

Request for Proposals for Marketing Communications and Graphic Design Services

Responses due no later than
5:00 p.m. Eastern time
August 1, 2007

Universal Service Administrative Company
2000 L Street N.W., Suite 200
Washington, DC 20036
Phone 202.776.0200 • Fax 202.776.0080
<http://www.usac.org>

TABLE OF CONTENTS

1.	Introduction and Background	1
1.1	USAC Background	1
1.2	Procurement Background.....	2
1.3	Proposal Submission.....	2
2.	Statement of Work	3
2.1	2007 and 2008 Annual Reports	3
2.2	Brochures and Collateral Material.....	4
2.3	Tradeshow Booth/Banner-Ups.....	4
2.4	Ownership	5
3.	Bidding/Pricing.....	6
3.1	Revisions to the RFP	6
3.2	Respondent's Questions	6
3.3	Type of Procurement	6
3.4	General Requirements.....	6
3.5	Contents of Technical/Management Proposals	7
3.6	Pricing Proposal	10
3.7	Certifying and Signing Proposals	11
3.8	Submission, modification, revision, and withdrawal of proposals.....	12
3.9	Contract Terms & Conditions	12
3.10	Miscellaneous Requirements & Terms.....	12
4.	Proposal Evaluation and Award.....	14
	APPENDIX A.....	16
	Fees and Costs for Graphic Design Services	
	APPENDIX B.....	18
	Sample Consulting Agreement	
	APPENDIX C.....	47
	Samples of Trade Show Panels and Banner Ups	

1. Introduction and Background

The Universal Service Administrative Company (“USAC”) is requesting proposals for marketing communications and graphic design services through June 30, 2009. These services will include working on USAC’s 2007 and 2008 Annual Reports, creating brochures with new graphic designs, and creating tradeshow display items and materials. This Request for Proposals (“RFP”) describes the services requested and provides instructions on how to respond.

1.1 USAC Background

USAC is a not-for-profit Delaware corporation. The Federal Communications Commission (“Commission” or “FCC”) appointed USAC as the permanent administrator of the USF and the Universal Service Support Mechanisms (“Support Mechanisms”)—High Cost, Low Income, Rural Health Care and Schools & Libraries—as set forth in Title 47, Part 54, Section 701 of the Code of Federal Regulations.¹ Subject to Commission oversight, USAC performs the billing, collection, and disbursement functions associated with the USF and the Support Mechanisms. USAC is the neutral administrator of the USF, and may not make policy, interpret regulations, or advocate regarding policy matters.²

USAC is a wholly-owned subsidiary of the National Exchange Carrier Association (“NECA”). However, NECA has no management or operational control over USAC.³ The Chairman of the FCC is responsible for selecting all members of the USAC Board of directors⁴ and approving the selection of USAC’s Chief Executive Officer.⁵ USAC is not a “Government corporation” as that term is defined in 31 U.S.C.A. §§ 9101-02. Additional information concerning USAC and its administration of the USF and Programs can be obtained from USAC’s website (www.usac.org).

¹ 47 C.F.R. § 54.701.

² 47 C.F.R. § 54.702(c).

³ See 47 C.F.R. § 54.703(a).

⁴ See 47 C.F.R. § 54.703(c).

⁵ See 47 C.F.R. § 54.704(b).

1.2 Procurement Background

USAC is seeking a Respondent to design and produce USAC's 2007 and 2008 annual report; brochures and collateral material; and tradeshow booths/banner-ups. These materials, in addition to their fundamental purpose, shall communicate a unified message, "One Fund – Four Programs." Past studies indicate that USF program areas were viewed as independent, isolated entities which resulted in inconsistent messaging and graphics across program areas and an incomplete understanding of USAC and the USF among program participants, policymakers, regulators, and contributors. All materials must be reviewed and approved by USAC.

USAC reserves the right to revise or withdraw this RFP at any time, and no legal or other obligations are assumed by USAC by virtue of issuing this RFP. This RFP may include unintended errors or omissions, and the accuracy and completeness of this document is not warranted in any manner. It is Respondent's responsibility to submit questions through the written question process described in this RFP when clarifications are desired by the Respondent.

No agreement or obligation, express or implied, shall arise between USAC and any Respondent as a result of USAC's acceptance for evaluation of a proposal submitted in response to this RFP.

