audit Programs shall be annotated with the FCC rule that is applicable to the test. Contractor will audit compliance with applicable Program Rules from a committed balance through the disbursement for FRNs with disbursed dollars, and up to the point of disbursement for FRNs with no disbursed dollars. Contractor will conduct all audits in adherence to the Contractor E-Rate Audit Programs approved by USAC in connection with performance of an awarded Task Order.

See **Appendix C** for an example of an E-Rate Beneficiary Audit Program and **Appendix D** for an example of an E-Rate Service Provider Audit Program.

Contractor E-Rate Audit Programs shall be delivered to USAC no later than ten (10) business days after completion of the USAC provided training (see Section X.A of this TORP). If USAC does not provide E-Rate training as specified in Section X.A of this TORP, Contractor shall submit the two (2) Audit Programs within fifteen (15) business days after the effective date of the awarded Task Order. USAC will review the E-Rate Audit Programs within ten (10) business days after receipt of Contractor programs and provide approval as appropriate.

#### 5. FRN Samples

USAC will provide Contractor with a commitment and disbursement report for each audit included in **Appendix A** within five (5) business days of the awarded Task Order. A commitment and disbursement report will list the amounts committed and disbursed for each FRN listed under the audit. A FRN is a unique number that USAC assigns to each funding request in a completed FCC Form 471 E-Rate Program application. An audit can include one or multiple funding requests as determined by the Beneficiary’s Funding Commitment Decision Letter, which is a letter that contains USAC’s funding decisions on



an applicant's funding requests. USAC will provide Contractor, via SharePoint, all of the USAC documentation (e.g., applicant forms, service provider forms, etc.) for each FRN Contractor selects to test per audit.

## 6. Sampling Methodology

Contractor shall develop and deliver a sampling methodology that satisfies the sampling requirements for the rates, invoices, and bills tests described within **Appendix C** and **Appendix D**, and other tests as necessary (the "Sampling Methodology"). The Sampling Methodology will be inclusive of any judgmental and other random samples required in performing the related tests. The sample size shall be large enough for Contractor to conclude if the Beneficiary or Service Provider is in compliance with applicable Program Rules. The same Sampling Methodology shall be applied across each of the \_\_\_\_\_ ( ) audited entities to maintain consistency. Contractor shall describe at a minimum: the sampling methodology; population; margin of error; items to be sampled, e.g. service provider bills, schools within a district; selective sampling items, e.g. bills that exceed a dollar threshold; and final sample size (to be provided for each audited entity after the sample is selected). In addition, any assumptions made in developing the sampling design should be clearly stated. The Sampling Methodology shall be delivered to USAC no later than fifteen (15) business days after the completion of the USAC provided training (see Section X.A of this TORP) or the effective date of the awarded Task Order if training is not conducted based on Contractor program experience.

## 7. Weekly Status Reports

Contractor shall prepare a weekly status report (the "Weekly Status Report") and submit to USAC each Monday by noon (12:00 p.m.) ET. The Weekly Status Report will follow a Microsoft 2016 Excel workbook template provided by the USAC PM and include the current status of the assigned audits, percentage of completion, personnel changes, issues affecting Task Order progress, and potential findings.

## 8. Reporting Requirements of Draft and Final Audit Reports

Contractor shall prepare and deliver a draft and final audit report for each audit assigned in the awarded Task Order in accordance with the requirements and procedures set forth in Section B.9.D of the Contract. Contractor shall also deliver a copy of all work papers to USAC with the draft and final audit reports for each audit.

- 1) Contractor shall work with USAC to develop a standardized audit report template (using Microsoft Word) that complies with GAGAS requirements. An example of an E-Rate audit report template is included as **Appendix E**. 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 can understand how the auditor reached the conclusion of the finding. All draft and final audit reports shall be prepared using the USAC-approved template.



- 2) Contractor shall submit the draft audit report to USAC, along with supporting documentation (work papers) to support the draft audit report, via a web-based portal provided by USAC. Receipt of the report and work papers will initiate the USAC internal and FCC reviews. The review cycle will be managed via workflows inherent in the USAC BCAP SharePoint site, and Contractor will receive feedback and comment throughout the review cycle from the reviewers and electronic notifications from the SharePoint platform when a review is completed. Contractor will respond to all feedback and comment within five (5) business days and prepare a revised version of the report as needed.
- 3) USAC shall approve the release of the draft report after internal and FCC reviews are completed and the reviewers have received satisfactory responses to their feedback and comments.
- 4) Contractor shall prepare and submit the final audit report to USAC, via the web-based portal, after receiving approval of the draft audit report from USAC. The final audit report is due no later than two (2) weeks after receipt of the approval of the draft audit report.
- 5) USAC has sole authority and responsibility for distributing the final audit report to appropriate parties, including the FCC and USAC's Board of Directors. Contractor will release the final audit report to the audited entity upon notification from USAC.
- 6) All draft and final audit reports shall be the sole property of USAC.
- 7) Contractor shall maintain copies of all work papers prepared in the course of the audit for a period of ten (10) years starting with the date the final audit report is released to the audited entity, and shall make the work papers available to USAC, or its designee, upon request within ten (10) business days of the release of the final audit report.

## 9. Project Management Deliverables

Contractor shall provide Task Order project management support as required by Section B.9.E of the Contract, including preparation and submission of Weekly Status Reports, the Final Project Plan, the Final Staffing Plan, the E-Rate Audit Programs, audit announcement packages, entrance conference decks, and sample selections. In addition, Contractor shall respond to informational requests for USAC to manage and report audit progress to USAC leadership and the FCC. Contractor lead project manager shall manage and track all events identified for successful completion of the audits in one (1) year; they shall be responsible for updating the project and staffing plans as needed and communicate all changes to USAC.

All Deliverables, including Weekly Status Reports, are considered Confidential Information (see Section C.16 of the Contract) and are the sole property of USAC. USAC may use and disclose the Deliverables at its sole discretion.

Contractors shall save all Deliverables on the USAC BCAP SharePoint site in a designated location.



## 10. 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 an awarded Task Order.

## 11. Task Order Close-Out

Contractor will complete Task Order close-out activities after receiving notification that USAC released the final audit report for all audits specified in **Appendix A** of the TORP. Contractor will provide the USAC PM the following artifacts to conclude the execution of the awarded Task Order:

- 1) A management closeout memo within ten (10) business days after Contractor receives USAC notification.  
The purpose of the closeout memo is to transfer knowledge gained during the performance of the audit services, interactions with USAC team members, and report schedule and cost variances that directly affected the execution of the awarded Task Order. The closeout memo is a lessons learned exercise to assist in the planning and execution of future task orders.
- 2) The final Weekly Status Report within five (5) business days after Contractor receives USAC notification to show all audits are complete.
- 3) Contractor confirmation within ten (10) business days after receipt of USAC notification that all work papers associated to each audit listed in **Appendix A** were saved on BCAP SharePoint.
- 4) The final invoice within thirty (30) calendar days of an awarded Task Order completion.

## 12. 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 the awarded Task Order. A detailed description of the suspected waste, fraud or abuse activity must be included with the notification. Notice shall be given orally and in writing to:

Teleshia Delmar, Vice President of Audit & Assurance Division  
USAC  
700 12<sup>th</sup> Street, N.W., Suite 900  
Washington, D.C. 20005  
202-776-0200  
Email: [Teleshia.Delmar@usac.org](mailto:Teleshia.Delmar@usac.org)

## VII. KEY PERSONNEL & LABOR CATEGORIES

Contractor shall identify the Key Personnel who will be assigned to the awarded Task Order. Key Personnel identified in the proposal shall include the: (1) Partner/Principal of Auditing Services; (2) Director/Senior Manager(s) of Auditing Services; (3) Manager(s) of Auditing Services; and (4) Lead Project Manager. Contractor shall determine which Key Personnel positions are required to perform the audit services requested in this TORP and include these positions in the proposed Staffing Plan. Contractor shall provide a resume (one (1) page maximum) that includes job experience and skills to communicate the qualifications of the Key Personnel included in the Staffing Plan.

Key Personnel must meet all required qualifications and be available for Task Order performance at the time of Task Order award. Contractor can propose, if necessary, additional Key Personnel as required to ensure adherence to all services and activities outlined in the Task Order. When Task Order Key Personnel are changed, Contractor must notify USAC within five (5) days of the addition and/or removal of the relevant individual(s). Contractor must provide USAC a resume for the additional individual(s) or the replacement(s) for approval before the change in personnel occurs.

## VIII. TRAVEL

Contractor Staff may be required to travel to USAC for training and to the Beneficiary and Service Provider locations to perform on-site fieldwork. USAC will pay Contractor the hourly rates set forth in **Appendix B** for services performed in accordance with the requirements of this TORP and the Contract. USAC will reimburse Contractor for reasonable and necessary Travel Expenses provided Contractor complies with the USAC Travel Expenses Policy set forth in **Appendix G** of this TORP. In accordance with Contract Section C.8, USAC is not obligated to make any payments to Contractor, including labor charges and/or reimbursement of Travel Expenses, in excess of the Task Order Ceiling Price set forth in **Appendix B**.

## IX. MONTH END ACCRUAL AND INVOICE SCHEDULE

- A. Month End Accrual.** Contractor shall provide a month end accrual by the third (3<sup>rd</sup>) business day of each month to [accounting@usac.org](mailto: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: ##### Month: *month***

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

- B. Month End Invoice.** Contractor shall provide a monthly invoice by the eighteenth (18<sup>th</sup>) business day of each month by emailing the invoice to [bcap@usac.org](mailto:bcap@usac.org), [Claire.Luton@usac.org](mailto:Claire.Luton@usac.org) and [Kianna.Braxton-Johnson@usac.org](mailto:Kianna.Braxton-Johnson@usac.org) and either through the Coupa interface of emailing the invoice to [invoices@usac.coupahost.com](mailto:invoices@usac.coupahost.com). The invoice will be formatted as a Microsoft Excel workbook and follow the template provided by the USAC PM.





