



RFQ Summary

Selected vendor(s) were notified

RFQ ID RFQ313249 (Modification 1) (Modification 2)	Reference # RFQ08000038
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RFQ Title
Audit Support Services on Travel & Professional Services (USAC)

RFQ Status Open	Delivery Days From Date of Award to Date of Completion
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RFQ Issue Date 08/29/2008 01:54:43 PM EDT	RFQ Close Date 09/09/2008 02:00:00 PM EDT
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Line Items					
Mfr. part No/NSN/Item	Manufacturer	Product/Service Name	Qty	Unit	Ship Address
USAC	Audit	Travel & Professional Services Contract	1	LO	1

Description
 The Office of Inspector General (OIG), Federal Communications Commission (FCC), is requesting proposals for an independent audit of the Universal Service Administrative Company's (USAC) expenses for travel and professional service contracts (e.g., legal and consulting services). This performance audit is to be conducted in accordance with Government Auditing Standards, January 2007 Revision (GAO-07-162G).. This shall be a firm-fixed-price task order. Vendors must submits any/all questions regarding this requirement to Shelvia.Armstrong@fcc.gov on or before the 3:30PM (EDT) 4 Sept. 08.

Attached Documents:
 Quotation Cover.doc
 RFQ SUBMISSION REQUIREMENTS - Final.doc
 USAC Travel Professional Srvs OIG Review 082908.doc
 Past Performance Contact Information Sheet OIG.doc
 RFQ SUBMISSION REQUIREMENTS - 9.3.08.doc

Shipping Address
 (1) FCC:

Federal Communications Commission
445 12TH STREET, SW
A 1462
Washington, DC 20554

Individual Receiving Shipment
SHELVIA N. ARMSTRONG
202-418-1439
SHELVIA.ARMSTRONG@FCC.GOV

Quotation Cover Page
for
Audit Support Services on Travel & Professional Services (USAC)

Company Name:

Name, Title, Email Address and Phone Number of Company Representative for GSA Orders:

Payment Terms:

GSA Schedule Number and expiration date:

Please check business size: () Large () Small () Minority () Women-owned

TIN:

DUNS:

NAICS:

Product Service Code (PSC):

Complete Mailing Address:

Other Pertinent Information:

Offer Acceptance Period (no less than 60 days from due date of proposal):

Name, Title, Email Address and Phone Number of Person Authorized to Sign Offer:

Signature:

Date:

**Performance Work Statement
for Performance Audit¹ of
Universal Service Administrative Company (USAC)
Travel and Professional Service Contracts**

1. INTRODUCTION

The Office of Inspector General (OIG), Federal Communications Commission (FCC), is requesting proposals for an independent audit of the Universal Service Administrative Company's (USAC) expenses for travel and professional service contracts (e.g., legal and consulting services). This performance audit is to be conducted in accordance with *Government Auditing Standards*, January 2007 Revision (GAO-07-162G).

2. BACKGROUND

The Federal Communications Commission (FCC) is an independent United States government agency, directly responsible to Congress. The FCC was established by the Communications Act of 1934 and is charged with regulating interstate and international communications by radio, television, wire, satellite and cable. The FCC's jurisdiction covers the 50 states, the District of Columbia, and U.S. possessions.

The Universal Service Administrative Company (USAC) is an independent, not-for-profit corporation designated as the administrator of the federal Universal Service Fund by the Federal Communications Commission (FCC). USAC administers Universal Service Fund programs for high cost companies serving rural areas, low-income consumers, rural health care providers, and schools and libraries. The Universal Service Fund helps provide communities across the country with affordable telecommunications services. More information about USAC can be found on its website at www.usac.org

3. OBJECTIVES AND SCOPE

The objectives of the audit are to:

¹ Performance audits are defined in the July 2007 revision of *Government Auditing Standards* as engagements that provide assurance or conclusions based on an evaluation of sufficient, appropriate evidence against stated criteria, such as specific requirements, measures, or defined business practices.

- 3.1. Evaluate the design and implementation of USAC's internal controls for business travel and professional service contracts (e.g., legal and consulting services).
- 3.2. Compare (benchmark) USAC's policies and costs for business travel and professional service contracts with the allowable cost provisions within the Federal Acquisition Regulation (FAR) Part 31.2, Contracts with Commercial Organizations (including but not limited to 31.205-1, 31.205-22, 31.205-33, and 31.205-46). Note that FAR 31.205-46, Travel Costs, incorporates by reference the limitations prescribed in Federal Travel Regulations by the General Services Administration. This includes an assessment of the reasonableness of costs incurred using the criteria within the FAR.