1.3 Proposal Submission

Complete proposals must be submitted to Jay Beard, USAC Purchasing Manager, no later than the date and time set forth in this RFP. An electronic copy and two (2) hard copies of the proposal are required. Proposals may be mailed or delivered to:

Universal Service Administrative Company
Attn: Jay Beard
2000 L Street, NW, Suite 200
Washington, DC 20036

Inquiries may be directed to Jay Beard by electronic mail at rfp@usac.org, by telephone at (202) 776-0200, or by fax at (202) 776-0080.

2. Statement of Work

USAC is seeking an experienced graphics design Respondent to deliver the following items:

2.1 2007 and 2008 Annual Reports

Previous USAC Annual Reports will guide the Respondent in developing USAC's 2007 and 2008 Annual Reports. In the past USAC's Annual Report has been between 48-52 pages.

Tasks associated with the Annual Report shall include, but not be limited to:

- (1) creative supervision (client consultation, project management, and meetings),
- (2) art direction and revisions,
- (3) headline and copy consultation,
- (4) production coordination,
- (5) proofing,
- (6) scans,
- (7) runouts, and
- (8) materials.

Tasks associated with Annual Report revisions shall include, but not be limited to:

- (1) creative supervision,
- (2) art direction, and
- (3) production coordination.

Tasks associated with color copies shall include, but not be limited to:

- (1) printing 30 color copies of the Annual Report layout for approval by USAC's Board of Directors in January 2008 and January 2009,
- (2) saddle-stitching, and
- (3) shipping.

Printing estimate includes printing 1,000 copies of the Annual Report in full color throughout, one color proof, shrink wrapping, shipping all copies to USAC's office in Washington, DC, sales tax, and a CD of final art.

Photography estimate includes 20-25 royalty-free and stock photographs for the Annual Report.

Deliverable: Design and draft the annual reports. Upon approval, print 1,000 copies of the USAC 2007 and 2008 Annual Reports. Provide weekly status reports while working on the annual report.

Timeline: Annual Report must be completed approximately in early March each year for delivery to Congress and the FCC.

2.2 Brochures and Collateral Material

USAC is seeking a Respondent to assist in creating approximately eight (8) different program brochures and other collateral material to help program participants understand program rules and requirements.

Tasks associated with this work shall include, but not be limited to:

- (1) creative supervision,
- (2) art direction and revisions,
- (3) headline and copy consultation,
- (4) production coordination, and
- (5) materials to design and produce three or four panel brochures that are highly useful for presentations and outreach initiatives.

Photography and printing will also be coordinated through the vendor. The brochures will be similar in scope to the four brochures produced for USAC in 2006. Go to <http://www.usac.org/about/resource-room/usac-brochures.aspx> to view the High Cost and Schools and Libraries brochure designs.

Deliverables: The Respondent will provide USAC with brochure designs that are easy to read, visually appealing, and unified in look and feel. USAC will need approximately eight brochures designed. USAC may need print runs of 500 or 1000. Collateral material may include tip sheets, fact sheets, or other program outreach documents. Provide weekly status reports while working on the brochures and collateral material.

Estimated Timeline: Final materials due by June 30, 2009.

2.3 Tradeshow Booth/Banner-Ups

USAC staff host training sessions throughout the country and attend industry conferences and meetings related to the programs. The selected Respondent will design and produce up to eight (8) tradeshow panels to fit a 10 foot by 10 foot display booth and ten (10) banner-ups (typically 30-36 inches wide by six foot high) related to the specific programs for use at tradeshow and conferences. The tradeshow panels are affixed to individual magnetic struts that are snapped on to the frame. Panels hang and unroll to self-align to the struts.. See Appendix C for samples of tradeshow panels and banner-ups.

Tasks associated with this work shall include, but not be limited to:

- (1) creative supervision,
- (2) art direction and revisions,
- (3) headline and copy consultation,
- (4) production coordination, and
- (5) materials to design and produce lightweight, vertical, single panel displays that are highly useful for presentations, news conferences, announcements, television appearances, etc.

Photography and printing will also be coordinated through the vendor. The banner ups and tradeshow booth designs will be similar in scope to banner ups produced for USAC in 2006. See Appendix C for samples of tradeshow panels and banner ups.

Deliverable: Banner-ups, display booth graphics for a six foot table top display and a ten foot booth, and appropriate signage for training sessions. Provide weekly status reports while working on the tradeshow booth and banner-ups.