The invoice will include:

1. Labor hours expended. The labor hour details shall include the employee name, labor category, hourly labor rate, and total number of labor hours expended. *Note:* the employee name and labor category must match the name and category included in the Final Staffing Plan.
2. Travel expense incurred. Travel expense documentation shall include supporting receipts for travel costs as required by the USAC Travel Expenses Policy. Contractor will save all travel expense documentation in the appropriate folder on BCAP SharePoint.

**C. Final Invoice.** Contractor shall submit a final invoice within thirty (30) calendar days after the Task Order term.

## X. COMMUNICATION

### A. Project Kick-off Meeting and Training

- 1) A project kick-off meeting and E-Rate Program training shall be held at USAC's offices in Washington, D.C. or virtually, at USACs discretion. USAC will communicate the exact location of the kick-off meeting and training, and the scheduled dates, within one (1) week after the effective date of the awarded Task Order. USAC will conduct the kick-off meeting and training at least ten (10) business days after the effective date of the awarded Task Order.
- 2) The project kick-off meeting shall provide the forum to discuss technical and business questions, project roles and responsibilities of the respective parties, and any project communications.
- 3) USAC training will be comprised of four (4) elements: (1) overview of FCC regulations, orders and directive governing the E-Rate Program, including but not limited to the applicable Program Rules; (2) the FCC forms that are required to be completed and certified by E-Rate Program applicants and service providers ("FCC Forms"); (3) examples of testing procedures to identify areas of non-compliance with program rules and amounts of recoverable funds; and (4) Task Order Deliverables and related tools.
- 4) The training will extend over two and a half (2.5) consecutive business days. The kick-off meeting and E-Rate training shall be conducted the first two (2) days, and task order Deliverables and tools will be covered the morning of the third (3<sup>rd</sup>) day.
- 5) Contractor Key Personnel and senior staff auditors shall attend the full E-Rate training. Only Key Personnel directly responsible for managing the Task Order and creating Deliverables are required to attend the training on Deliverables and tools.
- 6) USAC will not provide training on GAGAS. Contractor Staff must have pre-existing knowledge of GAGAS and experience in performing GAGAS-compliant audits.

**Training Qualification:** The E-Rate training will be conducted only when the selected Contractor requires training on the E-Rate Program and audit procedures. USAC will make the determination if Contractor requires training and when the training will occur.

## **B. Bi-Weekly Status Meetings**

- 1) During performance of an awarded Task Order, Contractor Staff shall communicate on a regular basis with the USAC PM, and when requested, with the USAC CA.
- 2) Contractor Staff shall attend status meetings with USAC staff to discuss project status and progress, budget management, impediments and potential audit findings.
- 3) Bi-weekly status meetings will be held by teleconference unless USAC expressly requests the physical presence of Contractor Staff at the meeting.
- 4) Contractor Weekly Status Reports will be the basis for the bi-weekly 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. Contractor will prepare a presentation and select Key Personnel will present at the scheduled meeting in the Washington, D.C. area. USAC will notify Contractor within a reasonable lead time of the date of the meeting and the materials to be presented.

## **D. Communication**

Contractor shall be reasonably available and accessible via email or telephone during USAC's normal business hours, Monday through Friday (9:00 a.m. - 6:00 p.m. ET). When necessary, USAC may need to communicate with Contractor outside of these hours to ensure the progress of the awarded Task Order is not impeded.

# **XI. TASK ORDER PROPOSAL CONTENT**

Any proposal that fails to comply in all respects with the following preparation and submission requirements may be rejected.

## **A. General**

Each proposal must contain a cover page. The cover page shall include the name of Offeror's organization, Offeror's contact name, address, telephone number, facsimile number, e-mail address, website address, date, a statement verifying the proposal is valid for a period of ninety (90) days, and signature of an authorized representative. The proposal must include a statement regarding any actual or potential conflicts of interest along with a detailed proposal on how Offeror intends to avoid, neutralize, or mitigate the actual or potential conflict of interest or provide a statement that no such conflict of interest or appearance issues are known to exist.

## **B. Key Personnel**

Offeror shall identify the Key Personnel who will be assigned to this Task Order. Key Personnel identified in the proposal shall include the: (1) Partner/Principal of Auditing Services; (2) Director/Senior Manager(s) of Auditing Services; (3) Manager(s) of Auditing Services; and (4) Lead Project Manager. Offeror shall provide a resume (one (1) page

maximum) for each individual. The resume should include job experience and skills to support the qualifications to perform the requested services.

### C. Draft Staffing Plan

Offeror shall submit a draft Staffing Plan with the information described in Section VI.B.3 above. This plan shall be submitted in a Microsoft 2016 Excel workbook using the template provided in **Appendix F**. In addition, Offeror shall include in the proposal an organizational chart that represents the reporting hierarchy of the Key Personnel and the audit team(s). Offeror shall use the labor categories listed in the position descriptions set forth in Section B.VII of this TORP and Attachment 1 of the Contract when describing their Staffing Plan.

### D. Draft Task Order Plan

Offeror shall submit a draft Task Order plan to describe how Offeror plans to manage the resources and audit work identified in the awarded Task Order (“Task Order Plan”).

The Task Order Plan shall include: (1) a high level overview of the Offeror-proposed strategy for successful completion of the audits within the one (1) year term of the awarded Task Order; and (2) a Project Schedule in the form of a Gantt chart that includes milestones, duration, and resources for successful execution of the awarded Task Order.

Offeror shall submit the draft Project Schedule in soft copy using Microsoft Project 2016 in addition to a hard copy included within the proposal. The Project Schedule must include and take into account the following items:

1. The planned schedule to perform the \_\_\_\_\_ ( ) audits presented as a Gantt chart.
2. The six (6) milestones listed below with the start/end dates in addition to the resources assigned to conduct the work. Resources shall be quantified by labor category.
  - a. Planning;
  - b. Announcement;
  - c. Fieldwork;
  - d. Site Visit, if applicable;
  - e. Draft Report; and
  - f. Final Audit Report.
3. The order in which the audits will be announced and performed.
4. Project Schedule start date should be Month/Day, 2024 for purposes of anchoring the draft project plan. The Final Project Plan start date will be based off of the effective date of the awarded Task Order.
5. All audits must be announced before Month/Day, 2024 barring any USAC/FCC delays.
6. The fieldwork phase of an audit must start no later than four (4) weeks after the audited entity receives the announcement package.
7. The estimated travel duration shall be specified for each site visit.
8. The draft audit report will be subject to USAC and FCC internal reviews, and may incur rework based on USAC and/or FCC comment.

*Note: When estimating the report review milestone dates, Offeror shall consider that the review process could take ninety (90) days.*

9. The final audit report shall be delivered to USAC no later than ten (10) days after receiving USAC approval to finalize the report.

#### **E. Estimated Price**

Using **Appendix B**, Offeror shall include proposed labor categories and corresponding hourly labor rates, estimated hours, estimated Travel Expenses and a total Task Order Ceiling Price for the awarded Task Order performance.

## **XII. TASK ORDER PROPOSAL SUBMISSION INSTRUCTIONS**

Any proposal that fails to comply in all respects with the following preparation and submission requirements may be rejected.

#### **A. Presentation and Page Limitation**

**Volume I - Technical Proposal:** The technical proposal shall not exceed five (5) pages exclusive of the cover page, table of contents, disclosure page, and divider pages. Attachments shall not exceed fifteen (15) pages and shall include at a minimum the resumes for Key Personnel, draft Project Schedule and draft Staffing Plan. In total, the technical proposal shall not exceed twenty (20) pages including all attachments.

1. Proposals must be prepared using Times New Roman font. All text except for diagrams, tables, and charts must be presented in twelve (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 nine (9) point.
2. 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.
3. 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.
4. 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.
5. The Project Schedule must be submitted as a Microsoft Project 2016 file.
6. The Staffing Plan must be formatted as presented in the template provided in **Appendix F** and submitted as a Microsoft 2016 Excel file.
7. The font color used to label column headings must be bolded and be a contrasting color from the background color to clearly display headings.

**Volume II - Price Proposal:** The price proposal shall not exceed three (3) pages including the cover page but excluding the table of contents, disclosure page, and divider pages.

#### **B. Proposal Submission**

Task Order proposals must be submitted to [procurement@usac.org](mailto:procurement@usac.org) no later than **Month/Day, 2024, 11:00 a.m. Eastern Time (ET)**. Proposals received after this date and time or do not



follow the task order submission instructions, may not be considered for review. Proposal submission shall be marked “Confidential” and must include “*Response to BCAP TORP #####*” in the subject line.

One (1) electronic soft copy (PDF) of the proposal is required in addition to the Project Schedule in Microsoft Project 2016 and the Staffing Plan as an Excel file. The electronic soft copy will include all parts of the proposal in one (1) file, i.e., the main content of the proposal and the related attachments. The name of the digital file will include at a minimum, Offeror’s name and date of submission.

All questions regarding the TORP must be emailed to [procurement@usac.org](mailto:procurement@usac.org) no later than **Month/Day, 2024, 11:00 a.m. ET**. Question submission shall be marked “Confidential” and must include “*Questions to BCAP TORP #####*” in the subject line. USAC will only accept written questions regarding this TORP.

USAC plans to release all questions and responses under this TORP on or before **Month/Day, 2024, 5:00 p.m. ET**.

This TORP competition is open to all BCAP contractors.

Responses should be prepared simply and economically, and provide a straightforward and concise explanation of the information requested. Emphasis should be on completeness and clarity.

