

**USAC RFP - LG-20-069 - Fraud Risk Assessment
Questions and Answers**

#	RFP Reference	Question	Answer
1	General	If applicable, please provide copies of the most recent Fraud Risk Assessment reports for the USF programs.	USAC has not completed a Fraud Risk Assessment of the USF programs.
2	Page 3 -II.B (4)	<p>Section II.B (4) – states USAC desires to have... as a result...a “standardized methodology and processes for USAC to conduct risk assessments for other USF programs.”</p> <p>Question a: Please confirm that this is to conduct fraud risk assessments only and not general risk assessments.</p> <p>Question b: Can USAC be specific and list the “other USF programs”?</p>	<p>A. Yes, the purpose of this engagement is to conduct fraud risk assessments only and not general risk assessments.</p> <p>B. Section A.I identifies the four USF programs, which include the following:</p> <ol style="list-style-type: none"> 1. High Cost 2. Lifeline 3. Schools and Libraries (E-rate) 4. Rural Health Care <p>This engagement may also involve USAC’s Finance Department.</p>
3	General	Does USAC currently have written methodology and processes to conduct fraud risk assessments?	USAC has adopted the GAO’s Fraud Risk Framework and all assessments should be conducted consistent with that guidance.
4	General	Given current circumstances surrounding COVID-19, will the contractor be given remote access to USAC systems and documentations and access to interviews remotely by audio and/or video, as necessary?	Yes, the contractor will be given remote access as necessary.
5	Page 10 – Sections VI.C.(2) and VI.B.(2):	Handwritten notes may be scanned and provided in PDF format, without password or other type of protections. Is this requirement specific to pdf handwritten notes only?	Yes.
6	Page 32 - Section C.XXXVII	Section C.XXXVII Extension of Service: states that the services could be extended up to 6 months with the expectation that it would be within the limits and rates within the contract. We did not see the pricing requested for the extended period of service.	This refers to time extension at the end of overall contract or task order term to allow the contractor to complete the work within the agreed pricing, if needed.
7	Page 27 - Section B: IX Key Personnel	Section B.IX Key Personnel (A) Labor Categories, (1) Senior Project Manager: Based on the nature of the task, would USAC consider contractor personnel with significantly more than 10 years of experience in project management but does not have PMP certification, as technically acceptable for the role of Senior Project Manager?	While PMP Certification is strongly preferred. Bidders may indicate a project manager that has significant project management experience, particularly related to this type of work, and indicate how such experience is equivalent to PMP certification.
8	Page 40 - Section E: VIII Proposal Volumes, Volume III, (2);	Would USAC consider extending the period of past performance from no older than 3 years from the date of the solicitation to no older than 5 years from the date of the solicitation?	Yes
9	General	Given the increasing cost of cybersecurity and general IT infrastructure costs, will USAC allow a technology fee charged as Other Direct Costs?	No, the proposed FFP price must include all direct and indirect costs.

