

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>			1. CONTRACT ID CODE	PAGE 1 OF 8 PAGES
2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)	
0004	03/27/09			
6. ISSUED BY	7. ADMINISTERED BY (If other than Item 6)	CODE		
Federal Communications Commission 445 12th Street, SW Washington, DC 20554				
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)		(X)	9A. AMENDMENT OF SOLICITATION NO.	
ALL PROSPECTIVE OFFERORS			SOL09000002	
		X	9B. DATED (SEE ITEM 11) 11-20-08	
			10A. MODIFICATION OF CONTRACT/ORDER NO.	
			10B. DATED (SEE ITEM 11)	
CODE	FACILITY CODE			

**11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS**

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers  is extended,  is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing items 8 and 15, and returning 1 copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment your desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)  
N/A

**13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS.  
IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.**

CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
	D. OTHER (Specify type of modification and authority)

**E. IMPORTANT:** Contractor  is not,  is required to sign this document and return \_\_\_\_\_ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)  
This Amendment serves to provide responses to questions received subsequent to the release of the solicitation and to extend the Closing Date of the Solicitation. Accordingly, see attached pages.

The Closing Date of the solicitation is hereby extended to April 30, 2009. There are additional questions that will be responded to in a subsequent solicitation amendment. Sufficient time for all prospective offerors to receive the Government's responses and submit respective responsive proposals to the RFP, as amended, will be granted. Information concerning the pre-bid/pre-proposal conference will also be provided in a subsequent amendment. Prospective offerors may contact Mr. Tony Wimbush @202-418-0932 with questions or concerns regarding this matter.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)	
		Anthony S. Wimbush, Contracting Officer	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
(Signature of person authorized to sign)		<i>Anthony S. Wimbush</i> (Signature of Contracting Officer)	03/27/2009

### All Questions Received (Amendment 4)

#### Q1. (AMENDMENT 4)

RFP p. 12, No. 7 – Please explain in detail what comprises a provider (a) audit, (b) review, and (c) on-the-spot investigation. How many of each examination type will the administrator be required to conduct during each contract year? How many on-site provider audits and reviews will the contractor be required to conduct?

**R1:** (a) Audits are generally financial audits performed in accordance with generally accepted government accounting principles (GAGAS). They are performed by auditors and pursuant to an audit plan. Results of audits are published in an audit report. (b) a review generally has the same subject matter as an “audit,” but need not be performed by auditors. Reviews may be used to prepare for an audit, or as a follow-up measure. (c) on-the-spot investigations are unannounced visits to the company to spot check supporting documentation and processes underlying information provided by providers to the administrator.

The Administrator should establish a functional audit regime that ensures that providers submissions of data are truthful and accurate. Audits, reviews and on-the-spot investigations are tools available to the administrator with which the accuracy and truthfulness of provider submissions may be tested. We would expect the administrator to develop its own overall program for establishing such reasonable assurance and we would want to afford the administrator sufficient flexibility in creating and revising its overall program.

The Administrator will contract with firms and such firms will be paid outside of this contract. Auditing firm selection by the administrator will be subject to Commission approval. The general approach to audits should be discussed in the bidders management oversight plan.

#### Q2: (AMENDMENT 4)

RFP pp. 12-13, No. 8 – Please explain in detail what comprises a contributor (a) audit, (b) a review, and (c) an on-the-spot investigation. How many of each examination type will the contractor be conducting during each contract year? How many on-site contributor audits and reviews will the contractor be required to conduct?

**R2:** A “contributor” is assessed a contribution factor as a percentage of its revenue that it pays into the TRS Fund. An audit is a review of the financial records and compliance with regulatory procedures performed by certified auditors in accordance with an audit play. An audit yields an audit report. A “review” need not be performed by auditors. Reviews are used as follow-ups to audits, as preparation for audits, or as a means of reviewing the records of a company. An “on-the-spot” investigation is an unannounced visit to a firm to review the books and records and compliance with regulatory or other

procedures required by the company. Whether the Administrator performs audits of contributors depends on the risk analysis it performs and on other factors.

Audits of contributors to the fund will be handled using a different vehicle. The Administrator will not be responsible to perform audits of contributors. This requirement will be removed from the RFP.

**Q3: (AMENDMENT 4)**

RFP p. 24, Item 3 – Please confirm that "audits of administrator" actually refers to *audits performed by the Administrator*.

**R3:** This item refers to the required annual audit of the Fund arranged by the Administrator. The reference to "audits of administrator" will be changed to read: "Independent audit of the TRS Fund." The Method of Surveillance will be changed to read: "Annual Audit Report." See attached Replacement Page 24 which incorporates changes.

**Q4: (AMENDMENT 4)**

RFP p. 58, Section A(3) – Should the Auditing Plan also include details of scheduled and unscheduled audits of *contributors*?

**R4:** See R3

**Q5: (AMENDMENT 4)**

Attachment A, p. 18, Section 1.4.0(3) reads, in part, "The Administrator shall not use such data except for purposes of administering the Interstate TRS Fund, calculating the regulatory fees of interstate common carriers ...." Will the new Administrator in fact be responsible for calculating regulatory fees? If so, please explain in detail.