Estimated Timeline: Due on or before June 30, 2009.

2.4 Ownership

All materials developed or conceived by Respondent and/or documented by Respondent during Respondent's retention by USAC, as well as all modifications and improvements and all other designs, discoveries and inventions shall be works made-for-hire for USAC within the meaning of the copyright laws of the United States or any similar or analogous law or statute of any other jurisdiction. USAC shall be the sole and exclusive owner for all purposes for the distribution, exhibition, advertising and exploitation of such materials or any part of them in all media.

3. Bidding/Pricing

Complete proposals must be submitted by 5 P.M. EST on August 1, 2007 to be considered for award. Proposals should be valid for a period of sixty (60) days.

3.1 Revisions to the RFP

Revisions to this RFP will be posted on the USAC website at: <http://www.usac.org/about/tools/procurement/> and may also be emailed to Respondents. If this RFP is amended, all terms and conditions that are not amended remain unchanged.

3.2 Respondent's Questions

Any prospective Respondent desiring an explanation or interpretation of the RFP may submit a written request by email to USAC at: rfp@usac.org by the deadline date specified in Section 3.1 above. Receipt of questions will be confirmed by email. Responses that serve to clarify a significant ambiguity in or revise any portion of the RFP may be shared with all qualified Respondents. Oral questions will not be accepted and oral explanations or instructions will not be provided.

3.3 Type of Procurement

This is not a procurement by a federal agency, government corporation, government controlled corporation or other establishment in the Executive branch of the United States Government. The contract awarded as a result of this RFP will not be a subcontract under a federal prime contract to USAC.

3.4 General Requirements

All proposals submitted to USAC in response to this RFP must fully and directly address the Statement of Work as well as the following items.

- 3.4.1 Respondent must insure and will be required to certify, that no conflicts of interest exist with respect to itself including any subcontractors.
- 3.4.2 Respondents should specifically address whether they have exclusive arrangements with any specific companies.
- 3.4.3 Respondents are responsible for any and all costs incurred in the preparation of a response to this RFP. USAC shall in no event be responsible for any such costs, even if they are reasonably foreseeable or USAC has been advised that they may be incurred.

3.5 Contents of Technical/Management Proposals

Respondents are required to submit proposals using the following structure and headings. Non-compliant proposals may be rejected. Any exceptions to the requirements stated in the RFP must be clearly stated on a separate sheet entitled "Exceptions."

3.5.1 Cover Page.

The first page of the proposal must provide:

- (a) the solicitation number;
- (b) the name, address, telephone and facsimile numbers, relevant email addresses, and if available Internet home page address of the Respondent;
- (c) a statement specifying the extent of agreement with all terms, conditions, and provisions included in the solicitation and agreement to furnish any or all items upon which prices are offered at the price set opposite each item;
- (d) names, titles, and telephone, facsimile numbers and electronic addresses of persons authorized to negotiate on the Respondent's behalf in connection with this RFP; and
- (e) name, title, and signature of the person authorized to sign the proposal. Proposals signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to USAC.

3.5.2 Confidentiality Statement

The proposal shall identify the means employed by the Respondent to identify information contained in the proposal that the Respondent contends is confidential information. USAC will treat confidential information identified as such on the sheet of the proposal in which such confidential information appears with the same degree of care that it employs in the handling of its own confidential business information. USAC reserves the right to provide copies of proposals received to the Federal Communications Commission.

Note: Respondents should not submit technical information considered by the Respondent to be a trade secret. USAC will not be responsible for any loss or damage that a Respondent may sustain as a result of inadvertent disclosure by USAC of such trade secrets contained in a proposal. USAC does not consider pricing information to be “technical information.”

3.5.3 Executive Summary

This section shall summarize all key features of the proposal including the identification of subcontractors, if any. A list of any deviations and exceptions from the requirements contained in this RFP shall be identified in the Executive Summary. Pricing information shall not appear in the Executive Summary.

3.5.4 Information Concerning Ability to Perform the Work and Integrity

The proposal shall contain a concise description of the principal business of the Respondent and any subcontractors the Respondent is proposing, including such items as company background, characteristics of business strength, and the products and services offered.