4. REQUIREMENTS:

The contractor shall:

- Develop an audit program and project plan for performing the audit.
- Hold an entrance conference with USAC key personnel to discuss the objectives of the audit.
- Review and become knowledgeable of USAC's policies, procedures, and internal controls for employee business travel and contracting for professional services (e.g., legal, consulting).
- Assess the design and implementation of USAC's internal controls for travel and professional service contracts.
- Compare USAC policies for travel expenses with the allowable cost provisions within Federal Acquisition Regulation (FAR) Part 31.2, Contracts with Commercial Organizations (i.e., FAR 31.205-46, Travel Costs, which incorporates by reference the limitations prescribed in Federal Travel Regulations by the General Services Administration).
- For a representative and statistically valid sample of actual USAC employee travel expenses (e.g., transportation, lodging, meals) over the past 24 months, compare expenses paid to what would have been allowable under the Federal Acquisition Regulation and Federal Travel Regulations. This includes an assessment of the reasonableness of costs incurred using the criteria within the FAR. *[For estimating purposes, the population of potential travelers could be estimated to be approximately 200 and travel costs per year could be estimated to fall within a range from \$300,000 to \$400,000 per year.]*
- Compare USAC policies for professional service (e.g., legal, consulting) contracting with the allowable cost provisions within Federal Acquisition Regulation (FAR) Part 31.2, Contracts with Commercial Organizations (including but not limited to 31.205-1, 31.205-22, and 31.205-33).
- For all USAC professional service contracts in effect over the past 24 months, other than contracts for audit services and project management, compare the expenses actually paid

to what would have been allowable under the Federal Acquisition Regulation (FAR) Part 31.2, Contracts with Commercial Organizations (including but not limited to 31.205-1, 31.205-22, and 31.205-33). This includes an assessment of the reasonableness of costs incurred using the criteria within the FAR. *[For estimating purposes, the number of such contracts could be estimated to fall within a range from 50 to 100 and costs per year could be estimated to fall within a range from \$2 million to \$3 million.]*

- Prepare a draft report on the results of audit, referenced to supporting audit evidence.
- Hold an exit conference with key USAC personnel to discuss the results of audit and draft audit report
- Deliver a final report on the results of audit, referenced to supporting audit evidence, that incorporates USAC comments to the Inspector General.
- Plan the audit, conduct it, and report results of the audit in accordance with *Government Auditing Standards*, January 2007 Revision (GAO-07-162G).

5. ENTITY TO BE AUDITED AND LOCATION

The audit shall be performed, primarily, at the contractor's site, the FCC, and the corporate office of the Universal Service Administration Company:

Universal Service Administrative Company
2000 L Street, N.W.
Suite 200
Washington, D.C. 20036

6. AUDIT GUIDES AND REFERENCES

- Federal Acquisition Regulation (www.gsa.gov).
- Federal Travel Regulations (www.gsa.gov).
- Government Auditing Standards, January 2007 Revision (GAO-07-162G). (www.gao.gov)

7. DESIGNATION OF CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE

7.1 The Contracting Officer's Technical Representative (COTR) is as follows:

COTR: TBD

7.2 The COTR is responsible for the technical direction of the contract work. In no event, however, will any understanding, agreements, modification, change order, or other matter deviating from the terms of this contract be effective or binding upon the Government unless formalized by proper contractual document executed by the Contracting Officer prior to completion of the contract.

7.3 The Contracting Officer shall be informed as soon as possible of any actions or inactions by the contractor or the Government which may affect the price, required delivery or completion times stated in the contract, so that the contract may be modified if necessary. Whenever, in the opinion of the contractor, the COTR requests efforts outside the scope of the contract, the contractor shall advise the COTR. If the COTR persists and there still exists a disagreement as to proper contractual coverage, the Contracting Officer should be notified immediately, preferably in writing if time permits. Proceeding with work without proper contractual coverage could result in non-payment.

7.4 A copy of the COTR delegation letter shall be provided at time of award.

8. DELIVERABLES

During the performance of the contract, the contractor shall deliver the following:

- **Key Personnel.** As proposed and in accordance with the Key Personnel clause of this contract.
- **Kickoff Meeting.** An initial meeting with the COTR to discuss project planning and execution and contractual matters within 10 business days of contract execution.
- **Project Plan.** A project plan detailing the specific steps to be taken to accomplish the audit shall be delivered to the COTR within 20 business days of contract execution. The plan shall include milestones, their estimated completion dates, and the final project completion date. In addition to scheduled milestones, the work plan shall identify the persons responsible for accomplishing each scheduled milestone. The plan shall be submitted to the COTR for review and approval. The contractor is encouraged to use computer-assisted tools for the project plan. Any graphic presentations should be accompanied by appropriate narrative.
- **Audit Plan.** An audit plan/program detailing specific audit procedures to be performed shall be prepared and submitted to the COTR for review and approval. The audit plan shall

be delivered to the COTR no later than 30 business days after contract execution.

- **Monthly Status Meeting.** Beginning after the kickoff meeting, a monthly status meeting shall be scheduled with the COTR to discuss project status. The contractor shall meet with the COTR more frequently if requested by the COTR. The senior manager for the contract is expected to attend the status meetings with the COTR. The contractor shall prepare a written agenda for each meeting.
- **Monthly Status Report.** A monthly status report shall be submitted to the COTR no later than the last business day of each month, commencing in the month after contract execution. The report should include current status, a comparison of actual with planned accomplishments, milestones completed, deviations from schedule, the percentage of project completion, and any factors that might, or are, adversely affecting the timeliness or quality of work. The report should also include a narrative identifying any potential findings. The contractor should consult with the COTR on the format of the report. Updated project plans should be provided as needed.
- **Monthly Personnel Listing.** A listing of all contractor personnel working on the project shall be updated each month and provided to the COTR, the CO and the Security Officer no later than the last business day of each month. All contractor personnel working on the project shall be subject to security clearance procedures mandated by the FCC (see Section entitled “Security Processing”) and the Office of Inspector General.
- **Entrance and Exit Conferences.** The contractor shall schedule and conduct an entrance conference and an exit conference with USAC. The contractor shall also schedule and conduct interim conferences as needed or as requested by the COR. The contractor shall meet with other FCC OIG personnel, including the Directors of Contract, Financial, and IS Audit; Assistant Inspectors General for Audit; and the Inspector General when requested.
- **Draft Report.** A draft, written report on the results of audit shall be provided to USAC after a review by the COR. The draft report shall include an executive summary, background information, criteria, detailed information on findings, and recommendations when appropriate. The audit reports shall comply with GAO Government Auditing Standards. The draft report shall be referenced to supporting audit evidence (working papers) and submitted along with the draft report to the COR. The contractor should consult with the COTR on the format of the report. The due date for the draft report shall be established in the project plan accepted by the COTR.
- **Final Report.** A written final report that incorporates written responses to the draft report from USAC and any necessary revisions shall also be delivered to the COR. The final report is to be referenced to supporting audit evidence. The final report shall be delivered within 10 business days of the receipt of a written management response to the draft report