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10	Page 17 of 44	Is PMP Certification for Senior Project Manager required to preferred?	See the response to question # 7..
11	Section A.II.A (3-5)	Our understanding is that the RFP is focused on external fraud risks faced in the execution of USAC's programs which does not include evaluating, designing or implementing financial information systems or internal controls over USAC's Financial Reporting. Please confirm.	The contractor will need to evaluate financial reporting system to the extent it relates to the High Cost program disbursement process.
12	Section A.II.A	In the RFP, USAC states that it is seeking proposals to "conduct an assessment of USAC's internal controls for the High Cost Program processes including, but not limited to validations, verifications, and disbursements." Please provide additional information and examples regarding these processes, validations, and verifications	<p>USAC's internal procedures, validations and processes are confidential.</p> <p>Generally, the USF High Cost program provides funding to telecom carriers to provide service in rural areas where the market alone cannot support the substantial cost of deploying network infrastructure and providing connectivity. Historically, it has subsidized voice service to ensure that rates in rural and urban areas are reasonably comparable. But with a series of reform orders that began in 2011, the FCC is modernizing the High Cost program to support broadband to ensure that all people in America – no matter where they live – have access to robust, affordable connectivity to fully participate in today's society. This new modernized program is called the Connect America Fund.</p> <p>Additional information is available on the USAC website at: https://www.usac.org/high-cost/program-overview/</p>
13	Section A.II.A	Please confirm that USAC will designate a Project Management Officer (PMO) to oversee our work and that we will not be required to make any management decisions (i.e. decisions such as which processes to be reviewed, personnel to be interviewed, documentation to be assessed, or decisions regarding the acceptance of fraud risk framework/assessment) as those would be made by the PMO.	<p>USAC has designated a PMO for this work.</p> <p>However, we do expect the contractor to make recommendations and decisions on the review of processes, which personnel will be interviewed and documentation to be reviewed.</p>
14	Section A.II.A (3)	With respect the following: " <i>define and implement a GAO Fraud Risk Framework for the High Cost Program</i> ", we are assuming that we do not need to define the GAO Fraud Risk Framework as it is already defined by GAO-15-593SP. Please confirm.	Confirmed. As stated in Section II.A., USAC seeks entities to define and implement a GAO Fraud Risk Framework for the High Cost Program specifically, not the GAO Fraud Risk Framework generally.
15	Section A.VI.C	Please confirm that no testing of transactions or internal controls over financial reporting is required as part of the scope of work.	The contractor will need to evaluate the financial reporting system to the extent they related to the High Cost program disbursement process.

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16	Section E.VIII.Volume II (11), Experience & Section E.VIII.Volume III - Past Performance Evaluation, Similar Past Performance	Due to the nature of our previous engagements being confidential engagements (similar to confidentiality mandates USAC requires of its service providers), our ability to provide client names and contacts with regard to prior projects will not be possible. Can we provide prior performance experience without client name and contact information? If not, will our inability to provide such information due to the confidentiality concerns raised above result in a negative impact on our proposal?	USAC's preference is for client name and contract information. If it is not possible to share such information, we ask you to provide the industry, type of client and size of client.
17	Section C.V.	Please confirm that the second tab in Attachment 1, Payment Schedule, is requesting a schedule of the planned invoice dates and amounts over the duration of the engagement.	Confirmed.
18	Section C.VI-VII	Our understanding is that a total firm fixed-price will be submitted via Attachment 1 - Bid Sheet and that no submission of expected labor hours or hourly rates by staff will be required in this document. Please confirm.	Confirmed. USAC does not look for labor rates. However, the total FFP must be broken down to three items specified in attachment 1 – bid sheet.
19	General	Please confirm whether USAC has ever historically performed a fraud risk assessment (or any form of risk assessment) of its High Cost Program. If so, will USAC provide copies of those assessments to the Contractor? If no, please clarify to what extent (if any) USAC has ever assessed fraud risks of the High Cost Program (e.g., periodic internal audits; fraud risk rankings; due diligence on significant third parties such as fund recipients or suppliers). If other historical documents exist relevant to fraud risks of the High Cost Program (e.g., relevant excerpts from internal audit reports), will USAC provide copies of those documents to the Contractor?	USAC has not conducted a fraud risk assessment pursuant to the GAO Fraud Risk Framework. USAC has conducted audits and other risk assessments of High Cost and other programs, which will be provided to the selected contractor.
20	General	Please clarify the extent to which USAC expects that the Contractor will interact with third parties as part of the fraud risk assessment.	The Contractor will be expected to interact with the FCC as necessary. All interactions will be coordinated by USAC's PMO.
21	General	Please confirm whether USAC would prefer the Contractor's completed pricing information (in the form of Attachment 1 – Bid Sheet and Payment Schedule) in PDF or MS Excel format. The RFP calls for the Contractor to submit its RFP response "in the form of one electronic copy."	We require that Attachment 1 – Bid Sheet and Payment Schedule be signed. A PDF version is acceptable.