**R5:** All calculations of the contribution factor and of the rates used to determine the providers settlements with the fund are initially calculated by the Administrator and submitted to the Commission pursuant to the Commissions rules.

**Q6: (AMENDMENT 4)**

Attachment A, p. 16, Section 1.3.5(8) – As we understand it, the purpose of a cost allocation manual (CAM) is to document the methods used to separate regulated and non-regulated costs. As a private, for-profit company, none of our costs are directly regulated by government agencies; therefore, cost allocation is not applicable. Please advise.

**R6:** The purpose of a cost allocation manual under this contract is to establish methodologies for allocating direct and indirect costs between TRS Fund and non-TRS Fund costs. Even under firm fixed price contracts there may be times when the

Commission and Administrator will want to review specific costs. Depending on the corporate structure of the winning bidder, the require of a CAM may be waived.

**Q7: (AMENDMENT 4)**

Attachment A, p. 16, Section 1.3.5(10) – Is the new Administrator in fact required to re-establish an advisory committee, or, rather, will the new Administrator work with current advisory committee members?

**R7:** A new Administrator would “inherit” the existing advisory committee and would assume responsibility for replacing committee members that leave the committee.

**Q8: (AMENDMENT 4)**

RFP p. 24, 2<sup>nd</sup> item (Audit Plans and Reports of Providers) – Are audit plans and reports of *contributors* also required?

**R8:** See R3.

**Q9: (AMENDMENT 4)**

RFP pp. 16-19, Section 5: Please provide samples of the reports described in this section.

**R9:** Procurement documents specify what information the Adminsrator must provide in reports. Once awarded, the contractor will have access to current format. Much of the information on reports is covered by 64.604(c)(3)(iii)(I) which states: “The administrator shall keep all data obtained from contributors and TRS providers confidential and shall not disclose such data in company-specific form unless directed to do so by the Commission.” In the interim, some forms are available for public inspection at [https://www.neca.org/portal/server.pt/gateway/PTARGS\\_0\\_0\\_307\\_206\\_0\\_43/https%3B/prodnet.www.neca.org/source/NECA\\_Resources\\_216.asp](https://www.neca.org/portal/server.pt/gateway/PTARGS_0_0_307_206_0_43/https%3B/prodnet.www.neca.org/source/NECA_Resources_216.asp)

**Q10: (AMENDMENT 4)**

Item #8 under heading 4.0 Requirements/Tasks in Section C (Work Statement) on page 13 of the RFP indicates that the administrator is to conduct audits, reviews and on-the-spot investigations of the contributors to the TRS Fund. No where else is this specific audit requirement mentioned. 47 CFR 64.604(c)(5)(iii)(B) notes that audits of the contributors may be by the Commission or by the Administrator at the discretion of the Commission. Based on our experience ad administrator of the NANP, these carrier audits are carried out under a separate contract between the FCC and an independent audit firm. Given that the audits are on revenue numbers reported on the Form 499, which is received by USAC and not by the Administrator, it would seem unreasonable to have the Administrator conduct such audits. Given that there are 6,100 contributors to the Fund, it is our opinion that the audit of these contributors should be outside the scope of the contract with the TRS Fund Administrator.

Can you confirm that audits of the contributors to the Fund are not required to be carried out by the Administrator?

**R10:** The FCC will not require the Administrator to conduct contributor audits as part of this contract.

**Q11 (AMENDMENT 4)**

Paragraph 1 of Section 1.5.0 of Appendix A to the RFP requires the TRS Fund to undergo an annual financial statement audit. Such an audit must be conducted by an independent licensed public accountant. Given that the cost of such an audit cannot be controlled by the Administrator, it would not make sense that it be included in the Administrator's fixed fee.

**R11:** *See R6.*

**Q12: (AMENDMENT 4)**

On February 6, 2008, DA No. 08-303 on Docket No. 03-123 was issued by the FCC issuing an order for a revised TRS Fund size and carrier contribution factor. Presumably such revisions require a retroactive and revised billing to all contributors to the Fund. For monthly contributors, this would be easy to do. However, approximately 95% of the 6,100 contributors contribute annually. This would mean issuing a second round of amended invoices to over 5,600 contributors. This would significantly increase the work load of the Administrator and would lead to unforeseen costs.

In determining the fixed price contract, can it be assumed that there will be no revisions required to the Fund size or contribution factor in any given year; and that if revisions are required, resulting from circumstances that were unforeseeable when the original factor was determined, then the Administrator would be entitled to additional compensation therefore?

**R12:** Revisions to the fund size or contribution factor have been rare. They have not been applied retroactively. Offerors are advised to review the history and plan accordingly.

**Q13: (AMENDMENT 4)**

We note that the RFP requires that the Administrator develop an audit plan for auditing TRS service providers.

Can you provide us with copies of a sample of the audit working paper files, audit planning memo, and/or audit report for audits on TRS Service Providers carried out during the past year?

**R13:** Provider audits will be conducted outside of this contract of by the Office of the Inspector General of the FCC. The FCC will make audit plans and reports available to the Administrator at that time.

