

**Mock Task Order Request for Proposal #8:  
Forensic Audit  
Professional Services RFP – Audit Services**

**CAPITALIZED TERMS USED BUT NOT DEFINED IN THIS TORP HAVE THE MEANING SET FORTH IN PROFESSIONAL SERVICES CONTRACT # USAC-20-015 (THE “CONTRACT”). AND THIS TORP IS ISSUED PURSUANT TO AND UNDER THE TERMS AND CONDITIONS SET FORTH IN THE CONTRACT.**

## **I. TASK ORDER TYPE**

Each Task Order to be awarded pursuant to this Task Order Request for Proposals (“TORP”) (“Contract” or “Contracts”) to the selected vendors (“Contractor” or “Contractors”) will be a multi-award indefinite delivery indefinite quantity (IDIQ) task order based fixed unit price contract for forensic audit services (the “Services”). Each task order awarded will be determined using the fixed unit prices proposed, and result in a firm-fixed price for that task order. Fixed unit prices must be fully loaded and include all direct and indirect costs set forth in this Section B, including equipment, product support, supplies, general and administrative expenses, overhead, materials, travel, labor, taxes, shipping, and profit. All travel expenses to be incurred will adhere to the USAC travel policy.

## **II. PURPOSE**

The purpose of the TORP is to select four (4) qualified audit firms to provide forensic audit services to perform forensic audits of select beneficiaries of one of the USAC programs.

## **III. BACKGROUND**

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

## **IV. TASK ORDER PERIOD OF PERFORMANCE**

The period of performance of the Contract shall commence on the date specified in the Contract (the “Effective Date”) and shall continue in effect for a period of twelve (12) months

(the “Term”). The Task Order shall expire at the end of the Term unless extended, in writing, by USAC.

## V. PLACE OF PERFORMANCE

Contractors shall perform Task Orders at either its own facilities or at USAC Headquarters. Occasional meetings may be conducted at USAC’s Headquarters or at the FCC offices located at 445 12th Street SW, Washington, DC 20554. USAC shall provide appropriate office space and appropriate access to its computer network for duties performed at USAC Headquarters, if necessary. Contractors will be required to complete USAC’s Visitor Form, [USAC Visitor Form](#) and wear a badge while on USAC premises.

## VI. TASK ORDER PROCESS

**Attachment 1 Pricing.** Fixed labor-hour rates for T&M must be fully burdened and include all wages, overhead, general and administrative expenses, taxes and profit, and individual laptop equipment and office software for each category of labor. Services for the T&M CLINS shall be performed on a T&M basis using the labor categories and fixed hourly rates set forth in Attachment

A. **Task Order Ceiling Price.** Each Task Order issued under the Contract will include a ceiling price (the “Task Order Ceiling Price”). USAC will not be obligated to pay Contractor any amount in excess of the Task Order Ceiling Price, and Contractor shall not be obligated to continue performance if to do so would exceed the Task Order Ceiling Price, unless and until USAC notifies Contractor in writing that the Task Order Ceiling Price has been increased and specifies in the notice a revised ceiling price that shall apply to the Task Order.

### B. Steps for each Task Order

1. **Issuance of Task Orders.** USAC will issue Task Orders in accordance with the procedures set forth below. As specified in each Task Order issued under the Contract, Contractor shall provide experienced personnel who are capable of performing the tasks described in, and who meet the qualifications listed under, the Key Personnel set forth below.
2. **Work Schedule.** Unless otherwise specified in a Task Order, Contractor personnel assigned to a Task Order shall maintain a work schedule consistent with USAC normal business hours and work practices. Contractor personnel are expected to comply with all of USAC’s rules pertaining to conduct in the workplace. Any change in Contractor personnel must be approved, in writing, by the USAC Procurement department and reflected in the Task Order. Contractor personnel are not employees of USAC.
3. **Invoicing and Reporting Instructions.** Each Task Order will outline the invoicing and reporting

instructions required specifically for that project.

4. **Task Order Proposals.** Contractor shall perform the following steps which are necessary for the Task Order award. Contractor shall submit one proposal in response to each TORP. See Attachment 1, Mock TORP. Each Contractor proposal in response to a TORP must include the following information:

a. *Basic Information.* A cover page which includes:

1. The name of Contractor's organization;
2. Offeror's contact name;
3. Offeror's contact information (address, telephone number, email address, website address);
4. Offeror's DUNS number;
5. The date of submission;
6. A statement verifying the proposal is valid for a period of 120 days; and
7. The signature of a duly authorized Offeror representative.

b. *Production Schedule.* A detailed and comprehensive production schedule that includes a proposed schedule and approach for managing and providing the Services and Deliverables required by the TORP. Contractor should also outline any deviations from the TORP.

c. *Pricing.* A total hourly breakdown of each Contractor proposed staff.

d. *Ceiling Price.* A proposed Task Order ceiling price for the TORP, as well as a justification.