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22	General	Please confirm which High Cost and USF systems the Contractor will need to assess related to the program's processes and internal controls for validations, verifications, and disbursements. As applicable, please identify any additional systems that the Contractor will need to assess.	Confirmed. The contractor will need to assess at least three High Cost systems and processes. Additional information will be provided at onboarding.
23	<u>Section B.I.B and B.VI.C.8</u>	<p>The RFP states that “the assessment shall include a review of the other departmental activities within USAC (Audit, Finance, Legal, and the Enterprise Project Management Office (EPMO)), that assist in preventing, detecting and responding to fraud.” Section B.VI.C.8 goes on to state that the project will include “interviews with the High Cost Program, Audit Department, Finance Department, Legal Department and EPMO to identify fraud risk strategies already in place.”</p> <ul style="list-style-type: none"> • Please clarify whether the Contractor should anticipate speaking with and evaluating any other departments or programs outside of those listed above. • Please clarify whether the review of other departmental activities is intended solely to assess the impact to the High Cost Program. 	<p>1. The contractor will only evaluate the High Cost program, but the RFP includes options for the evaluation of the other three USF programs. The contractor will need to meet with the other USAC departments to understand how they interact with HC to prevent, detect and respond to fraud in the HC program.</p> <p>2. Yes</p>
24	<u>Section B.I.C</u>	Outside of providing a Framework for Fraud Risk Assessments and providing certain training to USAC personnel, please clarify whether USAC expects the Contractor to provide any other ongoing support in relation to USAC’s planning, development, and structuring, and implementation of future fraud risk assessments. If so, please confirm whether the Contractor should include the relevant firm-fixed pricing for option years.	The RFP includes option years for the continued work to evaluate the other USF programs. Please include pricing for options years if available. However, USAC will require updated pricing for assessment of other USAC programs through Task Order Proposal Requests during contract option years if exercised.
25	<u>Section E.VIII.Volume 2.11</u>	Please confirm whether USAC would consider relevant experience based on related engagements in non-federal sectors.	Confirmed. However, USAC seeks a contractor who has a proven track record in providing similar types of services for governmental and quasi-governmental agencies and a prefers a contractor who has worked with federal agencies.
26	<u>Section E.VIII.Volume 3.2,3</u>	Certain past projects may be subject to attorney-client privilege or other confidentiality agreements. Please confirm whether it is acceptable for the Contractor to provide redacted client information (e.g., client industry/size) in lieu of client name and contact	USAC’s preference is for client name and contract information. If it is not possible to share such information, we ask you to provide the industry, type of client and size of client.

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		information. Alternatively, please confirm whether USAC would prefer the Contractor to provide only non-privileged references for which it is appropriate for USAC to contact the entity with questions regarding past performance.	
27	General	Would USAC please provide an estimated level of effort for this project?	USAC does not provide the estimated level of effort. Offerors must propose their best offer based on their understanding of the scope of work.
28	General	Would USAC please confirm whether it currently performs the investigation for any suspected fraud, or whether it relies on the Federal Communications Commission (FCC) to perform fraud investigations?	USAC performs fraud investigations and sometimes refers matters to the FCC.
29	General	Would USAC please confirm whether the contractor will have access to relevant officials at both USAC and FCC while performing this engagement?	USAC confirms that the contractor will have access to the relevant officials at USAC and will facilitate access to FCC staff if necessary.
30	General	Would USAC please confirm whether it will require the contractor to perform interviews through video-conference calls, given the current COVID-19 epidemic?	Confirmed.
31	Cover page	Would USAC please confirm whether offerors should include a completed copy of the solicitation cover page as part of their proposals?	Yes, a completed and signed copy of the solicitation cover page is required.
32	Section B.I.A.	<ol style="list-style-type: none"> 1. USAC noted that the contractor shall evaluate all steps taken by USAC's Fraud Risk Group to implement the GAO Fraud Risk Framework, but will also be responsible for establishing a comprehensive GAO Fraud Risk Framework for the High Cost Program. Would USAC please provide its current fraud risk management policies, or otherwise identify which Universal Service Fund (USF) program(s) are covered by its current approach to the Government Accountability Office (GAO) Fraud Risk Framework? 2. Would USAC please identify what type(s) of technology systems and/or software it currently uses to support fraud risk management activities? 3. Would USAC please indicate whether it currently performs any data analytics to identify potential fraud risks? 	<ol style="list-style-type: none"> 1. USAC will provide all relevant documentation and policies during onboarding. 2. USAC is currently evaluating software or other systems to support fraud risk management activities. 3. USAC is currently initiating data analytics to identify potential fraud risks.
33	Section B.III.B.	Would USAC please confirm that the contractor will be able to use personnel not included in the original proposal to fill key personnel positions	Confirmed. Key personnel changes will be reviewed and approved by USAC.