### **XIII. TASK ORDER EVALUATION**

#### **A. Evaluation Factors**

Award will be made to the responsible Offeror whose proposal represents the best overall value to USAC based on evaluation of the following factors: (1) Task Order Plan; (2) Staffing Plan; and (3) price. When evaluating the price factor, USAC will consider the total Task Order Ceiling Price, as well as the reasonableness and realism of the proposed prices for performance of audits and travel expenses.

#### **B. Task Order Award and Discussions**

USAC intends to evaluate offers and make a single award under this TORP. In addition, USAC may elect to conduct discussions/negotiations prior to award if it determines this to be in the best interest of USAC. Offeror’s initial offer should contain the Offeror’s best terms from a price and technical standpoint. USAC may, in its sole discretion, reject any or all offers; accept other than the lowest offers; modify or cancel this TORP; and waive informalities and minor irregularities in offers received.

#### **C. Debriefing**

USAC will not provide debriefings for Task Order awards.

**APPENDIX A**

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY  
Beneficiary & Contributor Audit Program  
E-Rate Audits – Unrestricted Award Track**

Beneficiaries and Service Providers FRNs are included as a separate file attached to this Task Order request. Data was extracted January 2024 and will be refreshed five (5) days after Contract award.

Entity	Entity Type	Funding Year	Estimated Hours
Example	School District	202_	XXX
Example	School District	202_	XXX
Example	Service Provider	202_	XXX
Example	School District	202_	XXX
Example	Service Provider	202_	XXX
Example	Service Provider	202_	XXX
Example	School District	202_	XXX
Example	Service Provider	202_	XXX
Example	Service Provider	202_	XXX
Example	School District	202_	XXX
Example	Service Provider	202_	XXX

*Note: All terms and acronyms found in this appendix are related to the E-Rate Program and are defined on [www.USAC.org](http://www.USAC.org).*

**APPENDIX B**

**Contractor Price Proposal**

*Appendix B will be added at Task Order award based on Contractor’s proposal. It will include proposed labor categories and corresponding hourly labor rates, estimated hours, estimated Travel Expenses and a total Ceiling Price for Task Order performance.*

Contractor shall use the following table of labor categories, which are described in Contract No. AAD-24-069 (“Contract”) **Attachment 2**, in submitting labor rates and pricing for their proposal. Labor rates provided must be on a fully burdened basis.

<b>Labor Category</b>	<b>Hourly Labor Rates*</b>	<b>Estimated Hours</b>	<b>Total Estimated Cost</b>
<b>Labor Costs</b>			
Partner/Principal Auditing Services			
Director/Senior Manager Auditing Services			
Manager Auditing Services			
Senior Staff Auditing Services			
Junior Staff Auditing Services			
Lead Project Manager			
<b>Total Labor Costs</b>			
<b>Estimated Travel Expenses</b>			
<b>Total Task Order Ceiling Price</b>			

\* Hourly labor rates are based on Contractor’s rates or discounts thereto, for the Contract Initial Term as set forth in Contract Attachment 2.

## APPENDIX C

### UNIVERSAL SERVICE ADMINISTRATIVE COMPANY Beneficiary & Contributor Audit Program

#### E-Rate Beneficiary Limited Scope Audit Program - Example

The E-Rate program limited scope testing procedures, provided as examples only, are included below. USAC provided E-Rate program testing procedures to assist the Contractor in developing its own proprietary E-Rate limited scope audit program. USAC's E-Rate testing procedures are USAC Confidential Information and are subject to the confidentiality provision in the Contract.

FOR EXAMPLE ONLY



## APPENDIX D

### UNIVERSAL SERVICE ADMINISTRATIVE COMPANY Beneficiary & Contributor Audit Program

#### E-Rate Service Provider Limited Scope Audit Program - Example

The E-Rate program limited scope testing procedures, provided as examples only, are included below. USAC provided E-Rate program testing procedures to assist the Contractor in developing its own proprietary E-Rate limited scope audit program. USAC's E-Rate testing procedures are USAC Confidential Information and are subject to the confidentiality provision in the Contract.

FOR EXAMPLE ONLY



**APPENDIX E**

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY  
Beneficiary & Contributor Audit Report Template**

**E-Rate Limited Scope Report Example**

FOR EXAMPLE ONLY

**APPENDIX F**

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**

**##### Staffing Plan Template**

The Staffing Plan for Task Order ##### should be included in the proposal in both hardcopy and as a Microsoft 2016 Excel file. The number of personnel by labor category shall be documented at an audit level with a cumulative budgeted number of hours for the audit [see Figure 1]. The list of personnel assigned to the Task Order will be captured at the Task Order level with labor category and contact information for each individual included [see Figure 2].

**Figure 1. Personnel per Labor Category**

BCAPx Staffing Plan Task Order: XX9999 Audit Firm: [Firm Name]							
	Number of personnel by Labor Category						
Beneficiary	Partner/Principal/Director Auditing Services	Lead Project Manager	Senior Manager Auditing Services	Manager Auditing Service	Senior Staff Auditing Service	Junior Staff Auditing Services	Total Hours Budgeted
ACME School Dist	2	1	2	2	3	4	500
ACME Solutions Inc	1	1	2	3	3	5	500

**Figure 2. Personnel by Labor Category**

BCAPx Staffing Plan Task Order XX999 Audit Firm: [Firm Name]						
First Name	Last Name	Labor Category	Work Phone	Cell Phone	Email	
John	Doe	Lead Project Manager	202-555-1234	202-555-4321	<a href="mailto:jdoe@usac.org">jdoe@usac.org</a>	
Jane	Doe	Partner/Principal/Director Auditing Services	202-555-1235	202-555-4322	<a href="mailto:jdoe@usac.org">jdoe@usac.org</a>	
Nick	Smith	Senior Manager Auditing Services	202-555-1236	202-555-4323	<a href="mailto:nsmith@usac.org">nsmith@usac.org</a>	

The Staffing Plan Template is included as a separate file to this Task Order request in Microsoft 2016 Excel.

## APPENDIX G

### USAC Travel Expenses Policy

In accordance with the terms and conditions in Section C of the Contract, USAC will reimburse Contractor for necessary and reasonable travel expenses incurred by Contractor while performing services that are required by the terms of the Contract (“Travel Expenses”). The Travel Expenses reimbursable under the awarded Task Order are set forth in paragraphs I to IV, below. Contractor 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.

Contractor will only be reimbursed for the most cost-effective means of travel consistent with the circumstances. Contractor shall schedule trips to the same location in the most efficient manner to avoid multiple trips and limit the expense to USAC.

Contractor shall pay for Travel Expenses incurred and may seek reimbursement for Travel Expenses only through submission of a proper invoice in accordance with Section C of the Contract. Contractor shall provide itemized receipts for all Travel Expenses allowed under the Contract. USAC will reimburse Contractor for Travel Expenses only after the expenses have been incurred. The terms of this Travel Expenses Policy apply only to travel in excess of 50 miles from Contractor Staff’s regular place of business (“Non-Local Travel”). USAC will not reimburse any expenses for travel by Contractor Staff to locations within a 50-mile radius of his or her regular place of business (“Local Travel”).

The terms of this Travel Expenses Policy apply to Contractors and their subcontractors, and thus the terms “Contractor” and “Contractor Staff” applies also to subcontractors and subcontractor staff, respectively.

#### I. Transportation

- (A) Air and rail transportation by Contractor Staff, regardless of duration or destination, must be at the lowest practical and available fare. No upgrades from basic (coach) service are reimbursable.
- (B) If Contractor Staff uses a personal vehicle for any travel related to the Contract or any task order awarded under the Contract (if applicable), it is Contractor Staff’s responsibility to be adequately insured.
- (C) Reimbursement for Non-Local Travel 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 (found at <https://www.irs.gov/newsroom/irs-issues-standard-mileage-rates-for-2024-mileage-rate-increases-to-67-cents-a-mile-up-1-point-5-cents-from-2023>) or the total dollar amount for the equivalent commercial transportation fare. If Contractor Staff chooses to use his/her/their 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: Contractor Staff shall use the most reasonable cost rental vehicle that can accommodate Non-Local Travel requirements (i.e., terrain and weather) and the number of occupants. Contractor Staff should rent vehicles from Budget when possible to receive the USAC discount. Whenever possible, economy cars should be used. If a more expensive option is required, an explanation must be attached to the invoice. When on Non-Local Travel

together, Contractor Staff 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 Contractor for insurance on car rentals. It is recommended that Contractor Staff keep all insurance information with them at all times when traveling and renting automobiles. Contractor is responsible for paying the costs associated with accidents and theft involving rental car.
3. EZ-pass and prepaid toll devices may be obtained from the rental car agencies and costs will be reimbursed if related to any travel required under a Contract or a task order issued under a Contract, if applicable.

(E) All transportation expenses over \$75 must be supported by a receipt.

## II. Meals

For authorized Non-Local Travel, Contractor will only be reimbursed for meals and incidental expenses for Contractor Staff identified in the Contract, or an awarded task order issued pursuant to the Contract (if applicable), in accordance with the table below. To determine which row applies for the Non-Local Travel of Contractor Staff, go to [Per diem rates | GSA](#), complete the required information (either the state and city OR zip code of where the Non-Local Travel will be), click “Find Rates”, and review the “Meals & Incidentals (M&IE) rates and breakdown” information.