or, in the absence of such timely management comments, the date the COTR directs the contractor to proceed with the final report.

- **Audit Evidence.** Working papers that document supporting audit evidence and work performed in executing the audit program/plan shall be submitted to the COTR when the draft and final reports are delivered. The contractor is responsible for preparing, reviewing, and indexing working papers supporting the execution of the audit program, as well as the draft and final audit reports. Working papers should comply with audit documentation requirements discussed in GAO Government Auditing Standards. Working papers shall be subject to OIG review in accordance with its quality control procedures and should not be considered complete until given OIG's explicit approval. Access to working papers shall be provided to the COTR at any time during contract performance for interim reviews and quality checks by the COR.
- **Summary of Deliverables.** In summary, and as explained above, the contractor shall provide the following deliverables:
 - (1) A list of key personnel assigned to the project.
 - (2) An initial meeting with the COTR.
 - (3) A project plan.
 - (4) A detailed audit program/plan.
 - (5) Entrance, exit, and interim conferences.
 - (6) Monthly status reports.
 - (7) Monthly update of the list of personnel working on the contract.
 - (8) Monthly status meetings with the COTR, unless more frequent meetings are requested by the COTR.
 - (9) A draft report referenced to supporting working papers.
 - (10) A final report referenced to supporting working papers.
 - (11) Working papers documenting the audit evidence and work performed, as well the entrance, exit and interim conferences.

The Contractor shall provide deliverables to the COTR at 445 12th Street, SW, Room 2-C762, Washington, DC 20554. All written deliverables shall be logically, factually, and grammatically correct and devoid of errors in spelling and punctuation before payment will be made. The COTR will review each deliverable and provide any comments to the Contractor within 10 business days unless otherwise negotiated. The Contractor shall address or resolve these comments and return the deliverable to the COTR within 5 business days of receipt unless otherwise negotiated.

All deliverables, including working papers and other audit evidence, shall become the property of the Office of Inspector General, Federal Communications Commission, and shall not be released to any party outside the Commission (the FCC) without the permission of a senior member of the FCC OIG staff. Each deliverable shall be submitted in hard copy and in an acceptable electronic format.

If any deliverables or material obtained during contract performance is classified as “Non Public – for Internal Use Only,” the contractor shall not release any item so classified to any person or entity outside the FCC OIG without the written permission of a senior member of the FCC OIG staff.

During the course of contract performance, any potential fraud, waste, or abuse discovered by the contractor shall immediately be reported to the COTR.

8. PERIOD OF PERFORMANCE

The period of performance is anticipated to be six months commencing with the date of contract award.

9. PLACE OF PERFORMANCE—SERVICES

The services specified by this contact shall be performed at the following location(s) and at any of the locations deemed necessary by the Contractor:

Contractor’s Site
(TBD)

Universal Service Administrative Company
2000 L Street, N.W.
Suite 200
Washington, D.C. 20036

Federal Communications Commission
445 12th Street S.W.
Washington, DC 20554

10. KEY PERSONNEL REQUIREMENTS

10.1 The following personnel are designated as Key Personnel:

<u>Name</u>	<u>Title/Job Classification</u>
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To Be Proposed (TBP)

10.2 The Contractor agrees that the above key personnel shall not be removed from the contract effort, replaced or added to the contract without a compelling reason (e.g. death of present personnel, personnel leaving company employ, unavailability due to excessive or unanticipated demand made by the Government under any order), and without compliance with paragraphs (3) and (4) hereof. The Government will not approve substitutions for the sole convenience of the contractor.

10.3 If any change to the key personnel position becomes necessary (substitutions or additions), the Contractor shall immediately notify the Contracting Officer in writing, accompanied by the resume of the proposed replacement personnel who shall be of at least substantially equal ability and qualifications as the individuals currently approved for that category.

10.4 No substitution or replacement of the key personnel shall be approved within the first ninety days of the issuance of any task order.

10.5 All requests for approval of changes hereunder must be in writing and provide a detailed explanation of circumstances necessitating the proposed change. Request for changes should be made whenever the need is identified, and not at the time of quote submittal. Beside the resume, the request must also provide:

- a. A comparison of skills and qualifications to those set forth in the accepted resume proposed for substitution;
- b. A signed employee procurement integrity agreement, and
- c. Any other information requested by the Contracting Officer to reach a decision.

The Contracting Officer will evaluate such requests and promptly notify the Contractor of his/her approval or disapproval in writing.