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		for the three option years, assuming that USAC approves the personnel?	
34	Section B.IV.A.	Would USAC please confirm that travel will not be required under the proposed contract?	Travel is required if necessary. However, the contractor should adhere to any travel and safety restrictions.
35	Section B.IX.	<ol style="list-style-type: none"> 1. Would USAC please confirm whether it would approve a key personnel plan in which one individual holds both the Senior Project Manager and Senior Manager positions? 2. Would USAC please confirm whether it has worked with risk assessment consultants in the past, and whether it has specific qualifications in mind for individuals proposed as risk assessment consultants? 3. The Key Personnel section denotes that there should be two risk assessment consultants. Does USAC expect these consultants to be outside the employment of the bidding firm? 	<ol style="list-style-type: none"> 1. The offeror must explain and justify how one person can fulfill two positions. USAC will review the information and will determine later. 2. USAC has not worked with an outside fraud risk assessment consultant before. 3. No. We would expect the risk assessment consultants to be employees of the bidding firm. If there is a subcontracting relationship, we need to understand the relationship and their experience.
36	Section B.VI.	Would USAC please confirm whether the contractor will have access to audit workpapers that support audit findings and fraud investigations performed by, or on behalf of, USAC's Audit Department?	Confirmed.
37	Section E.VII, Volume 2 – Technical	<ol style="list-style-type: none"> 1. Technical Proposal Instructions (3), Technical Approach and Project Timeline, states that this section should contain an in-depth discussion of the offeror's technical approach, as well as a clear statement of whether the offeror will comply with all requirements and terms and conditions set forth in the RFP. However, Technical Proposal Instructions (4), Terms and Conditions, also require the offeror to clearly state whether it will comply with all requirements and terms and conditions set forth in the RFP and to provide detailed information about how the offeror will fulfill the requirements of the RFP. Would USAC please clarify the different information it requires in each of these sections? 2. Would USAC please clarify whether offerors should include the signed firm-level confidentiality agreement as part of Volume 2 – Technical, and if so, please clarify that the confidentiality agreement is excluded from the page limits? 	<ol style="list-style-type: none"> 1. “(3) Technical Approach and Project Timeline” requires an in-depth discussion of Offeror’s technical approach and project timeline for providing the Services and Deliverables listed in Sections B of the RFP. It also requires to provide detail information about how it will fulfill the requirements of the RFP. <p>“(4) Terms and Conditions” requires that the Offeror must clearly state whether it will comply with all Terms and Conditions set forth in the RFP including Section C.</p> <ol style="list-style-type: none"> 2. The signed confidentiality agreement is excluded from the page limits.
38	Page 3, Section A, Subsection II-A: Request for Proposal	USAC is seeking proposals from qualified entities to: 1) conduct an assessment of USAC's	USAC has not previously worked with an outside fraud risk assessment consultant.