- (a) Respondent information shall include Respondent’s experience in performing tasks similar in size and complexity to this RFP.
- (b) To demonstrate experience, Respondents must provide examples of their work and customer references as well as a list of engagements of this kind that have been completed. Proposals should include no more than three case studies of similar projects undertaken for governmental, quasigovernmental, or nongovernmental nonprofit agencies. Limit samples of artwork or collateral materials to no more than five (5).
- (c) Respondents should discuss the following items to enable USAC to determine that the Respondent is responsible and able to perform the requirements of the contract:
 - (1) The Respondent has adequate financial resources to perform the contract, or the ability to obtain them.
 - (2) The Respondent is able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments.
 - (3) The Respondent has a satisfactory performance record.
 - (4) The Respondent has a satisfactory record of integrity and business ethics.
 - (5) The Respondent has the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them including, as appropriate, such elements as production control procedures, property control systems, quality assurance measures, and security and safety programs applicable to materials to be produced or services to be performed by the prospective Contractor and its subcontractors.

- (6) The Respondent has the necessary production, construction and technical equipment and facilities, or the ability to obtain them.
- (7) The Respondent is otherwise qualified and eligible to enter into and perform the contract under applicable laws and regulations.

3.5.5 References

Respondents shall furnish references, preferably for similar work being performed currently or in the near past, including the name of the company, contact name, address, and telephone number.

3.5.6 Conflicts of Interest, Litigation & Debarment

Respondents shall identify any conflicts or potential conflicts and the means by which such conflicts will be addressed. Respondent shall include detailed information regarding: (1) any affiliation with telecommunications service provider(s) or beneficiaries of, or other organizations that participate in, the Universal Service Fund or the Support Mechanisms; and (2) percent of revenues received from, and debt held by, telecommunications service provider(s) or beneficiaries of, or other organizations that participate, in the Support Mechanisms or contribute to the Universal Service Fund. Respondent shall include detailed information regarding whether any of the senior personnel that will be assigned to this engagement also will be assigned to an engagement with a telecommunications service provider or beneficiary of, or other organization that participates in, the Support Mechanisms or contributes to the Universal Service Fund.

Respondent shall identify any current or threatened litigation or other proceeding, including bankruptcy and related matters, in any judicial court or administrative agency in any jurisdiction, as well as any matter currently in, or expected to be in, arbitration, mediation, or other form of dispute resolution, the resolution of which could materially affect Respondent's financial strength or ability to perform the duties set forth in this RFP, and shall provide a summary description of the liabilities Respondent anticipates may occur as a result of such proceedings. The proposal shall identify any judgments entered within the past ten years in which Respondent was found to have committed fraud, misappropriation of funds, or other civil or criminal offense.

Respondent shall identify if it, any of its officers or personnel to be assigned to this engagement have ever been suspended, debarred, or proposed for debarment from performing work for the United States government.

3.5.7 Technical and Management Proposal Details

- (a) Respondents must submit a detailed response to the Statement of Work included in this RFP. The statement of work for the winning proposal may be coupled with the sample contract terms listed in this RFP. Respondents are encouraged to format their response in conformance with the structure and format of the Statement of Work. Additionally, the Respondent must clearly state whether it will comply with the stated requirements and provide detailed

information about how it will fulfill the requirements of the RFP. Technical proposals that merely restate the requirements set forth in the RFP and state that “Respondent will perform the statement of work” or similar verbiage will be considered non-responsive. USAC is interested in proposals that demonstrate in detail the Respondent’s ability to perform contracts of this type as illustrated by the Respondent’s description of how it proposes to perform the required Scope of Work.

- (b) Identify all locations where work will be performed, including the type of work to be performed at each location. Identifying information should include location street address, city, country, state, and zip code.
- (c) Key personnel proposed to manage the contract performance must be identified and résumés provided. Only personnel already employed by Respondent, or individuals who have agreed in writing to become employees of Respondent in the event Respondent is awarded the contract, may be identified as key personnel.
- (d) If any subcontractors are proposed to perform any required tasks, the information specified in Sections 3.4.4 (“Information Concerning Ability to Perform the Work and Integrity”) and 3.4.7 (c) (“Technical and Management Proposal Details”) above must be provided with respect to each such subcontractor. The proposal shall specifically identify the tasks that each subcontractor is proposed to perform.
- (e) In addition to the specific responses set forth above, Respondents shall describe how they possess or how they will acquire the following attributes: (i) knowledge of all relevant FCC rules related to the universal service support mechanisms and any other federal regulations that may affect the functions performed; and (ii) knowledge of other activities that directly relate to the functions to be performed.
- (f) Technical proposals should demonstrate experience working with a government-chartered agency with a variety of stakeholders in both the business and government arena.
- (g) Technical proposals must include an estimate of what the level of effort is to complete this work.