C. **Task Order Proposal Review.** USAC will review Contractor's proposal to this TORP, provide feedback if any adjustments or negotiations are required, and subsequently award the Task Order.

## VII. 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. FORENSIC EXPERIENCE.

Contractor shall have a proven background of managing and performing forensic audits.

C. DATA ANALYTIC EXPERIENCE.

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

D. COLLABORATION.

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

E. ETHICAL STANDARDS.

In conducting the forensic 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.

G. FORMAT FOR DELIVERABLES.

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

H. MONTH END ACCRUAL AND INVOICE.

1. Month End Accrual. Contractor shall provide a month end accrual to USAC Accounting by the third (3<sup>rd</sup>) 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 (18<sup>th</sup>) business day of each month. A standard template will be used by the Contractor and provided after Contract award with the related invoice requirements. USAC’S COR will be responsible for approving each invoice for payment and shall adhere closely to these requirements.

I. ***Audit Report Template.***

Contractor shall work with USAC to develop a standardized audit report template that includes but is not limited to an Executive Summary, Audit Results and Recovery, Scope

and Procedures, and Audit Findings. The standardized audit report template shall be used by all Contractors except where the template is in conflict with specific audit firm standards. Any deviations from the standard template will require USAC's approval.

## VIII. SCOPE OF SERVICES AND DELIVERABLES

### A. GENERAL SERVICES

Contractors shall provide forensic audit services to perform forensic audits of select beneficiaries of the Lifeline Program. The forensic audits will be inclusive of 30 Study Area Codes (SACs) distributed across the eight carriers and shall range in complexity based on the number of SACs per audit. . The procedures included in the forensic audit program shall include, but are not limited to, testing participation by Eligible Telecommunication Carrier's (ETC) in the Lifeline Program to identify any waste, fraud, abuse, or non-compliance with the of FCC rules and regulations related to the Lifeline Program, including those set forth in C.F.R. Title 47, Part 54, Subpart E (collectively, "Program Rules").

### B. AUDIT SCOPE

The scope of each audit will include disbursements for the calendar year 2017 and shall examine the entire lifecycle of the Lifeline Program. This will encompass activities beginning with the enrollment of eligible subscribers in the Lifeline Program, including, but not limited to, validating the ETC's process for confirming the eligibility of Lifeline subscribers and uploading the subscribers into the National Lifeline Accountability Database (if applicable); and extending through delivery of Lifeline services, including but not limited to, performing the required re- certifying procedures to support continued program participation and any subsequent de- enrollment. The forensic audits shall be sufficiently comprehensive as to provide USAC and the FCC with notice of any non-compliance with Program Rules or waste, fraud, or abuse (intentional or unintentional) in the Lifeline Program, and to support any potential litigation that may result from the audits. The Contractor shall provide USAC and the FCC with a report detailing any findings of non-compliance with Program Rules and any documentation required to support litigation. The Contractor shall furnish all supporting work papers to USAC, the FCC Enforcement Bureau or the FCC Office of Inspector General upon request.

### C. AUDITOR TESTING

The Contractor shall perform sufficient testing to determine whether ETCs are complying with Program Rules and are seeking Lifeline fund reimbursements for eligible subscribers in compliance with Program Rules. At a minimum, testing procedures will address compliance with Program Rules for each of the following:

1. **Deceased Subscribers:** Examine subscriber list to confirm that subscribers are not listed on the Social Security Death Master Index.

**Program Eligibility Documentation:** Examine copies of eligibility documentation for a statistically valid sample of subscribers to confirm the carrier properly confirmed the subscriber's participation in one of the qualifying eligibility programs or meet the income threshold for the Lifeline program.

2. **Certification/Recertification Forms:** Examine the most recent certification or recertification form for a statistically valid sample of subscribers to confirm the subscribers properly certified their eligibility.
3. **Pass-Through Documentation:** Examine pass-through documentation for a statistically valid sample of subscribers to confirm the carrier provided the subscribers with Lifeline Program support.
4. **Usage Documentation:** In situations where the carrier does not access and collect a monthly fee, examine usage documentation for a statistically valid sample of subscribers to confirm the carrier only claimed subscribers who used the Lifeline service within the required timeframe.
5. **One-per-Household Documentation:** Examine one-per-household documentation for a statistically valid sample of subscribers to confirm the subscribers properly certified that they comply with the one-per-household requirement.
6. **Recertification Process:** Examine the recertification results reported on the Form 555 to confirm the carrier properly performed the annual recertification process.