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		<p>current approach to the GAO Fraud Risk Framework.</p> <p>Did USAC use the services of a contractor to develop its current GAO Fraud Risk Framework? If yes, could USAC identify the contractor?</p>	
39	Page 4, Section B, Subsection I-B: High Cost Risk Assessment	<p>Sates that It should include the risks the High Cost Program faces from both external parties (e.g., carriers that receive High Cost support and vendors that provide services to USAC) and internal sources.</p> <p>Would USAC provide a list of the current carriers that receive high cost support and vendors that provide services in relation to high cost program?</p>	This information will be provided to the contractor at the time of onboarding.
40	Page 5, Section B, Subsection III: Contract Term and Option Years	<p>The initial term of the Contract shall not exceed twelve (12) months (the “Initial Term”). Parties responding to this RFP shall include a timeline for commencing and completing the work. This timeline shall be for the Initial Term of the Contract.</p> <p>Would USAC Confirm that the contractor only needs to price the initial term of the contract?</p>	Yes, the contractor only needs to price the initial term of the contract. Please include pricing for options years if available. However, USAC will require updated pricing for assessment of other USAC programs through Task Order Proposal Requests during contract option years if exercised.
41	Page 41, Section III, PAST PERFORMANCE EVALUATION, Subsection Past Performance Questionnaires	<p>USAC will attempt to contact past performance references identified in the proposal for confirmation of the information contained in the proposal and/or will transmit a past performance questionnaire to the contacts identified in the Offeror’s proposals. Although USAC will follow-up with the contacts, the Offeror, not USAC, is responsible for ensuring that the questionnaire is completed and returned by the specified date in USAC’s transmittal. If USAC is unable to reach or obtain a reference for the project, USAC may not consider the contract in an evaluation of past performance.</p> <p>Will USAC notify offerors if a questionnaire is submitted to the past performance references so offerors can follow up with the references to ensure timely completion and submission of the forms?</p>	Yes, USAC will notify the offerors when a questionnaire is sent to the past performance references.
42		Are there any previous risk assessments that can be provided/leveraged for this work?	USAC has not previously conducted a GAO framework-based fraud risk assessment of the High Cost program under the GAO Framework.
43		In the subject RFP, the key personnel requirements include a PMP certification. Would USAC consider removing this certification requirement provided the importance of project staff having prior risk assessment and fraud experience?	See the answer to question #7.

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44		Is the existing USAC fraud risk framework mentioned on page 7 of the RFP under Performance Requirements tailored to a specific program or for the organization as a whole?	The fraud risk framework referenced on page 7 is not tailored to a specific program, but it is applicable to the organization as a whole.
45		What is the current state of the High Cost Program's risk and control matrix? When was it last updated? How many controls are included?	Specific information about the High Cost risk and control matrix is confidential and will be provided during onboarding.
46		Page 13 states (3) Content of Fraud Risk Framework. The Fraud Risk Framework shall contain at a minimum: (a) An assessment of all matters reviewed by Contractor;" since the Risk Assessment Report will contain all information related to the risk assessment, can the term "all matters" be interpreted to all fraud risk program implementation plans/processes?	Yes.
47		Could you provide examples of the High Cost Program's fraud risk management processes and policies that are distinct to it as a program (as opposed to those that apply to USAC as a whole)?	Specific information about the High Cost fraud risk management processes and policies are confidential and will be provided during onboarding.
48		Does USAC expect the Offeror to travel as part of this work?	Yes, if necessary. However, the Offeror should adhere to any travel and safety restrictions.
49		In the Volume 2 – Technical instructions, Section 9 Process & Staffing requests the resume for qualified personnel. Can the offerer reference the resumes provided in attachment 1?	Yes.
50		In the Volume 2 – Technical instructions, Section 9 Process & Staffing requests the Offeror to describe in detail their plan for completing the required services. Can the offerer refer to the sample project plan in Section 10	Yes, but the Offeror should include a narrative explaining the plan and detailing how they plan to conduct the assessment within the GAO framework.
51		When did USAC's Fraud Risk Group implement the GAO Fraud Risk Framework?	USAC established the Fraud Risk Group in early 2019.
52		Why is the USAC undertaking an RFP at this time? Has the USAC uncovered issues that require this assessment?	USAC is undertaking this RFP because as the administrator of the USF Program, USAC has an obligation to detect and avoid waste, fraud and abuse.
53		What is the size of the Federal Universal Service Fund?	In 2019, USAC issued \$8.3 billion in USF disbursements. See USAC Annual Report for additional information located at https://www.usac.org/about/reports-orders/annual-report/ .
54		How many of the 600 USAC employees are dedicated to the High Cost Program?	Information about USAC employees is confidential and will be provided during onboarding.
55		What percentage of the Universal Service Fund is used for the High Cost Program?	The High Cost program disbursed \$5.09 billion in 2019. See the USAC Annual Report for additional information located