3.6 Pricing Proposal

Respondents shall provide all pricing information using the template provided in Appendix A in a separate document from the technical and management proposal. This appendix provides for a table of Respondent’s costs and estimates.

- The budget must include any and all costs in addition to the fixed fee. For instance, if there is an additional charge for photography licenses, printing, etc., that must be included in Appendix A and in the proposal.
- Budget should aggregate costs based on the individual tasks – in other words, there should be a total for each task (annual report, brochures and collateral material, tradeshow booth, etc.)

If reimbursable travel is required, it must be outlined in the pricing proposal. Any and all travel expenses must conform with USAC's Travel Policy, which can be found in Appendix B, Exhibit D.

3.7 Certifying and Signing Proposals

Respondents must sign their proposals. Joint bids require that all parties bidding must sign the proposal. Subcontractors to a Respondent are not required to sign the Respondent's proposal.

By submitting its proposal, the Respondent certifies, and in the case of a joint proposal each party to it, certifies as to its own organization, that in connection with this solicitation:

- (a) the prices proposed have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to the prices with any other Respondent or with any competitor;
- (b) unless otherwise required by law, the prices proposed have not been and will not be knowingly disclosed by the Respondent before award of a contract, directly or indirectly to any other offer or to any competitor; and
- (c) no attempt has been made or will be made by the Respondent to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

Each person signing a proposal certifies that:

- (a) (1) he or she is the person in the Respondent's organization responsible for the decision as to the prices being offered herein and that he or she has not participated, and will not participate, in any action contrary to the paragraphs above, or (2) he or she is not the person in the Respondent's organization responsible for the decision as to the prices being offered but that he or she has been authorized in writing to act as agent for the persons responsible in certifying that they have not participated, and will not participate, in any action contrary to the paragraphs above, and as their agent does hereby so certify; and
- (b) he or she has not participated, and will not participate, in any action contrary to the paragraphs above.

3.8 Submission, modification, revision, and withdrawal of proposals

- (a) Respondents are responsible for submitting proposals, and any modifications or revisions, so as to reach USAC's offices at the address specified in the RFP by the time specified in the RFP. If no time is specified then the time for receipt is 5:00 p.m., Eastern time on the date that proposal or revision is due.
- (b) Any proposal, modification, or revision, received at USAC's offices after the exact time specified for receipt of proposals is deemed a "late submission" and will not be considered unless it is received before award is made and USAC determines in its sole discretion that accepting the late submission would not unduly delay the acquisition or prejudice the rights of other Respondents submitting proposals.
- (c) Proposals may be withdrawn by written notice received at any time before award. Proposals may be withdrawn in person by a Respondent or an authorized representative, if the identity of the person requesting withdrawal is established and the person signs a receipt for the proposal before award.
- (d) Respondents may submit modifications to their proposals at any time before the specified closing date and time, and may submit modifications in response to an amendment, or to correct a mistake at any time before award.

3.9 Contract Terms & Conditions

The winning contractor will be required to enter into a contract with USAC containing USAC's standard terms and conditions. A sample of this "Consulting Agreement" is attached as Appendix C. USAC reserves the right to amend any and/or all terms.

3.10 Miscellaneous Requirements & Terms

Offers utilizing subcontractors are permissible. Each offer shall include a representation that Respondent has not: solicited, accepted, or attempted to accept any kickback from any subcontractor(s) included in its proposal; or included, directly or indirectly, the amount of any kickback in any prices stated in its pricing proposal. If a Respondent has reasonable grounds to believe a possible violation of the kickback prohibition described in the previous sentence has occurred, Respondent shall notify USAC in writing. For purposes of this representation, "kickback" means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to Respondent, or any Respondent employee, subcontractor, or subcontractor employee, for the purpose of improperly obtaining or rewarding favorable treatment in connection with a contract awarded by USAC or in connection with a subcontract relating to a contract awarded by USAC.