11. CONTRACT PRICE

The total firm fixed price of this contract is: \$ To Be Proposed (TBP)

NOTE: There shall be no reimbursement for travel or other direct costs (ODCs) in performance of this contract.

12. CONFIDENTIALITY AND CONFLICT OF INTEREST

A. CONFIDENTIALITY

12.1 The Contractor and any of its personnel assigned to this contract, including any consultants, subcontractors or other representatives (collectively “the Contractor”), are restricted as to their use of non-public information concerning any matter relating to the contract work. Any such information that is made known to the Contractor by virtue of its work under this contract is deemed confidential/proprietary, and is subject to the attorney-client privilege, the attorney work product doctrine, the deliberative process privilege, and any other relevant claims of privilege from disclosure under the Freedom of Information Act. (Confidential information and/or proprietary data include non-public information to which the Contractor is given access by virtue of its work under the contract and which embody the types of information that are not or have not been generally known or available from other sources, or third parties, without obligation concerning their confidentiality.) It is the responsibility of the Contractor to preserve all such information in confidence. Any confidential/proprietary information relating to any aspect of this contract may not be discussed or shared, or otherwise exchanged within or outside of the Contractor’s organization, except as to those individuals: (a) assigned to or performing the contract work; or (b) as otherwise agreed to by the Contracting Officer. Immediately upon contract award (if not already provided as part of the proposal process), the Contractor shall submit a list of assigned Contractor employees, subcontractors, consultants, representatives and, if any, other individuals it has identified as having a “need to know,” and obtain the Contracting Officer’s written consent to exchange confidential/proprietary information with them. The Non-Disclosure Agreement attached hereto as Attachment ? must be executed by all affected individuals before the dissemination of any such information. It is understood that the FCC is procuring its requirements from the Contractor under the explicit condition that it ensure that its employees, subcontractors, consultants, representatives or any other individuals who have been approved in writing by the Contracting Officer to receive confidential/proprietary information, not engage in any discussions or otherwise exchange any information with anyone who has not executed a Non-Disclosure Agreement. The approval process described above applies to any individuals who may become associated with the contract effort following award.

12.2 All reports, information, discussions, procedures, and any other data that is collected, generated, or results from the performance of this contract is considered confidential/proprietary information, and may not be disclosed or used by the Contractor at any time in any manner outside the performance of this contract without the prior written approval of the FCC. Requests to make such disclosure must be addressed in writing to Contracting Officer. In the event the Contractor is issued a subpoena, court order, or similar request seeking information related to this contract, the Contractor shall notify the Contracting Officer in writing within one calendar day of knowledge or receipt of such request, whichever is sooner.

12.3 The Contractor may not discuss the contract work in progress with any outside party, including responding to media and press inquiries, without the prior written permission of the

FCC. In addition, the Contractor may not issue news releases or similar items regarding contract award, any subsequent contract modifications, or any other contract-related matter without the prior written approval of the FCC. Requests to make such disclosure should be addressed in writing to the Contracting Officer.

12.4 All documents, photocopies, computer data and any other information of any kind collected or received by the Contractor in connection with the contract work shall be provided to the FCC upon request at the termination of the contract; i.e., the date on which final payment by the United States is made on the contract, or at such other time as may be requested by the Contracting Officer or as otherwise agreed by the Contracting Officer and the Contractor.

12.5 The prohibition on disclosure of the information described above is an ongoing obligation and does not terminate with completion of the contract work.

B. CONFLICT OF INTEREST

12.6 The Contractor and any of its personnel assigned to this contract, including any consultants, subcontractors or other representatives (collectively “the Contractor”), is committed to providing high quality service to the Commission that is free from bias, personal and organizational conflicts of interest, including the appearance of impropriety, and unprofessional conduct. During the period of contract performance, the Contractor shall refrain from providing services to any person or entity with respect to any matter directly involving the subject matter of the contract with the FCC. The Contractor shall also refrain from providing services to any person or entity with respect to any matter indirectly relating to the subject matter of the contract with the FCC without first providing a detailed written explanation of the proposed services to be rendered and obtaining the express written consent of the Contracting Officer in connection therewith. The Contractor further agrees that for a period of twelve (12) months following the termination date of the contract, it will not perform services for any individual or entity that may raise an actual or potential conflict of interest (including circumstances that may raise the appearance of impropriety) with respect to work performed for the FCC under this contract without first obtaining the written consent of the Contracting Officer. (The termination date is defined as the date on which final payment by the United States is made on the contract.) These provisions apply to all Contractor personnel, subcontractors, consultants, representatives and any other individuals who have been engaged to perform any aspect of the contract work or who have been given access to any confidential/proprietary data as provided in Paragraph A above.

12.7 During and after the period of contract performance, the Contractor agrees that it will not dispute the validity of, nor take positions inconsistent with, the work product generated for the FCC in connection with this contract. This provision applies to all Contractor personnel, subcontractors, consultants, representatives and any other individuals who have been engaged to perform any aspect of the contract work or who have been given access to any confidential/proprietary information as provided in Paragraph A.

12.8 The Contractor must submit with its proposal a certificate containing the following information:

a. Name, address, and telephone number of any client of the Contractor, and a description of the services rendered, if, in the 2 years preceding the date this solicitation was issued, services were rendered to such client, public or private, relating directly or indirectly to the subject matter of the services to be provided to the FCC under the instant contract.

b. As further provided in Paragraph 4. below, the Contractor shall promptly report to the Contracting Officer, in writing, any changes to this list that may arise during the course of contract performance.