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			at https://www.usac.org/about/reports-orders/annual-report/ .
56		How often does USAC conduct fraud risk assessments?	USAC has not previously conducted a GAO framework-based fraud risk assessment of the High Cost program under the GAO Framework.
57		In Paragraph A, the RFP includes conducting “an assessment of USAC’s internal controls for the High Cost Program processes...” Please confirm whether the USAC has: <ul style="list-style-type: none"> a. Documented business processes via flow chart (or similar) with narrative descriptions b. Identified each existing control within a flow chart (or similar) c. Identified the control objectives d. Created a Risk and Control Matrix (or similar) to assess the design and effectiveness of the controls e. Policy and Procedure manuals 	The High Cost program has business process flows, and policy and procedure manuals. Additional information will be provided during onboarding.
58	Section B.I, Paragraph B	The RFP references external parties (e.g., carriers and vendors that provide services). Does USAC document and maintain the results of due diligence procedures performed (if any) on these parties?	High Cost has program integrity procedures and policies, which are confidential, but will be shared during onboarding.
59	Section B.IV, Paragraph B	References an in-person kickoff meeting. Due to potential travel and safety restrictions (COVID-19), is there an option to conduct that meeting virtually?	Yes, due to travel and safety restrictions, USAC may conduct the kickoff meeting virtually.
60		How often does the USAC Audit Department conduct audits on the High Cost Program? When was the last audit performed?	USAC’s Audit procedures, including the number and frequency of audits, is confidential. Additional information about audits will be provided during onboarding.
61		How many employees in each function area (High Cost Program, Audit Department, Finance Department, Legal Department and EPMO) does USAC expect to include in the interview process?	USAC expects the contractor to determine the appropriate number of people to interview but would estimate interviews with 5-10 people in High Cost and 3-5 people in each of the other departments.
62		What procedures are in place for the Contractor to submit requests to USAC for approval to modify or change a task or start/finish date?	Contractor should request changes through designated Contract Administrator and Procurement Office.
63	Section B.VIII.B	The section heading is labeled, “Bi-Weekly Status Meetings”; <ul style="list-style-type: none"> a. Paragraph 1 states that key personnel must schedule and participate in weekly status meetings. Please clarify whether these meetings are weekly or bi-weekly (every other week). b. Paragraph 2 states that Contractor shall prepare a status report and submit it to USAC once per week. Please confirm that the status report must be submitted on a weekly basis (and not bi-weekly). 	The status meetings should be held weekly and may change to bi-weekly at the discretion of the USAC PMO.

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64	Section B.IX.A	This section details the labor categories. Please confirm whether an individual can serve in more than one labor categories.	Yes. Personnel can serve in more than one labor category. If the same person serve as more than one Key Personnel, it should be explained and justified as how one person serves in multiple key positions.