Meals & Incidental Expenses Total <sup>(1)</sup>	Continental Breakfast / Breakfast <sup>(2)</sup>	Lunch <sup>(2)</sup>	Dinner <sup>(2)</sup>	Incidental Expenses	First and Last Day <sup>(3)</sup>
\$59	\$13	\$15	\$26	\$5	\$44.25
\$64	\$14	\$16	\$29	\$5	\$48.00
\$69	\$16	\$17	\$31	\$5	\$51.75
\$74	\$17	\$18	\$34	\$5	\$55.50
\$79	\$18	\$20	\$36	\$5	\$59.25

1. This column lists the full daily amount that identified Contractor Staff receive for a single calendar day of Non-Local Travel when that day is neither the first nor last day of Non-Local Travel.
2. The separate amounts for breakfast, lunch and dinner listed in the chart are provided should Contractor Staff need to deduct any of those meals from their trip voucher. For example, if Contractor Staff’s trip includes meals that are already paid for by USAC, Contractor Staff will need to deduct those meals from Contractor Staff per diem.
3. This column lists the amount that identified Contractor Staff receive for the first and last calendar day of Non-Local Travel. The first and last calendar day of Non-Local Travel is calculated at 75 percent.

## III. Accommodations

(A) In cases where Non-Local Travel requires an overnight stay, Contractor will be reimbursed for the cost of a single room at the lowest price suitable and appropriate for the business purpose.



Proximity of the hotel to the remote work location should be considered a relevant factor in selecting lodging.

- (B) Contractor will be reimbursed the room charge for internet connection per day provided the internet is used for Services under the Contract and any awarded task order under the Contract (if applicable) purposes only.

#### **IV. Other Expenses**

Contractor 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**

Contractor 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 Contractor Staff on business trips related to the task order.
- (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., pay-per-view movies, concierge and turn-down services, etc.).
- (F) Parking tickets or fines for violation of motor vehicle laws incurred by Contractor Staff.
- (G) Insurance for rental cars.
- (H) Overweight personal baggage in excess of the normal baggage fee charge.
- (I) Transportation between home and the regular work location as well as any personal travel.
- (J) Expenses for entertainment (in-flight movies, headsets, health club facilities, alcohol, tobacco, controlled substances, gift cards or e-gift cards of any kind, flowers or amusement or recreation, such as visiting events with offensive context or nature, nightclubs, theater expenses, sporting events, meals purchased in surroundings not conducive to a business discussion).
- (K) Airline club memberships.
- (L) Airline upgrades.
- (M) Childcare, babysitting, house-sitting, or pet-sitting/kennel charges.
- (N) Costs incurred by traveler’s failure to cancel travel or hotel reservations in a timely fashion.
- (O) Travel accident insurance premiums or purchases of travel insurance.
- (P) Other expenses not directly related to required travel under the Contract or an awarded task order under the contract.

**Attachment 6**

**USAC Beneficiary and Contributor Audit Program (“BCAP”) & Supply Chain Audit Services  
Sample Lifeline Non-Usage Task Order Request for Proposal**

**SOLICITATION INFORMATION**

Method of Solicitation: Task Order Request for Proposal (“TORP”)  
 IDIQ Number: AAD-24-069  
 Task Order Number: #####  
 Task Order Period of Performance: Twelve (12) Months  
 TORP Issue Date: Month/Day, 2024  
 Questions Due Date: Month/Day, 2024 by 11:00 a.m. ET  
 Proposal Due Date: Month/Day, 2024 by 11:00 a.m. ET

**CONTRACT/TASK ORDER TO BE ISSUED BY**

Universal Service Administrative Co.  
 700 12<sup>th</sup> Street, NW, Suite 900  
 Washington, D.C. 20005

**CONTACT INFORMATION**

USAC CONTACT INFORMATION	OFFEROR CONTACT INFORMATION
	(complete) Name: _____ POC: _____ POC Title: _____ POC Phone: _____ POC Email: _____ Address: _____

**OFFEROR SIGNATURE**

\_\_\_\_\_  
 Name and Title

\_\_\_\_\_  
 Date

**TORP #####**

**Under BCAP & Supply Chain Audit Services Contract Number AAD-24-069**

**I. TASK ORDER**

USAC intends to award a single task order (“Task Order”) under the Beneficiary and Contributor Audit Program (“BCAP”) & Supply Chain Audit Services Contract #AAD-24-069 (“Contract”) as the result of this TORP.

Pricing for the work described in this TORP shall be based on Time and Material (“T&M”) with a Not to Exceed (“NTE”) ceiling price in accordance with Contract Section C.8 (“Payment”).

The labor categories and corresponding hourly rates used on the awarded Task Order are based on the hourly rates or discounts thereto, in the Contract Base Year and are set forth in TORP **Appendix B**.

All entities that receive this TORP are referred to as an “Offeror”. The Offeror that is awarded a Task Order pursuant to this TORP is referred to as “Contractor”.

**II. PURPOSE**

USAC is dedicated to achieving universal service. This important principle suggests that all Americans deserve accessible, affordable and pervasive telephone and internet services.

The purpose of this TORP is to obtain the services of a BCAP Contractor to prepare a systems validation study and perform a limited scope performance audit of large nationwide Lifeline program (“Lifeline”) service providers, hereinafter referred to as “Carriers”. Contractor shall perform sufficient testing to determine whether or not the Carriers are compliant with select rules and regulations of the Federal Communications Commission (“FCC”) and Lifeline program requirements (collectively, “Program Rules”) at a “Holding Company” level and provide a conclusion of such. To the extent to which non-compliance exists, identify the root cause(s) of non-compliance and quantify the monetary effect and recommended recovery of such non-compliance. A “Holding Company” for the purposes of this TORP and any awarded Task Order is defined as a parent organization of the Carrier that operates in various states, referenced herein as Study Area Codes (“SACs”). Under the Contract, all Offerors and Contractor have an affirmative obligation to keep this TORP and any awarded Task Order confidential.

USAC may include one (1) or more designated employees, in its sole discretion, to accompany and monitor the performance of Contractor on site visits and/or participate in Carrier interviews required within the scope of the awarded Task Order.

**III. PERIOD OF PERFORMANCE**

Contractor shall complete performance of an awarded Task Order within one (1) year from the effective date of the awarded Task Order. The individual audits shall each be performed within the time period set forth in Contractor’s final project plan (“Final Project Plan”), unless USAC grants an extension for schedule delays that are beyond the reasonable control of Contractor. In the event Contractor becomes aware of the potential for delays on any audit or in performance of the awarded Task Order, Contractor



shall immediately notify USAC in writing of such delay. The notice must set forth the reasons for the delay and the estimated duration of the potential delay. USAC may grant, in its sole discretion, an extension for performance, but such extension will only be effective if reflected in a signed amendment to the awarded Task Order.

#### **IV. PLACE OF PERFORMANCE**

All services provided pursuant to an awarded Task Order must be performed within the United States (including Alaska and Hawaii) or its recognized territories. Contractor shall perform services at its own facilities and, when necessary, at the location of the audited entities identified in **Appendix A**. The project kick-off meeting (described in Section X of this TORP) will be held at USAC's headquarters located at 700 12th Street, N.W., Suite 900, Washington, D.C. 20005 or virtually at USAC's discretion. Occasional meetings may be conducted at USAC's headquarters or at the Federal Communications Commission ("FCC") offices located at 45 L Street NE, Washington, D.C. 20554. USAC shall provide appropriate office space and appropriate access to its computer network for duties performed at USAC headquarters, if necessary. Contractor Staff (as defined in Section C.1.G of the Contract) will be required to sign into 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.

Contractor shall comply with all guidance published by the Safer Federal Workforce Task Force for all Contractor Staff during the Contract Term.

To provide adequate COVID-19 safeguards for USAC employees, Contractor shall ensure that all Contractor Staff that enter USAC premises will comply with USAC's COVID-19 Safety, Quarantine & Isolation Policy.

Nothing in this Section shall excuse noncompliance with any applicable federal, state and local laws establishing more protective safety protocols than those established by this Section.

#### **V. USAC PROGRAM MANAGER & CONTRACT ADMINISTRATOR**

The Program Manager ("PM") for the awarded Task Order is TBD. Contractor may contact the PM via email at TBD@usac.org. The USAC Contract Administrator ("CA") for the awarded Task Order is TBD, who is the USAC point of contact for contractual matters (e.g. task order administration, task order modifications and other matters not related to performance). Contractor may contact the CA via email at TBD@usac.org.

#### **VI. SCOPE OF SERVICES AND DELIVERABLES**

##### **A. Services**

##### **1. General Services**

Contractor shall provide audit services to conduct a systems validation study and perform a limited scope audit of \_\_\_\_ ( ) Lifeline service providers. The systems validation study



and audit shall be designed to identify any waste, fraud, abuse or non-compliance with select “FCC Rules” (as defined in Section B.X.A.3 of this TORP) and regulations related to the Lifeline program, including those set forth in C.F.R. Title 47, Part 54, Subpart E (collectively, “Program Rules”). Contractor shall prepare all reports, in accordance, with the terms of this TORP, an awarded Task Order, the Contract, and *Generally Accepted Government Auditing Standards* (“GAGAS”) issued by the Comptroller General of the United States (July 2018, as amended).

## 2. Audit Scope

Pursuant to 47 C.F.R. § 54.407(c), after service activation, an eligible telecommunications carrier shall only continue to receive universal service support reimbursement for such Lifeline service provided to subscribers who have used the service within the last thirty (30) days, or who have cured their non-usage as provided for in 47 C.F.R. [§ 54.405\(e\)\(3\)](#)<sup>1</sup>. Any of these activities, if undertaken by the subscriber, will establish “usage” of the Lifeline service:

- (i) Completion of an outbound call or usage of data;
- (ii) Purchase of minutes or data from the eligible telecommunications carrier to add to the subscriber's service plan;
- (iii) Answering an incoming call from a party other than the eligible telecommunications carrier or the eligible telecommunications carrier's agent or representative;
- (iv) Responding to direct contact from the eligible communications carrier and confirming that he or she wants to continue receiving Lifeline service; or
- (v) Sending a text message.