12.9 The Contractor certifies that it has made inquiry and that, to the best of its knowledge and belief, no actual or potential conflict, or situation that could raise the appearance of impropriety, exists with respect to the services to be provided in connection with the instant contract, or that any actual or potential conflict or appearance issue that does or may exist with respect to the contract in question has been communicated in writing to the Contracting Officer.

12.10. The Contractor recognizes that the failure to mitigate or otherwise resolve to the satisfaction of the Government, any situation required to be reported pursuant to the above provisions, may render it ineligible for award or, if necessary, subject to contract termination.

12.11 The Contractor agrees that if after award of the contract or Task Order, it discovers an actual or potential conflict of interest, including an issue that may present the appearance of impropriety, or that any new circumstances have resulted in such issues, it shall make an immediate and full disclosure in writing to the Contracting Officer of the nature of the conflict (in sufficient detail for the FCC to determine whether or not a conflict exists) and the action which the Contractor has taken or proposes to take to eliminate, neutralize, or mitigate the conflict. The Contracting Officer shall consider the Contractor's submission and take whatever action he or she deems to be in the best interest of the Government. If the contractor was aware of a potential or actual conflict of interest or appearance issue prior to award of this contract, or discovered such a situation after award and did not disclose it or misrepresented relevant information to the Contracting Officer, the Government may terminate the contract for default.

13. PAYMENT

Interim payments shall be based on the achievement of milestones. Final payment will be made when the final reports and supporting working papers have been accepted. It is anticipated that interim payments, expressed as a percentage of the firm fixed-price, will be made as follows:

DELIVERABLE	INTERIM PAYMENT EXPRESSED AS A PERCENTAGE OF THE TOTAL FIRM FIXED PRICE
An initial meeting with the COTR within 10 business days of contract execution.	2% of the firm fixed price
An acceptable project plan within 20 business days of contract execution.	3% of the firm fixed price
An acceptable audit program for each provider within 30 business days of contract execution.	5% of the firm fixed price
Monthly status meeting with COTR completed (unless in the COR's judgment little or no progress was made since the last meeting).	4% (for each monthly status meeting, but not to exceed a cumulative total of 40% of the firm fixed price.)
Acceptance of the draft report and supporting working papers.	20% of the firm fixed price
Acceptance of the final report and supporting working papers.	30% of the firm fixed price (or remainder due if greater).
TOTAL :	100%

14 PERFORMANCE BASED WORK STATEMENT DEDUCTIONS

The Contractor must submit the required deliverables in accordance with the due dates listed in the Deliverables section above and the project plan schedule accepted by the COTR. The COTR will monitor the Contractor's activities and accomplishments and will indicate acceptance or non-acceptance of the deliverables.

The deliverables identified above will be inspected and either approved or, if they are not acceptable, rejected by the COR. The Contractor may be required to revise such deliverables if they are unacceptable. Such inspections will commence within 3 business days after the COTR

receives such deliverables and will be completed within 10 business days after the COTR receives the deliverable. All written deliverables shall be logically, factually, and grammatically correct and devoid of errors in spelling and punctuation before payment will be made.

In the event that the Contractor is unable to submit any of such required deliverables in a timely manner (or if the deliverables have been reasonably rejected in a timely manner and have not been revised before the relevant deliverable due date), the following monetary deductions will be applied to the following invoice.

Deliverable	Maximum Allowable AQL Deviation*	Surveillance Method	Deduction from Contract Price for Exceeding the ALQ**
An initial meeting with the COTR within 10 business days of contract execution.	5 business days	COTR will facilitate scheduling and provide weekly notice to contractor until meeting is scheduled.	5% of invoice deducted for each week late.
An acceptable project plan within 20 business days of contract execution.	5 business days	COTR will review and approve or reject the project plan within 10 business days of receipt.	5% of invoice deducted for each week late.
An acceptable audit program within 30 business days of contract execution.	5 business days	COTR will review and approve or reject the audit plan within 10 business days of receipt.	5% of invoice deducted for each week late.
Semimonthly status meeting completed with the COR.	5 business days	COTR will facilitate scheduling.	5% of invoice deducted for each week late.
The due date for the draft report will be established in the project plan upon acceptance by the COR. The draft report shall be referenced to supporting audit evidence. Before the contractor will be paid, all draft reports shall be grammatically correct and free of misspellings, syntax errors, errors in logic, or other substantive errors.	5 business days.	COTR will review and approve or reject the draft report within 10 business days of receipt.	5% of invoice deducted for each week late.
The final report shall be delivered within 10 business days of the receipt of a written management response to the draft report or, in the absence of timely management comments, the date the	5 business days	COTR will review and approve or reject the final report within 10 business days of receipt.	5% of invoice will be deducted for each week late.

COTR directs the contractor to proceed with the final report. Before the contractor will be paid, the final report shall be grammatically correct and free of substantive misspellings, syntax errors, errors in logic, or other substantive errors.			
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*Acceptable Quality Level – The maximum allowable degree of deviation from the standard for the task that will be permitted by the government before performance is deemed to be unsatisfactory.