**Q14: (AMENDMENT 4)**

Can you provide any form of guidance as to the level of detail you would like to see audited in the service provider audits? Frequency of Audits?

**R14:** See R 13.

**Q15: (AMENDMENT 4)**

CFR 64.604(c)(5)(iii)(H) requires the Administrator to file a cost allocation manual. As required by service providers in 64.903. Under a fixed price contract, costs are irrelevant.

Why is a cost allocation manual required for a fixed price contract?

**R15:** See R 7.

**Q16: (AMENDMENT 4)**

Paragraph 1 of Section 1.5.0 of Appendix A to the RFP notes that the Administrator is subject to yearly financial statement audits. We can't find this reference in the CFR and wonder if there is a statutory requirement that the Administrator to have an audit conducted on their operations. We note that Paragraph 5 of FCC Decision 03-232 released October 3, 2003 states that "Because the TRS Fund will be audited as a component of the commissions' Financial Statements, we find that the yearly audit of the TRS Fund pursuant to Section 64.604(c)(5)(iii)(D) is no longer necessary and we delete this section from the Commission's rules".

Can you provide the reference in the CFR for a financial statement audit of the TRS Fund?

**R16:** There is no reference to the CFR for this annual financial statement audit requirement. The requirement is in accordance with Section 1.5.0 of Attachment A. The FCC requires the annual audits.

**Q17: (AMENDMENT 4)**

The RFP requires that a website is to be developed and maintained by the Administrator.

Can you tell us if NECA's website is used as a portal by the service providers to submit their monthly costing data and minutes of use reports? If not, can you please tell us how the service providers make this information available to the Administrator?

R49: NECA does provide a portal on its website for the submission of information from providers.

**Q18: (AMENDMENT 4)**

The May 1, 2008 Filing by NECA to seek approval for the Fund Size, Payment Formula and Contribution Factor as displayed in CG Docket No. 03-123 refers to: Appendix A Data Collection Form; Appendix B: ??; Appendix C: Data Summary by Individual State Jurisdictions; Appendix D: individual state jurisdiction data; Appendix E: Current Advisory Council Members; Appendix F Meeting Minutes for Advisory Council; Appendix G; TRS Fund financial statements with audit opinion.

Can you make available the appendices to the May 1, 2008 NECA filing to establish Fund Size etc. for the July 2008 to June 2009 Funding year?

**R18:** The complete filing is available on NECA's website.

[https://www.neca.org/portal/server.pt/gateway/PTARGS\\_0\\_0\\_307\\_206\\_0\\_43/https%3B/prodnet.www.neca.org/media/FinalFilingMay12008.pdf](https://www.neca.org/portal/server.pt/gateway/PTARGS_0_0_307_206_0_43/https%3B/prodnet.www.neca.org/media/FinalFilingMay12008.pdf)

**Q19: (AMENDMENT 4)**

We understand that there are approximately 34 payments to be made to service providers per month.

Are payments to service providers made by wire, some other form of electronic transfer, or by cheque?

**R19:** The process for making payments to the providers is a decision for the Administrator.

**Replacement Page 24**

**7.0 REQUIRED PERFORMANCE METRICS  
 REQUIRED PERFORMANCE METRICS (RPM) TABLE**

<b>Required Service</b>	<b>Performance Standards</b>	<b>Acceptable Quality Levels</b>	<b>Method Of Surveillance</b>	<b>Incentive (Negative) (Impact on Contractor Payments)</b>
Monthly, Quarterly and Annual Reports on Fund Status and Operations	Reports submitted no later than the due dates	100%	Reports, customer, regulatory &/or industry complaints, inspections, and/or evaluations	Invoice deduction of \$500 for each report delivered late
Audit Plans and Audit Reports of Providers	Audit Plans are submitted in accordance with prescribed timelines.	100%	Reports, customer, regulatory &/or industry complaints, inspections, and/or evaluations	Invoice deduction of \$500 for each audit plan submitted late
Independent Audit of the TRS Fund	Audits are conducted in accordance with prescribed timelines.	100%	Annual Audit Reports	Invoice deduction of \$500 for each audit conducted late
Rate-making and Contribution Factor Responsibilities	Proposed compensation rates, Fund size, and contribution factor are calculated and proposed in accordance with prescribed timeliness, and accurately reflect underlying data.	100%	Reports, customer, inspections, and/or evaluations	Invoice deduction of \$500 for each late deliverable
Timeliness and accuracy of payments	Payments of monies are executed pursuant to prescribed requirements, are supported by the data submitted by the providers, are the correct amounts, and are consistent with the Improper Payments Information Act	98%	Audits, reports, service providers	Invoice deduction of \$500 for not meeting Acceptable Quality Level or delivery date
Timeliness and accuracy in collections	Collection of monies shall be executed pursuant to prescribed requirements, are supported by the data, and are in the correct amount	98%	Audits, reports, service providers	Invoice deduction of \$500 for not meeting Acceptable Quality Level or delivery date
Collecting and Reviewing cost and demand data from Providers	Timely and complete collection of data pursuant to prescribed requirements	98%	Audits, reports, service providers	Invoice deduction of \$500 for not meeting Acceptable Quality Level or delivery date