Further, pursuant to 47 C.F.R. § 54.405(e)(3), if a Lifeline subscriber fails to use, as “usage” is defined in 47 C.F.R. [§ 54.407\(c\)\(2\)](#), for 30 consecutive days a Lifeline service that does not require the Carrier to assess and collect a monthly fee from its subscribers, a Carrier must provide the subscriber fifteen (15) days' notice, using clear, easily understood language, that the subscriber's failure to use the Lifeline service within the 15-day notice period will result in service termination for non-usage under this paragraph. Carriers shall report to the FCC annually the number of subscribers de-enrolled for non-usage under this paragraph. This de-enrollment information must be reported by month and must be submitted to the FCC at the time a Carrier submits its annual certification report pursuant to 47 C.F.R. [§ 54.416](#).

The scope of the audit must include an examination into the adequacy of the Carriers’ processes and systems to properly identify, track, address, and report non-usage activities to demonstrate compliance with the non-usage requirements for Lifeline subscribers claimed for Month/Year to Month/Year.

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<sup>1</sup> *Bridging the Digital Divide for Low-Income Consumers*, WC Docket No. 11-42, Fifth Report and Order, 34 FCC Rcd. 108886, 10937, paras. 115 – 124 (2019) (2019 Lifeline Order)



Contractor shall at a minimum, include the following areas of study within the audit services requested:

- (1) perform a walk-through of Carrier systems that originate and process usage events from start-to-end for all types of Lifeline subscribers;
- (2) perform a walk-through of Carrier billing systems and any automated and/ other systems or applications used to identify and track usage events to document the process and business rules in effect to record usage;
- (3) review Carrier's processes and procedures for identifying non-usage;
- (4) determine if Carrier has adopted adequate safeguards to prevent non-usage errors;
- (5) conduct system validations to ascertain the sufficiency of Carrier system controls and data integrity;
- (6) conduct substantive testing to confirm whether the process was working as described during the walkthroughs and validate the accuracy of the number of subscribers claimed by the Carrier by confirming with physical evidence of subscribers' usage activities whether the subscriber had qualified usage in accordance with FCC Rules; and if not, whether the carrier took the appropriate steps (e.g., de-enrolled subscriber if non-usage was not cured within the specified timeframe); and
- (7) quantify any non-usage findings.

## **B. Task Order Deliverables**

For the awarded Task Order, Contractor shall provide the following Deliverables (as defined in Section C.1.I of the Contract):

### **1. Conflict of Interest Statement**

Contractor shall identify any actual 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 an awarded Task Order, or provide a statement that no such conflict of interest or appearance issues are known to exist. If Contractor identifies any actual 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 an awarded Task Order, Contractor shall provide USAC a detailed proposal on how Contractor intends to avoid, neutralize, or mitigate the actual or potential conflict of interest with the submission of the TORP proposal.

### **2. Draft and Final Project Plan**

Contractor shall submit a draft project plan ("Draft Project Plan") within ten (10) business days of the effective date of the awarded Task Order, which shall be substantially the same as the project schedule (as described in Section XI.D of this TORP) ("Project Schedule") submitted with Contractor's task order proposal. The Draft Project Plan will include, at minimum, the tasks that accurately reflect the level of effort to perform walk-throughs and



document the Carrier processes and systems: test automated components for all Lifeline usage activities that flow through automated systems, including billing systems; and validate usage by substantive testing of physical evidence of subscribers' qualifying usage activities. The Final Project Plan must consider whether the results of the Study (as defined in Section B.VI.4) warrants changes to the audit approach and thus, the project plan. The Final Project Plan must be provided within ten (10) business days following USAC's approval of the Study report.

Both the Draft Project Plan and the Final Project Plan should include the Project Schedule in Microsoft Project 2016, which 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 plan. Contractor shall not deviate from the Final Project Plan in any manner that could impact the Task Order schedule, performance, or costs, unless USAC, in its sole discretion, gives prior written approval in the form of a signed amendment to the awarded Task Order.

### **3. Final Staffing Plan**

Contractor shall submit a final staffing plan ("Final Staffing Plan") within ten (10) business days after the effective date of the awarded Task Order. The Final Staffing Plan shall be substantially the same as the plan submitted with Contractor's proposal; however, the "Key Personnel" (as defined in Section C.1.N of the Contract), staffing and hourly rates must be the same as the staffing plan submitted with the Contractor's task order proposal ("Staffing Plan"). The Final Staffing Plan shall identify the labor categories assigned to an awarded Task Order as well as the names of personnel assigned to each labor category; the labor categories assigned to each audit, and the estimated number of hours per labor category for each audit. Contractor may submit requests to USAC to revise the Final Staffing Plan after consideration of the Study (as defined in Section B.VI.4) within ten (10) business days following USAC's approval of the systems validation study report along with the Final Project Plan.

Contractor shall provide trained and experienced personnel who meet the minimum qualifications listed in the position descriptions set forth in the Contract, Attachment 1.A. Contractor shall certify in writing to USAC that all personnel assigned to the awarded Task Order are trained on the Program Rules before commencing the performance of any audit services on the awarded Task Order.

### **4. Carrier Process and Systems Validation Study (Phase I)**

The Carrier Process and Systems Validation Study ("Study") shall communicate the information captured to accomplish the key objectives listed in Section VI.A.2 (1-5) above. This document shall include at a minimum: a clear definition of the work performed within the Study, the technical approach to answer the business questions stated in Section VI.A.2 above, an analysis of systems related to usage, and an explanation of how the results of the study will impact the substantive testing. Contractor shall use diagrams and illustrations, where applicable, to clearly document the system architecture and platforms, and the business processes under study.



Contractor shall submit the Study to USAC sixty (60) business days after audit announcement. USAC review and approval of the Study shall be provided within ten (10) business days after receipt of the document. The Study must be approved before the audit firm commences Phase II (described below). The information gathered during the Study may result in changes to the Final Project Plan and Final Staffing Plan, which will be introduced in the form of an amendment to the awarded Task Order that is mutually agreed upon between the Contractor and USAC.

#### **5. Limited Scope Performance Audit (Substantive Testing – Phase II)**

Contractor shall perform substantive testing and document: (1) to confirm the accuracy of Carriers' Lifeline claims to USAC by confirming that only included subscribers with valid usage for the audit period as listed in Section VI.A.2 (6-7); and (2) identify and quantify all findings that result from the systems validation study and/or substantive testing.

The "Draft Audit Report" (as described in this paragraph and Section VI.B.9. of this TORP) shall communicate the information captured to accomplish the key objectives listed in Section VI.A.2 above. This document shall include at a minimum: a clear definition of the procedures within the audit, the technical approach to answer the business questions stated in Section VI.A.2 above, an analysis of systems related to usage, and quantifications of the monetary impact of any findings identified.

Contractor shall submit the Draft Audit Report to USAC within one hundred eighty (180) business days after submission of the Study. USAC review and approval of the audit report shall be provided within ten (10) business days after receipt of the document. The information gathered during the Study may result in changes to the Final Project Plan and Final Staffing Plan, which will be introduced in the form of an amendment to this Task Order that is mutually agreed upon between Contractor and USAC.

#### **6. Draft and Final Audit Procedures**

Contractor shall develop both a draft and final limited scope Lifeline audit procedures (Draft Audit Program and "Final Audit Program" -- as described in Section VI.B.9. of this TORP) that includes, but is not limited to, the testing procedures and audit steps Contractor will follow in conducting the audit, including planning, fieldwork, and preparation of the audit report. The Draft Audit Program shall include at a minimum, the procedures required to test compliance and satisfy the requirements outlined in the audit scope (Section VI.A.2). The Final Audit Program must include any revisions necessary to the Draft Audit Program to test the issues identified in the approved Study. USAC will collaborate with Contractor to finalize such Final Audit Program.

Each testing procedure specified in both the Draft and Final Audit Program shall be annotated with the FCC rule(s) that is/are applicable to the test. Both the Draft Audit Program and the Final Audit Program will be subject to USAC's review and approval and the Final Audit Program will be finalized with agreement between Contractor and USAC. The audit will be conducted in accordance with GAGAS and in adherence to the Contractor's Lifeline Audit Program approved by USAC in connection with performance of the awarded Task Order.



Contractor shall submit the Draft Audit Program no later than ten (10) business days after completion of the USAC provided training (see Section X.A of this TORP) or the Task Order Effective Date if Lifeline training is not conducted based on Contractor Lifeline experience. The Contractor shall submit the Final Audit Program no later than ten (10) business days after approval of the Study.

## 7. Sampling Methodology

Contractor shall develop and deliver a “Sampling Methodology” that satisfies the sampling requirements for the testing described within Section VI.A of this TORP. The Sampling Methodology will be inclusive of the design of the statistically valid samples and other random samples required in performing the related tests. The sample design shall support a ninety percent (90%) confidence level and the sample size shall be large enough for Contractor to conclude if the carrier is in compliance with FCC rules at the Holding Company level and confirm the results of the Study. The same Sampling Methodology shall be applied across each Carrier to maintain consistency.

Contractor shall describe at a minimum: the sampling methodology; population, margin of error; items to be sampled, e.g. subscribers, addresses; selective sampling items, e.g., locations that include ten (10) or more subscribers; and final sample size (to be provided for each carrier after the sample is selected). In addition, any assumptions made in developing the sampling design should be clearly stated. The Sampling Methodology shall be delivered to USAC no later than ten (10) business days after completion of the USAC approval of the Final Audit Program. The Sampling Methodology must be approved by USAC prior to the sample selection.

## 8. Draft and Final Study

Contractor shall prepare and deliver a draft and final Study for each audit assigned in the awarded Task Order in accordance with the requirements and procedures set forth below.