**Amount that can be reduced from the invoice charges.

The deductions established in this matrix may be reduced or waived by the Contracting Officer by written notice if circumstances beyond the control of the Contractor have materially affected the Contractor’s ability to achieve the deliverable deadlines set forth in this document. Such relief shall be granted only in extraordinary circumstances, upon a formal application by the Contractor.

15. INVOICING

Invoices shall be submitted via email to: FO-Einvoices@fcc.gov . In addition, copies of the emailed invoices shall also be sent to the CO and the COTR. The Address is as follows: FCC Travel/Operations Group, Room #1A761, 445 12th Street, SW, Washington, DC 20554.

The invoice shall contain a statement signed by a responsible official of the concern substantially similar if not identical to the following:

I certify that the items above have been delivered in accordance with the contract, and that all charges are true, correct, and have not been previously billed.

 Contractor’s Signature

The Commission will return all improper invoices without action.

16. SECURITY PROCESSING

(a) All contract personnel are subjected to background investigations for the purpose of suitability determinations. Based on their proposed duties, some contract personnel may also be required to have security clearance determinations. No contract personnel may be assigned to work on the contract without a favorable initial review of the OF 306, *Declaration for Federal Employment* (http://www.opm.gov/forms/pdf_fill/of0306.pdf) or a written waiver from the FCC Security Operations Center (SOC).

(b) Suitability, waiver, and security clearance determination investigations are currently conducted through the FCC Security Operations Center (202- 418-7884). The individual contract employee will be provided with a review process before a final adverse determination is made. The FCC requires that any contract personnel found not suitable, or who has a waiver cancelled, or is denied a security clearance, **be removed by the contractor during the same business day that the determination is made.**

(c) If the contract personnel is re-assigned and the new position is determined to require a higher level of risk suitability than the contract personnel currently holds, the individual may be assigned to such position while the determination is reached by the SOC. A new A-600 shall be necessary for the new position.

(d) Contract personnel working as temporary hires (for ninety (90) days or less) must complete and receive a favorable initial review of the OF 306 and complete the contract personnel section of the FCC Form A-600, "FCC Contractor Record Form." If during the term of their employment they will have access to any FCC network application, they must also complete and sign the FCC Form A-200, "FCC Computer System Application Access Form."

At Time of Contract Award

The FCC Security Operations Center must receive the completed, signed OF 306 for all proposed contractor employees at the time of contract award. Resumes for all personnel proposed for assignment on the contract should be provided to the Security Office prior to the time of in-take processing (see below, 2.3.2). **The FCC Security Operations Center requires up to five (5) working days (from the date they are received) to process the OF 306 before any employee is allowed to begin work on the contract. A written waiver from the SOC may be obtained in special circumstances.**

All contract personnel, regardless of task description, must complete this form. Without an approved, completed OF 306 on file at the SOC, no contractor employee may begin work. An approved OF 306 is one that has passed initial review by the SOC. During the course of the SOC review of the OF 306, the contract personnel may be interviewed by SOC staff regarding information on their OF 306.

(b) In addition, the Contractor is responsible for submission of completed, signed computer security forms for each employee prior to that person beginning work on the contract (See Appendix No. 3, FCC Instruction 1479.1, FCC Computer Security Program Directive and sample forms.) These forms should be submitted to the FCC Computer Security Office.

(c) The COTR shall begin processing their section of the FCC Contract Personnel Record (FCC Form A-600) at this time. This form, with the COTR and CO portions completed, will be distributed at the time of contract award and must be submitted to the SOC within ten (10) working days.

(d) The Office of Personnel Management (OPM) will issue a Certificate of Investigation (CIN) following the appropriate background investigation. The SOC notifies the CO and COTR and contract personnel who have received a favorable adjudication so they may receive their permanent access credential.

17. IDENTITY PROOFING, REGISTRATION AND CHECKOUT REQUIREMENTS

Locator and Information Services Tracking (LIST) Registration

The Security Operations Center maintains a Locator and Information Services Tracking (LIST) database, containing contact information for all Commission and contract employee personnel, regardless of work location.

The contract employee's FCC Form A-600, "FCC Contractor Record Form" captures the information for data entry into the LIST system.

18. Intake Processing

(a) Following the processing of the OF 306 and an initial favorable suitability determination, (unless otherwise waived) the contract personnel shall report to the FCC for identity verification and access badge issuance on their first scheduled workday.

(b) All new contract personnel must be escorted to the SOC by either the CO or COTR responsible for the contract. At this time the contractor personnel must present two forms of identification; one of which must be a picture ID issued by a state, or the Federal, government. The other piece of identification should be the original of one of the following:

- U.S. Passport (unexpired or expired)
- Certificate of U.S. Citizenship (Form N-560 or N-561)
- Certificate of Naturalization (Form N-550 or N-570)
- School ID
- Voter's registration card

U.S. Military card
Military dependent's ID card
U.S. Coast Guard Merchant Mariner card
Native American Tribal document
U.S. Social Security card
Certification of Birth Abroad, (Form FS-545 or Form DS-1350)
Original or certified copy of a birth certificate, bearing an official seal

(c) After identity verification, the individual shall complete the Fingerprint Card form, FD 258, the Fair Credit Report Act form, and be photographed and issued the appropriate access badge.