USAC shall have access to and the right to examine and audit any of the successful Respondent's directly pertinent records related to this contract and any related subcontracts. The FCC's Office of Inspector General (OIG) shall have the right to

examine and audit the supporting records and materials pertaining to work required by Appendix C for the purpose of evaluating (1) the effectiveness of Respondent's policies and procedures to produce data compatible with the objectives of these reports and (2) the data reported. Respondent shall make available at its office at all reasonable times the records, materials, and other evidence described in this paragraph for examination, audit, or reproduction, until 3 years after final payment under this contract or termination of this contract, whichever is later.

4. Proposal Evaluation and Award

USAC will evaluate all proposals that are submitted in compliance with the requirements of this RFP. Award will be made to the responsible Respondent whose offer conforms to the requirements of the RFP and offers the overall best value, considering the Respondent's demonstrated understanding of the requirements of the RFP, merits of the proposal, strength of the Respondent team, and experience in managing and performing work of this kind and price.

Proposals must be complete and follow the format presented in this RFP in order to be accepted. Accepted proposals will be evaluated on the following criteria. *Note: The order in which the criteria are listed does reflect the priority or weighting that will be applied during the evaluation process.*

- Firm's experience
- Experience of consultants to be assigned to USAC account
- Technical proposal
- Pricing

USAC will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. USAC may determine that an offer is unacceptable if the option prices are significantly unbalanced. Evaluation of options shall not obligate USAC to exercise the option(s).

For this RFP, USAC is concerned with achieving the most advantageous balance between the technical and management features of the proposals and cost. USAC reserves the right to reject any or all proposals, and may waive informalities and minor irregularities in proposals received.

USAC may award the engagement on the basis of initial proposals received, without discussions. Therefore, each initial proposal should contain the Respondent's best terms from a cost or price and technical and management proposal standpoint. Before the proposal's expiration time, USAC may accept a proposal, whether or not there are discussions or negotiations after its receipt, unless a written notice of withdrawal is received before award.

Discussions or negotiations conducted after receipt of a proposal do not constitute a rejection or counteroffer by USAC. USAC reserves the right to conduct negotiations with one or more Respondents, sequentially or simultaneously, after receipt of offers.

USAC reserves the right to withdraw this RFP and/or cancel this procurement at any time, and to make no award if, in USAC's sole judgment, it would be in the best interests of USAC to do so.

The following are key events associated with this procurement:

Date	Event
July 2, 2007	RFP Posted
July 3-16, 2007	Written questions may be submitted to USAC at rfp@usac.org
July 20, 2007	USAC's response to written questions
August 1, 2007	Proposals due to USAC
August 16, 2007	Anticipated award date

Any information given to a prospective respondent concerning the RFP will be furnished promptly to all other prospective respondents as an amendment to the RFP, if that information is necessary in submitting offers or if the lack of it would be prejudicial to any other prospective respondent.

APPENDIX A

FEEES AND COSTS FOR GRAPHIC DESIGN SERVICES (Begins on next page)

APPENDIX A

Fees and Costs for Graphic Design Services

DESCRIPTION OF SERVICE	RATE	NOT-TO-EXCEED AMOUNT
Annual Report 2007 (see Task #2.1)		
Annual Report 2008 (see Task #2.1)		
Brochures and Collateral Material (see Task #2.2)		
Trade Show Booths/Banner-Ups (see Task #2.3)		
Trade Show Banner-ups (see Task #2.3)		
Any additional amounts (describe)		

APPENDIX B
CONSULTING AGREEMENT
(Begins on next page)

CONSULTING AGREEMENT
BETWEEN THE UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
AND [NAME OF COMPANY]

This Consulting Agreement ("Agreement") is effective as of this [day] day of [month] 2007 (the "Effective Date") by and between Universal Service Administrative Company (the "Company") and [Consultant name] ("Contractor"), a [state of incorporation] company whose address is [address].

WHEREAS, the parties hereto wish to provide a means through which Company may utilize Contractor's services as an independent consultant;

NOW, THEREFORE, in consideration of the promises and the mutual covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. **Services, Technical Point of Contact and Status Meetings.**