- 1) Study Format. Contractor shall work with USAC to develop a standardized tech Study report template. Contractor may use its own content and format preferences for the introductory and summary portions of its proposed template; however, at minimum, the study shall include the following: (1) procedures performed, (2) identification of systems used related to usage, (3) business rules related to usage, (3) descriptions of key usage related processes, (4) technology study observations, (5) audit completion approach, and (6) an acronym appendix.
- 2) Study Delivery. Contractor shall submit the draft Study via a USAC web-based portal no later than sixty (60) days after audit announcement. Contractor will be permitted to share the information included in the validation Study for a confirmation of facts; however, any written findings associated with the technology study should not be shared with the beneficiary of Lifeline (“Beneficiary”) until the draft report is approved by USAC. Receipt of this Study 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 USAC review cycle. Contractor shall respond to all feedback and comment and prepare a final version of the Study as needed.

## 9. Draft and Final Audit Reports (Reporting Requirements)

- 1) Standard Audit 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 Audit Reports and "Final Audit Reports" (as described in Section VI.B.9 (3)) shall be prepared using the USAC-approved template (using Microsoft Word). 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 and supporting work papers 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. The 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 Audit 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) Supporting Documentation. Contractor shall submit the Draft Audit Report to USAC, along with supporting documentation (work papers) to support the Draft Audit Report, via a web-based portal provided by USAC. Receipt of the Draft Audit Report and work papers will initiate the USAC internal and FCC reviews. The review cycle will be managed via workflows inherent in the USAC BCAP SharePoint site, and Contractor will receive feedback and comment throughout the review cycle from the reviewers and electronic notifications from the SharePoint platform when a review is completed. Contractor will respond to all feedback and comment within five (5) business days and prepare a revised version of the report as needed.
- 5) Recovery Documentation. Contractor shall prepare and submit the recovery data for each finding noted in the Draft Audit Report along with the Final Audit Report to USAC. The recovery documentation must display the subscribers and claims for the specific months in error for each finding.



- 6) Release of Draft Audit Report. USAC shall approve the release of the Draft Audit Report after internal and FCC reviews are completed and the reviewers receive satisfactory responses to their feedback and comments.
- 7) 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 the awarded Task Order.
- 8) Ownership. All Draft Audit Reports and Final Audit Reports shall be the sole property of USAC, and USAC has sole authority to distribute the Final Audit Report to appropriate parties, including the FCC and USAC's Board of Directors. Contractor will release the Final Audit Report to the audited entity upon notification from USAC.
- 9) Record Retention. Contractor shall maintain copies of all work papers prepared in the course of each audit for a period of ten (10) 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.

## 10. Weekly Status Reports

Contractor shall prepare a weekly status report ("Weekly Status Report") and submit to USAC each Monday by 12:00 p.m. ET. The Weekly Status Report will follow a Microsoft 2016 Excel workbook template provided by the USAC PM and include the current status of the assigned audits, percentage of completion, personnel changes, issues affecting Task Order progress, and potential findings. The Weekly Status Report is the basis of the bi-weekly status meeting discussion described in Section X.B. of this TORP.

## 11. Project Management Deliverables

Contractor shall provide Task Order project management support as required by Section B.9.E of the Contract, including preparation and submission of Weekly Status Reports, the Draft Project Plans, the Final Project Plans, the Final (and revised, if necessary) Staffing Plan, the Draft and Final Lifeline audit procedures, audit announcement packages, entrance conference decks, and sample selections. In addition, Contractor shall respond to informational requests for USAC to manage and report audit progress to USAC leadership and the FCC. Contractor lead project manager shall manage and track all events identified in this Task Order to successfully complete the technology studies and audits in one (1) year and shall be responsible for updating the project and staffing plans as needed and communicating all changes to USAC.

All Deliverables, including Weekly Status Reports, are considered Confidential Information (see Section C.16 of the Contract) and are the sole property of USAC. USAC may use and disclose the Deliverables at its sole discretion.

Contractor shall save all Deliverables on the USAC BCAP SharePoint site in a designated location.





## 12. 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 an awarded Task Order.

## 13. Task Order Close-Out

Contractor will complete Task Order close-out activities after receiving notification that USAC released the Final Audit Report for all audits specified in **Appendix A** of the TORP. Contractor will provide the USAC PM the following artifacts to conclude the execution of the awarded Task Order:

- 1) A management closeout memo within ten (10) business days after Contractor receives USAC notification.

The purpose of the closeout memo is to transfer knowledge gained during the performance of the audit services, interactions with USAC team members, and report schedule and cost variances that directly affected the execution of the awarded Task Order. The closeout memo is a lessons learned exercise to assist in the planning and execution of future task orders.

- 2) The final Weekly Status Report within five (5) business days after Contractor receives USAC notification to show all audits are complete.
- 3) Contractor confirmation within ten (10) business days after receipt of USAC notification that all work papers associated to each audit listed in **Appendix A** were saved on BCAP SharePoint.
- 4) The final invoice within thirty (30) calendar days of an awarded Task Order completion.

## 14. 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 the awarded Task Order. A detailed description of the suspected waste, fraud or abuse activity must be included with the notification. Notice shall be given orally and in writing to:

Teleshia Delmar, Vice President of Audit & Assurance Division  
USAC  
700 12<sup>th</sup> Street, N.W., Suite 900  
Washington, D.C. 20005  
202-776-0200  
Email: [Teleshia.Delmar@usac.org](mailto:Teleshia.Delmar@usac.org)

**VII. KEY PERSONNEL & LABOR CATEGORIES**

Contractor shall identify the Key Personnel who will be assigned to the awarded Task Order. Key Personnel identified in the proposal shall include the: (1) Partner/Principal of Auditing Services (2) Director/Senior Manager(s) of Auditing Services; (3) Manager(s) of Auditing Services; (4) Telecommunications Engineer; (5) IT Auditor; and (6) Lead Project Manager. USAC does not require Contractor to propose Telecommunications Engineer as Key Personnel. Contractor shall determine which Key Personnel positions are required to perform the audit services requested in this TORP and include these positions in the proposed Staffing Plan. Contractor shall provide a resume (one (1) page maximum) that includes job experience and skills to communicate the qualifications of the Key Personnel included in the Staffing Plan.

Key Personnel must meet all required qualifications and be available for Contract performance at the time of Task Order award. Contractor can propose, if necessary, additional Key Personnel as required to ensure adherence to all services and activities outlined in the Task Order. When Task Order Key Personnel are changed, Contractor must notify USAC within five (5) days of the addition and/or removal of the relevant individual(s). Contractor must provide USAC a resume for the additional individual(s) or the replacement(s) for approval before the change in personnel occurs.

**VIII. TRAVEL**

Contractor Staff may be required to travel to USAC for training and to the Beneficiary locations to perform on-site fieldwork. USAC will pay Contractor the hourly rates set forth in **Appendix B** for services performed in accordance with the requirements of this TORP and the Contract. USAC will reimburse Contractor for reasonable and necessary “Travel Expenses” (as defined in **Appendix D** of this TORP) provided Contractor complies with the USAC Travel Expenses Policy set forth in **Appendix D** of this TORP. In accordance with Section C.8 of the Contract, USAC is not obligated to make any payments to Contractor, including labor charges and/or reimbursement of travel expenses, in excess of the Task Order Ceiling Price set forth in **Appendix B** of this TORP.

**IX. MONTH END ACCRUAL AND INVOICE SCHEDULE**

**A. Month End Accrual.** Contractor shall provide a month end accrual by the third (3<sup>rd</sup>) business day of each month to [accounting@usac.org](mailto: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: #####                      Month: *month***

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

**B. Month End Invoice.** Contractor shall provide a monthly invoice by the eighteenth (18<sup>th</sup>) business day of each month by emailing the invoice to [bcap@usac.org](mailto:bcap@usac.org), [Claire.Luton@usac.org](mailto:Claire.Luton@usac.org) and [Kianna.Braxton-Johnson@usac.org](mailto:Kianna.Braxton-Johnson@usac.org) and either through the Coupa interface or emailing the



invoice to [invoices@usac.coupahost.com](mailto:invoices@usac.coupahost.com). The invoice will be formatted as a Microsoft Excel workbook and follow the template provided by the USAC PM.

The invoice will include:

1. Labor hours expended. The labor hour details shall include the employee name, labor category, hourly labor rate, and total number of labor hours expended. *Note:* the employee name and labor category must match the name and category included in the Final Staffing Plan.
2. Travel expense incurred. Travel expense documentation shall include supporting receipts for travel costs as required by the USAC Travel Expenses Policy. Contractor will save all travel expense documentation in the appropriate folder on BCAP SharePoint.

**C. Final Invoice.** Contractor shall submit a final invoice within thirty (30) calendar days after the end of the Task Order term.

## X. COMMUNICATION

### A. Project Kick-off Meeting and Training

- 1) A project kick-off meeting and Lifeline program training shall be held at USAC's offices in Washington, D.C. or virtually, at USAC's discretion. USAC will communicate the exact location of the kick-off meeting and training, and the scheduled dates, within one (1) week after the effective date of the awarded Task Order. USAC will conduct the kick-off meeting and training no later than ten (10) business days after the effective date of the awarded Task Order.
- 2) The project kick-off meeting shall provide the forum to discuss technical and business questions, project roles and responsibilities of the respective parties, and any project communications.
- 3) USAC training will be comprised of three (3) elements: (1) overview of FCC regulations, orders and directive governing the Lifeline Support Mechanism, set forth in 47 C.F.R. Part 54, as well as other program requirements (collectively, "the FCC Rules"), the FCC Forms that are required to be completed and certified by Lifeline program applicants; (2) examples of testing procedures to identify areas of non-compliance with program rules and amounts of recoverable funds; and (3) Task Order Deliverables and related tools.
- 4) The training will extend over one and a half (1.5) consecutive business days.
- 5) The kick-off meeting and Lifeline program training shall be conducted the first (1<sup>st</sup>) day, and task order Deliverables and tools will be covered the morning of the second (2<sup>nd</sup>) day.
- 6) Contractor Key Personnel and senior staff auditors shall attend the full Lifeline training. Only Key Personnel directly responsible for managing the Task Order and creating Deliverables are required to attend the training on Deliverables and tools.
- 7) USAC will not provide training on GAGAS. Contractor Staff must have pre-existing knowledge of GAGAS and experience in performing GAGAS-compliant audits.