(d) At this time the contract employee will be given one of the following forms, based on the security risk designation for the proposed support classification/position, to complete and return to the SOC within seven (7) business days:

- (i) **Low Risk Positions** - SF 85, Questionnaire for Non-Sensitive Positions
- (ii) **Moderate Risk Positions** - SF 85-P, Questionnaire for Public Trust Positions
- (iii) **High Risk Positions/Secret or Top Secret Security Clearances** – Standard Form (SF) 86, Questionnaire for Sensitive Positions

(e) For any contract employee whose name is provided to the Commission for security investigation at (ii) or (iii) level, who subsequently leaves the subject contract, due to Contractor or contract employee decision, within the first year, the Contractor shall reimburse the Commission for the cost of the investigation. If the contract or task order is scheduled for completion in under one year and the contract employee for whom a security investigation has been done leaves prior to the work being done, the Contractor and SOC shall agree on a pro-rated amount for reimbursement. The cost may range from approximately \$400.00 (moderate risk) to \$3,000.00 (high risk). The Contractor will be provided a copy of the investigation invoice with the reimbursement request.

19. Monthly Contractor Personnel Reports

The monthly report verifying contract personnel working at the FCC is a crucial element in the agency's compliance with Homeland Security Presidential Directive (HSPD) 12. Accurate and timely reporting are required as part of the ongoing access control efforts as mandated by HSPD-12 and implementing directives.

(a) The Contractor's Program Manager shall submit a contract personnel list to the SOC on the first working day of each month. This report shall be identified by the contract name

and FCC number, and shall list all the contract employees working at the FCC in the immediately previous month.

(b) The report shall highlight or list in some way those individuals who are no longer employed by the Contractor or who are no longer working on the subject contract. As well, any additional contract personnel who have been successfully processed for work on the contract since the previous report shall also be noted.

(c) The report may be delivered electronically in MS Excel format. The covering email should contain a statement of certification of accuracy and should originate with the Contract Program Manager or other Contractor executive personnel. The author of the email shall be considered the signatory.

(d) No later than the 15th of each month, the SOC will notify the Contract Program Manager, the author of the email covering the Monthly report (if different), the COTR and the Contracting Officer if the report is a) received after the first working day of the month, or b) contains errors in the listing. The notification will identify the reason for deficit in the report.

(e) The first instance of either a) or b) above shall result in a Five Hundred Dollar (\$500.00) penalty against the Contractor. The assessed penalty shall increase in Five Hundred Dollar (\$500.00) increments for each subsequent Monthly report received either late or containing errors.

20. Checkout Processing:

(a) All contract employees no longer employed on the subject contract, or at the termination of the contract, are required to report to the SOC and complete the sign-out portion of the FCC A-600, Contract Personnel Record.

(b) This process verifies the access badge has been returned to the SOC by the contract personnel.

(c) If the checkout processing is not completed by the contract employee, the Contractor shall take action to ensure its accomplishment no later than thirty (30) calendar days after the employee's departure from the FCC.

(d) The Contractor shall be liable to the FCC for an administrative processing charge of \$150.00 (One Hundred Fifty Dollars), for each of their employees who leaves their duty assignment at the Commission and fails to complete the checkout processing within thirty (30) calendar days of departure. Mellon Bank, N.A., handles collection and processing of all Commission administrative charges and should payment become necessary, the Contractor will be provided the appropriate directions for an EFT.

(e) The Contractor shall be liable for any actual damages arising from a failure to ensure that the checkout processing occurs within the thirty (30) calendar days of the contract employee's departure from the FCC.

21. LIST OF ATTACHMENTS

The following attachments constitute part of this contract or task order:

<u>Attachment</u>	<u>Description</u>	<u>Date</u>
1	Contracting Officer's Technical Representative (COTR) Delegation	To be provided at time of award
2	FCC FORMS: a. FCC A-600, Contract Personnel Record	
3	Successful Proposal	
4	Non-Disclosure Agreement(s)	

(END OF RFQ08000038)

PAST PERFORMANCE CONTACT INFORMATION SHEET
Audit of Universal Service Administrative Company (USAC)
Travel and Professional Service Contracts

Offeror Information:

Name of Offeror Providing Services: _____

Address: _____

Past Performance Reference Information:

Name of Company/Organization Receiving Services: _____

Point-of-Contact (i.e., Contracting Officer; COTR; Business Manager; etc)

Address: _____

Telephone: _____ FAX: _____

Contract Information:

Contract Number: _____ Dollar Value (Annual): _____

Performance Period: _____ Performance Location: _____

Type of Contract (Check all that apply):

Fixed Price _____ Cost Reimbursement _____ Other (specify) _____

Negotiated _____ Sealed Bid _____ Competitive _____ Non-Competitive _____

Basis of Payment:

Labor/Equipment Hours _____ Other (specify) _____

Type & Extent of Subcontracting: _____

Description of Services Provided: _____

RFQ SUBMISSION REQUIREMENTS
Audit Support Services on Travel & Professional Services (USAC)

The technical quote **shall not exceed twenty (20) pages**, excluding table of contents, cover sheet, resumes, price information and past performance attachment. A page is defined as one side of an 8½” x 11” sheet of white, un-textured paper, single-spaced, with at least one inch margins on all sides, using not smaller than 10 characters per linear inch or be smaller than twelve (10) point, and shall not exceed six (6) lines per vertical inch. However, any charts, graphics and/or past performance information sheets may be in 10 point font. Information may be submitted on single or double-sided sheets, but shall not exceed this page limitation.