For any evidence gathered during the course of the forensic audit that demonstrates non-compliance with Program Rules, the Contractor shall prepare evidence to assist with criminal prosecution and civil litigation proceedings and make such evidence available to USAC or FCC staff to assist with civil or legal litigation proceedings. A statistical sampling approach (e.g. Stop or go sampling) should be developed to assist the audit report users (USAC and FCC) to conclude or to make inferences with the level of compliance with Lifeline program rules and orders by the carriers subject to audit. This statistical methodology should be well documented and explained within the final audit report.

D. **AUDIT PROGRAM**

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

E. **DEPARTMENT OF JUSTICE/LITIGATION INVOLVEMENT**

By entering into a Contract, each Contractor shall be deemed to acknowledge that USAC or the FCC may furnish the Contractor's working papers and reports to the United States Department of Justice or other regulatory agency to be used in a grand jury or other legal or regulatory proceeding.

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**F. INFORMATION/DOCUMENT GATHERING**

USAC will provide Contractor with the names of the ETCs that shall be subject to this engagement, as well as each ETC's point of contact, the number of Lifeline subscribers claimed by each ETC, and the amount of each ETC's Lifeline reimbursements during a twelve (12) month period. USAC will also make available, to the extent possible, any other documents or records necessary for the Contractor to complete any analysis required under the Contract. The Contractor will also obtain documents necessary to reach conclusions concerning each ETC's compliance with Program Rules. If an ETC refuses to provide the Contractor with additional records required by the Contractor, the Contractor will coordinate such additional requests through USAC and the FCC.

**G. CONTRACTOR PERSONNEL**

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

**H. PROJECT TOOLS**

Contractor shall use MS Office 2010 and MS Project 2010 to prepare deliverables and manage the agreed upon Final Project Plan (described in Section IX) and budget/costs. Contractor shall also use USAC's web-based audit management site to: (1) manage and track audit milestones; (2) submit draft and final audit reports; and (3) communicate issues and questions for resolution.

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

## **IX. KEY PERSONNEL & LABOR CATEGORIES**

A list, by name, of all Key Personnel, along with the labor category they will fill. For each Key Personnel, Contractor shall provide a biography that includes his/her educational background, skill-set, job and related experience, a list of specific efforts he/she has supported, and references. Contractor shall provide a Relationship Manager ("RM") who shall ensure the completion and delivery of the Task Order and serve as a single point of contact for the day-to-day management of the Task Order.



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All pricing information for the TORP shall be based on Contractor's Attachment 1: Bid Sheet to the Contract.

## **X. INVOICES**

**Where to Submit Invoices.** Contractor shall submit invoices through the USAC Coupa Supplier Portal ("CSP") method or via the Supplier Actionable Notification ("SAN") method. The CSP method will require Contractor to register and create an account for the CSP. An invitation link to the CSP may be obtained by emailing [CoupaHelp@usac.org](mailto:CoupaHelp@usac.org). The SAN method will require Contractor to invoice USAC directly from the purchase order ("PO") sent by USAC via email. For the SAN method, the USAC email will contain a notification with action buttons which will allow Contractor to create an invoice, add a comment, and acknowledge the receipt of the PO. For assistance on all Coupa related billing questions, Contractor may email [CoupaHelp@usac.org](mailto:CoupaHelp@usac.org). For assistance on all non-Coupa related billing questions, Contractor may email [accounting@usac.org](mailto:accounting@usac.org).

**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.

**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.

## **XI. COMMUNICATION**

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

## **XII. MEETINGS**

During performance of the Task Order, Contractor personnel shall communicate on a regular basis with USAC staff, and, as requested by USAC's PM, or CA, attend status meetings with USAC staff to discuss project status and progress, impediments, and audit findings. Status meetings will be held by either teleconference or in person. Status reports may be used as the basis of the status meeting discussions.

## **XIII. TRAVEL**



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Contractor staff may be required to travel to USAC to perform Services under the Task Order. Contractors may invoice for up to 10% of the total Task Order value in travel expenses, provided Contractor complies with the terms and conditions of the USAC travel policies. All Contractor travel costs should be included in the Contractor’s proposed Task Order Ceiling Price.

**XIV. TASK ORDER PROPOSAL SUBMISSION INSTRUCTIONS**

Contractor response to this TORP shall be no longer than eight (8) Pages. All responses, to this TORP, are due no later than **11:00 AM ET, March 12, 2020**. Responses received after this date and time or that do not follow the Task Order submission instructions, may not be considered for review.

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.

Please submit one (1) electronic copy (PDF) of your response to Becca Wray at [rfp@usac.org](mailto:rfp@usac.org). All submissions must include “Response to Task Order #8 – Forensic Audit” in the subject line. Please note: all electronic submissions must be limited to a maximum size of 25 GB.