**Training Qualification:** The Lifeline training will be conducted only when the selected Contractor requires training on the Lifeline program rules and audit procedures. USAC will make the determination if Contractor requires training and when the training will occur.

#### **B. Bi-Weekly Status Meetings**

- 1) During performance of an awarded Task Order, Contractor Staff shall communicate on a regular basis with the USAC PM, and when requested, with the USAC CA.
- 2) Contractor Staff shall attend status meetings with USAC staff to discuss project status and progress, budget management, impediments and potential audit findings.
- 3) Bi-weekly status meetings will be held by teleconference unless USAC expressly requests the physical presence of Contractor Staff at the meeting.
- 4) Contractor Weekly Status Report will be the basis for the status meeting discussion.

#### **C. Management Presentations**

Contractor shall be available to prepare and present its work product to varying USAC governing bodies, such as the USAC Board of Directors and FCC. Contractor will prepare a presentation and select Key Personnel will be present at the scheduled meeting in the Washington, D.C. area. USAC will notify Contractor within a reasonable lead time of the date of the meeting and the materials to be presented.

#### **D. Communication**

Contractor shall be reasonably available and accessible via email or telephone during USAC's normal business hours, Monday through Friday (9:00 a.m. – 6:00 p.m. ET). When necessary, USAC may need to communicate with Contractor outside of these hours to ensure the progress of the awarded Task Order is not impeded.

### **XI. TASK ORDER PROPOSAL CONTENT**

Any proposal that fails to comply in all respects with the following preparation and submission requirements may be rejected.

#### **A. General**

Each proposal must contain a cover page. The cover page shall include the name of Offeror's organization, Offeror's contact name, address, telephone number, facsimile number, e-mail address, website address, date, a statement verifying the proposal is valid for a period of ninety (90) days, and signature of an authorized representative. The proposal must include a statement regarding any actual or potential conflicts of interest along with a detailed proposal on how Offeror intends to avoid, neutralize, or mitigate the actual or potential conflict of interest or provide a statement that no such conflict of interest or appearance issues are known to exist.



## **B. Key Personnel**

Offeror shall identify the Key Personnel who will be assigned to the awarded Task Order. Key Personnel identified in the proposal shall include the: (1) Partner/Principal of Auditing Services; (2) Director/Senior Manager(s) of Auditing Services; (3) Manager(s) of Auditing Services; and (4) Telecommunications Engineer; (5) IT Auditor; and (6) Lead Project Manager. Offeror shall provide a resume (one (1) page maximum) for each individual. The resume should include job experience and skills to support the qualifications to perform the requested Services.

## **C. Draft Staffing Plan**

Offeror shall submit a Draft Staffing Plan with the information described in Section VI.B.3 above. This plan shall be submitted in a Microsoft 2016 Excel workbook using the template provided in **Appendix C**. In addition, Offeror shall include in the proposal an organizational chart that represents the reporting hierarchy of the Key Personnel and the audit team(s). Offeror shall use the labor categories listed in the position descriptions set forth in Section IX.C of this TORP and Attachment 1 of the Contract, when describing their Draft Staffing Plan.

Contractor shall include an IT auditor and may optionally include a telecommunication engineer in the draft staffing plan. Proposed personnel must have the skills and experience to satisfy the scope and work requested. USAC encourages teaming agreements, if required. In the event of teaming arrangements, Contractor will confirm that the proposed teaming partners do not have conflicts of interest.

## **D. Draft Task Order Plan**

Offeror shall submit a draft Task Order Plan to describe how the Offeror plans to manage the resources and audit work identified in the awarded Task Order (“Task Order Plan”).

The Task Order Plan shall include: (1) a high level overview of the Offeror-proposed strategy for successful completion of the audits within the one (1) year term of the awarded Task Order; and (2) technical approach to evaluate usage and billing processes and systems; (3) a Project Schedule in the form of a Gantt chart that includes milestones, duration, and resources for successful execution of the awarded Task Order.

Offeror shall submit the draft Project Schedule in soft copy using Microsoft Project 2016 in addition to a hard copy included within the proposal. The Project Schedule must include and take into account the following items:

1. The milestones for both the Study and the limited scope performance audit as presented as a Gantt chart.
2. The five (5) milestones listed below with the start/end dates in addition to the resources assigned to conduct the work. Resources shall be quantified by labor category.
  - a. Planning;
  - b. Announcement;



- c. System Analysis;
  - d. Draft Study; and
  - e. Final Study.
3. The audit announcement date five (5) days after the project kick-off meeting. USAC will review and approve the audit announcement letter.
  4. The Study must start no later than four (4) weeks after the audit is announced.
  5. Travel shall be specified with an estimated duration of each site-visit.
  6. The four milestones for the limited scope performance audit listed below with the start/end dates in addition to the resources assigned to conduct the work. Resources shall be quantified by labor category.
    - a. Planning;
    - b. Fieldwork;
    - c. Draft Audit Report; and
    - d. Final Audit Report
  7. Project Schedule start date should be Month/Day, 2024 for purposes of anchoring the Draft Project Plan. The Final project plan will be based off of the approval date of USAC's approval of the Study.
  8. All audits must be announced before Month/Day, 2024 barring any USAC/FCC delays.
  9. The draft Study will be subject to USAC and FCC internal reviews, and may incur rework based on USAC and/or FCC comments.

*Note: When estimating the report review milestone dates, Contractor shall consider that the review process could take thirty (30) days.*
  10. The final Study shall be delivered to USAC no later than ten (10) days after receiving USAC approval to finalize the Study.
  11. The Draft Audit Report will be subject to USAC and FCC internal reviews, and may incur rework based on USAC and/or FCC comment.

*Note: When estimating the report review milestone dates, Contractor shall consider that the review process could take ninety (90) days.*
  12. The Final Audit Report shall be delivered to USAC no later than ten (10) days after receiving USAC approval to finalize the Final Audit Report.

#### **E. Estimated Price**

Using **Appendix B**, Offeror shall include proposed labor categories and corresponding hourly labor rates, estimated hours, estimated Travel Expenses and a total Task Order Ceiling Price for the awarded Task Order performance.

## XII. TASK ORDER PROPOSAL SUBMISSION INSTRUCTIONS

Any proposal that fails to comply in all respects with the following preparation and submission requirements may be rejected.

### A. Presentation and Page Limitation

**Volume I – Technical Proposal:** The technical proposal shall not exceed five (5) pages exclusive of the cover page, table of contents, disclosure page, and divider pages. Attachments shall not exceed fifteen (15) pages and shall include at a minimum the resumes for Key Personnel, draft Project Schedule and Draft Staffing Plan. In total, the technical proposal shall not exceed twenty (20) pages including all attachments.

1. Proposals must be prepared using Times New Roman font. All text except for diagrams, tables, and charts must be presented in twelve (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 nine (9) point.
2. 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.
3. 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.
4. 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.
5. The Project Schedule must be submitted as a Microsoft Project 2016 file.
6. The Staffing Plan must be formatted as presented in the template provided as an attachment to the Task Order and submitted as a Microsoft 2016 Excel file.
7. The font color used to label column headings must be bolded and a contrasting color from the background color to clearly display headings.

**Volume II – Price Proposal:** The price proposal shall not exceed three (3) pages including the cover page but excluding the table of contents, disclosure page, and divider pages.

### B. Proposal Submission

Task Order proposals must be submitted to [procurement@usac.org](mailto:procurement@usac.org) no later than **Month/Day, 2024, 11:00 a.m. Eastern Time (ET)**. Proposals received after this date and time or do not follow the task order submission instructions, may not be considered for review. Proposal submission shall be marked “Confidential” and must include “**Response to BCAP TORP #####**” in the subject line.

One electronic soft copy (PDF) of the proposal is required in addition to the Project Schedule in Microsoft Project 2016 and the Staffing Plan as an Excel file. The electronic soft copy will include all parts of the proposal in one file, i.e., the main content of the proposal and the related



attachments. The name of the digital file will include at a minimum, Offeror's name and date of submission.

All questions regarding the TORP must be emailed to [procurement@usac.org](mailto:procurement@usac.org) no later than **Month/Day, 2024, 11:00 a.m. ET**. Question submission shall be marked "Confidential" and must include "*Questions to BCAP TORP #####*" in the subject line. USAC will only accept written questions regarding this TORP.

USAC plans to release all questions and responses under this TORP on or before **Month/Day, 2024, 5:00 PM ET**.

This TORP competition is open to all BCAP contractors.

Responses should be prepared simply and economically, and provide a straightforward and concise explanation of the information requested. Emphasis should be on completeness and clarity.

### **XIII. TASK ORDER EVALUATION**

#### **A. Evaluation Factors**

Award will be made to the responsible BCAP Contractor whose proposal represents the best overall value to USAC based on evaluation of the following factors: (1) Task Order Plan; (2) Draft Staffing Plan; and (3) price. When evaluating the price factor, USAC will consider the total Task Order Ceiling Price, set forth in Attachment B of this TORP, as well as the reasonableness and realism of the proposed prices for performance of audits and travel expenses.

#### **B. Task Order Award and Discussions**

USAC intends to evaluate offers and make a single award under this TORP. In addition, USAC may elect to conduct discussions/negotiations prior to award if it determines this to be in the best interest of USAC. Offeror's initial offer should contain the Offeror's best terms from a price and technical standpoint. USAC may, in its sole discretion, reject any or all offers; accept other than the lowest offers; modify or cancel this TORP; and waive informalities and minor irregularities in offers received.