The quote shall be provided electronically, (via electronic mail attachment) and formatted for personal computers using Microsoft software and or Acrobat. **Offerors shall complete and submit the Quotation Cover Page and the Past Performance Contact Information Sheet.**

Evaluation Methodology: The Offeror will be selected based on a best value decision. This means that the offeror’s relevant experience, technical approach, and staff qualifications are more significant than cost. The following provides information on the factors and how they will be evaluated.

Evaluation Criteria:

Factor 1 – Technical Capability**Sub-factor 1A – Specific Technical Approach:
(Not-to-Exceed 10-pages)**

Quotes will be evaluated based on:

1. Overall and specific technical approach provided in the quote.
2. Understanding of the audit objectives and scope within the statement of work.
3. Understanding of the guides and references within the performance work statement that will be used as criteria in benchmarking USAC policies, procedures, and costs as well as the quality with which the audit must be performed.

**Sub-factor 1B Experience & Staff Qualifications
(Not-to-Exceed 5-pages; excluding resume`s)**

Past experience in auditing federal contracts or grants for allowable costs under the Federal Acquisition Regulation (FAR) will be a factor. References should be provided.

Audit1 of Universal Service Administrative Company (USAC) Travel and Professional Service Contracts

More precisely, this factor is the offeror's ability to provide staff with expertise in (1) auditing and (2) auditing federal contracts or grants for allowable costs under the Federal Acquisition Regulation (FAR). Staff expertise can be demonstrated through training, experience, and professional certifications.

A list of personnel who will be assigned to the audit should be provided that contains, at a minimum, the following information:

1. Name.
2. Labor Category.
3. Whether the person will be a key person on this audit.
4. Professional certifications (CPA, CGFM, CISA, etc.) and college degrees.
5. Total years of experience performing audits in accordance with Government Auditing Standards and/or Generally Accepted Auditing Standards.
6. Specific experience in auditing federal contracts and/or grants for allowable costs under the Federal Acquisition Regulation (FAR).
7. Specific training received in auditing federal contracts or grants for allowable costs under the Federal Acquisition Regulation (FAR).
8. For supervisors and managers, the years of experience in supervision and management.
9. Total years employed by the offeror.

In addition individual resume's may also be included, not to exceed 2 pages per resume` (not part of the proposed page count)

**Sub-factor 1C - Independence and Quality Control
(Not-to-Exceed 5-pages)****Independence**

Under Government Auditing Standards, the contractor must be independent from the entity to be audited. Information must be provided regarding independence from the Universal Service Administrative Company (USAC). A statement must be provided addressing each of the following items:

- A statement that the firm is independent from USAC.
- All work, including non-audit services, with USAC in the past four years (including the type of services provided and the period covered).
- Any proposals for work that have been submitted to USAC within the last four years.
- Any lawsuits involving USAC.

**Audit1 of Universal Service Administrative Company (USAC) Travel and Professional Service
Contracts**

- Any relationships with USAC that could impair independence.

Quality Control

- Description of the firm's current internal quality control system, including such items as working paper review procedures, staff independence requirements, and continuing professional education requirements.
- A copy of the contractor's most recent peer review report, related letter of comments, and the contractor's response to those comments. If the peer review report is more than one (1) year old, the contractor must also discuss the results of the contractor's most recent internal inspection program or equivalent. This discussion shall include the date of the report, the period of the report, and the opinion.

Sub-factor 1D - Small Business Status

In support of the FCC to attain socio-economic goals established by the SBA, this RFQ is targeted for small business concerns. Hence, all offerors responding to this RFQ shall be evaluated for potential award based on verification of socio-economic status indicated in their representation & certification that their proposed firm does hold a type of small business status as defined by the SBA. Companies with small business status will receive up to an additional 15 evaluation points upon validation.

Factor 2 – Past Performance

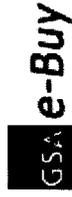
Using the Past Performance Contact Information Sheet, list up to three (3) comparable efforts performed during the last three years. The Government may also consider information obtained through other sources. Past performance information will be utilized to determine the quality of the contractor's past performance.

Factor 3 – Price

The factors for past performance and relevant experience, technical approach, and staff qualifications are significantly more important than price. While price is a substantial factor and will be considered in the evaluation and selection for award, price is less important than the other factors. Price will not be point scored or otherwise rated. Price will be considered and evaluated in determining the overall best value and interest to the Government.

The Offeror's Technical and Price Proposal must demonstrate a clear understanding of the nature and performance work statement required. Failure to provide a realistic, reasonable and complete Technical and Price Proposal may reflect a lack of understanding of the requirements and may result in a determination that the Offeror is technically unacceptable. Generally speaking, "generic" information may score lower than information "well tailored" to the selection factors.

Offerors are highly encouraged to discount their labor rates.



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Modification Description

RFQ ID: RFQ313249 **Modification 1**

Date of Mod 1: 09/02/2008 07:32:20 AM EDT

Description:

The purpose of this modification is to administrative correction to RFQ Title as follows: From: Performance Audit of Universal Service Administrative Company (USAC) Travel and Professional Service Contracts All original terms and condition remain unchanged



Modification Description

RFQ ID: **RFQ313249 Modification 2**

Date of Mod 2: 09/03/2008 10:28:42 AM EDT

Description:

The purpose of modification 002 is to attach revised SUBMISSION REQUIREMENTS to the Request for Quote, revisions have been attached as SUBMISSION REQUIREMENTS DATED 9.03.08.