#### **C. Debriefing**

USAC will not provide debriefings for Task Order awards.





**APPENDIX A**

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY  
Beneficiary & Contributor Audit Program**

**Lifeline Audits – Unrestricted Award Track**

<b>Entity</b>	<b>SAC</b>	<b>Funding Year</b>	<b>Total Disbursements</b>
Sample	000000, 000000	January 20__ - December 20__	\$XXXXXX
Sample	000000, 000000	January 20__ - December 20__	\$XXXXXX

*Note: All terms and acronyms found in this appendix are related to the Lifeline program and are defined on [www.USAC.org](http://www.USAC.org).*

FOR EXAMPLE ONLY

**APPENDIX B**

**Contractor Price Proposal**

*Appendix B will be added at Task Order award based on Contractor’s proposal. It will include proposed labor categories and corresponding hourly labor rates, estimated hours, estimated Travel Expenses and a total Ceiling Price for Task Order performance.*

Contractor shall use the following table of labor categories, which are described in Contract No. AAD-24-069 (“Contract”) **Attachment 1**, in submitting labor rates and pricing for their proposal. Labor rates provided must be on a fully burdened basis.

<b>Labor Category</b>	<b>Hourly Labor Rates*</b>	<b>Estimated Hours</b>	<b>Total Estimated Cost</b>
<b>Labor Costs</b>			
Partner/Principal Auditing Services			
Director/Senior Manager Auditing Services			
Manager Auditing Services			
Senior Staff Auditing Services			
Junior Staff Auditing Services			
Lead Project Manager			
Telecommunications Engineer			
IT Auditor			
<b>Total Labor Costs</b>			
<b>Estimated Travel Expenses</b>			
<b>Total Task Order Ceiling Price</b>			

\* Hourly labor rates are based on Contractor’s rates or discounts thereto, for the Contract Initial Term as set forth in Contract Attachment 2.

APPENDIX C

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

##### Staffing Plan Template

The Staffing Plan for Task Order ##### should be included in the proposal in both hardcopy and as a Microsoft 2016 Excel file. The number of personnel by labor category shall be documented at an audit level with a cumulative budgeted number of hours for the audit [see Figure 1]. The list of personnel assigned to the Task Order will be captured at the Task Order level with labor category and contact information for each individual included [see Figure 2].

Figure 1. Personnel per Labor Category

BCAPx Staffing Plan Task Order: XX9999 Audit Firm: [Firm Name]							
Beneficiary	Number of personnel by Labor Category						Total Hours Budgeted
	Partner/Principal/Director Auditing Services	Lead Project Manager	Senior Manager Auditing Services	Manager Auditing Service	Senior Staff Auditing Service	Junior Staff Auditing Services	
ACME School Dist	2	1	2	2	3	4	500
ACME Solutions Inc	1	1	2	3	3	5	500

Figure 2. Personnel by Labor Category

BCAPx Staffing Plan Task Order XX999 Audit Firm: [Firm Name]					
First Name	Last Name	Labor Category	Work Phone	Cell Phone	Email
John	Doe	Lead Project Manager	202-555-1234	202-555-4321	<a href="mailto:jdoe@usac.org">jdoe@usac.org</a>
Jane	Doe	Partner/Principal/Director Auditing Services	202-555-1235	202-555-4322	<a href="mailto:jdoe@usac.org">jdoe@usac.org</a>
Nick	Smith	Senior Manager Auditing Services	202-555-1236	202-555-4323	<a href="mailto:nsmith@usac.org">nsmith@usac.org</a>

The Staffing Plan Template is included as a separate file to this Task Order request in Microsoft 2016 Excel.

## APPENDIX D

### USAC Travel Expenses Policy

In accordance with the terms and conditions in Section C of the Contract, USAC will reimburse Contractor for necessary and reasonable travel expenses incurred by Contractor while performing services that are required by the terms of the Contract (“Travel Expenses”). The Travel Expenses reimbursable under the awarded Task Order are set forth in paragraphs I to IV, below. Contractor 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.

Contractor will only be reimbursed for the most cost-effective means of travel consistent with the circumstances. Contractor shall schedule trips to the same location in the most efficient manner to avoid multiple trips and limit the expense to USAC.

Contractor shall pay for Travel Expenses incurred and may seek reimbursement for Travel Expenses only through submission of a proper invoice in accordance with Section C of the Contract. Contractor shall provide itemized receipts for all Travel Expenses allowed under the Contract. USAC will reimburse Contractor for Travel Expenses only after the expenses have been incurred. The terms of this Travel Expenses Policy apply only to travel in excess of 50 miles from Contractor Staff’s regular place of business (“Non-Local Travel”). USAC will not reimburse any expenses for travel by Contractor Staff to locations within a 50-mile radius of his or her regular place of business (“Local Travel”).

The terms of this Travel Expenses Policy apply to Contractors and their subcontractors, and thus the terms “Contractor” and “Contractor Staff” applies also to subcontractors and subcontractor staff respectively.

#### I. Transportation

- (A) Air and rail transportation by Contractor Staff, regardless of duration or destination, must be at the lowest practical and available fare. No upgrades from basic (coach) service are reimbursable.
- (B) If Contractor Staff uses a personal vehicle for any travel related to the Contract or any task order awarded under the Contract (if applicable), it is Contractor Staff’s responsibility to be adequately insured.
- (C) Reimbursement for Non-Local Travel 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 (found at <https://www.irs.gov/newsroom/irs-issues-standard-mileage-rates-for-2024-mileage-rate-increases-to-67-cents-a-mile-up-1-point-5-cents-from-2023>) or the total dollar amount for the equivalent commercial transportation fare. If Contractor Staff chooses to use his/her/their 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: Contractor Staff shall use the most reasonable cost rental vehicle that can accommodate Non-Local Travel requirements (i.e., terrain and weather) and the number of occupants. Contractor Staff should rent vehicles from Budget when possible to receive the USAC discount. Whenever possible, economy cars should be used. If a more expensive option is required, an explanation must be attached to the invoice. When on Non-Local Travel

together, Contractor Staff 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 Contractor for insurance on car rentals. It is recommended that Contractor Staff keep all insurance information with them at all times when traveling and renting automobiles. Contractor is responsible for paying the costs associated with accidents and theft involving rental car.
3. EZ-pass and prepaid toll devices may be obtained from the rental car agencies and costs will be reimbursed if related to any travel required under a Contract or a task order issued under a Contract, if applicable.

(E) All transportation expenses over \$75 must be supported by a receipt.

## II. Meals

For authorized Non-Local Travel, Contractor will only be reimbursed for meals and incidental expenses for Contractor Staff identified in the Contract, or an awarded task order issued pursuant to the Contract (if applicable), in accordance with the table below. To determine which row applies for the Non-Local Travel of Contractor Staff, go to [Per diem rates | GSA](#), complete the required information (either the state and city OR zip code of where the Non-Local Travel will be), click “Find Rates”, and review the “Meals & Incidentals (M&IE) rates and breakdown” information.

Meals & Incidental Expenses Total <sup>(1)</sup>	Continental Breakfast / Breakfast <sup>(2)</sup>	Lunch <sup>(2)</sup>	Dinner <sup>(2)</sup>	Incidental Expenses	First and Last Day <sup>(3)</sup>
\$59	\$13	\$15	\$26	\$5	\$44.25
\$64	\$14	\$16	\$29	\$5	\$48.00
\$69	\$16	\$17	\$31	\$5	\$51.75
\$74	\$17	\$18	\$34	\$5	\$55.50
\$79	\$18	\$20	\$36	\$5	\$59.25

1. This column lists the full daily amount that identified Contractor Staff receive for a single calendar day of Non-Local Travel when that day is neither the first nor last day of Non-Local Travel.
2. The separate amounts for breakfast, lunch and dinner listed in the chart are provided should Contractor Staff need to deduct any of those meals from their trip voucher. For example, if Contractor Staff’s trip includes meals that are already paid for by USAC, Contractor Staff will need to deduct those meals from Contractor Staff per diem.
3. This column lists the amount that identified Contractor Staff receive for the first and last calendar day of Non-Local Travel. The first and last calendar day of Non-Local Travel is calculated at 75 percent.

## III. Accommodations

(A) In cases where Non-Local Travel requires an overnight stay, Contractor will be reimbursed for the cost of a single room at the lowest price suitable and appropriate for the business purpose.

Proximity of the hotel to the remote work location should be considered a relevant factor in selecting lodging.

- (B) Contractor will be reimbursed the room charge for internet connection per day provided the internet is used for Services under the Contract and any awarded task order under the Contract (if applicable) purposes only.

#### **IV. Other Expenses**

Contractor 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**

Contractor 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 Contractor Staff on business trips related to the task order.
- (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., pay-per-view movies, concierge and turn-down services, etc.).
- (F) Parking tickets or fines for violation of motor vehicle laws incurred by Contractor Staff.
- (G) Insurance for rental cars.
- (H) Overweight personal baggage in excess of the normal baggage fee charge.
- (I) Transportation between home and the regular work location as well as any personal travel.
- (J) Expenses for entertainment (in-flight movies, headsets, health club facilities, alcohol, tobacco, controlled substances, gift cards or e-gift cards of any kind, flowers or amusement or recreation, such as visiting events with offensive context or nature, nightclubs, theater expenses, sporting events, meals purchased in surroundings not conducive to a business discussion).
- (K) Airline club memberships.
- (L) Airline upgrades.
- (M) Childcare, babysitting, house-sitting, or pet-sitting/kennel charges.
- (N) Costs incurred by traveler’s failure to cancel travel or hotel reservations in a timely fashion.
- (O) Travel accident insurance premiums or purchases of travel insurance.
- (P) Other expenses not directly related to required travel under the Contract or an awarded task order under the contract.