- (a) Pursuant to the terms of this Agreement Contractor will perform the services and submit the deliverables described in one or more Statements of Work all of which are attached hereto as **Exhibit A** and made a part of this Agreement (the "Consulting Services"). To the extent that there are any terms or conditions contained in any Statement of Work or Exhibit to this Agreement, that would have the effect of conflicting with any of the numbered terms and conditions of this Agreement, the numbered terms and conditions of the Agreement shall control. Work shall not be performed outside of the scope of the applicable Statement of Work. All services must be rendered at Company, unless off-site work is described in the Statement of Work or approved in advance in writing on a temporary basis by an authorized representative of Company. If off-site work is approved, Contractor personnel must be accessible to Company personnel via telephone or email during all hours worked.
- (b) Company shall designate a Technical Point of Contact (TPOC) and a backup in the agreement signed by Contractor and Company.
 - (i) The TPOC is responsible for the technical direction of the contract work. In no event, however, will any understanding, agreements, modifications, change orders, or other matters deviating from the terms of this contract be effective or binding upon Company unless formalized by proper contractual document executed prior to completion of the contract. The following requirements shall apply to contract changes:
 - (1) The TPOC may at any time, by written notice make changes within the general scope of this contract in the services to be performed.
 - (2) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the notice, the TPOC shall make an equitable adjustment in the contract price, the delivery schedule, or both, and shall modify the contract.
 - (3) Contractor must assert its right to an adjustment under this clause within 30 days from the date of receipt of the written notice. However, if the TPOC decides that the facts justify it, the TPOC may receive and act upon a proposal submitted before final payment of the contract.

- (4) If Contractor's proposal includes the cost of property made obsolete or excess by the change, the TPOC shall have the right to prescribe the manner of the disposition of the property.
 - (5) Failure to agree to any adjustment shall be deemed a dispute under the Contract. However, nothing in this clause shall excuse Contractor from proceeding with the contract as changed.
 - (6) No services for which an additional cost or fee will be charged by Contractor shall be furnished without the prior written authorization of the TPOC.
- (ii) The Company TPOC shall be informed as soon as possible of any actions or inactions by Contractor or Company, 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 Contractor, the TPOC requests efforts outside the scope of the contract, Contractor shall advise the TPOC in writing and explain why it believes the request is outside the scope of the contract. If the TPOC persists and there still exists a disagreement as to proper contractual coverage, the Company's Vice President of Internal Audit should be notified immediately in writing. Proceeding with work without proper contractual coverage could result in non-payment.
- (c) During the performance of the engagement, Contractor shall meet and/or communicate frequently (at a minimum monthly) with the Company staff as requested by the Company designated Technical Point of Contact (TPOC) to discuss project status. Contractor shall send the TPOC a monthly report summarizing project status, including expenditures to date, percentage of completion and project milestones to date.

Contractor's senior management will attend monthly status meetings. Contractor shall prepare a meeting agenda and provide a milestone schedule detailing project progress for each item in the workplan (see section 2 below), which, at a minimum, shall include:

- (i) Hours and costs incurred by contract labor category.
- (ii) Estimated hours and cost by labor category remaining to complete the project.
- (iii) Estimated project completion date.
- (iv) Narrative on potential findings and factors impacting contract performance/completion.

2. **Conflict of Interest.** Contractor represents and warrants that neither Contractor, nor anyone authorized to act on Contractor's behalf, has made or will make during the term of this Agreement, any payment or contribution to any officer, employee, or director of Company for the purpose of influencing the award of this Agreement. Contractor shall pay to Company any amounts paid in breach of this warranty and shall be ineligible to receive additional contracts or purchase orders from Company for a period of one (1) year after final judgment that Contractor is in breach of this warranty. None of the funds paid by Company to Contractor as a result of this Agreement shall be used for any partisan political activity or to further the election or defeat of any candidate for public office. So long as the amount of any Contractor political contributions is less than the amount of Contractor's gross profits, it shall be conclusively presumed that any such contributions were paid out of Contractor's profits and not from any payment by Company.

During the term of this Agreement, Contractor shall identify any conflicts or potential conflicts and the means by which such conflicts will be addressed. Contractor shall report such conflicts to Company in writing and include detailed information regarding: (1) any affiliation with telecommunications service provider(s) or beneficiaries of, or other organizations that participate

in, the Universal Service Fund (the “USF”) or the Universal Service Support Mechanisms (the “Mechanisms”) ; and (2) percent of revenues received from, and debt held by, telecommunications service provider(s) or beneficiaries of, or other organizations that participate, in the Mechanisms or contribute to the USF. Contractor shall include detailed information regarding whether any of the senior personnel assigned to this engagement also will be assigned to an engagement with a telecommunications service provider or beneficiary of, or other organization that participates in, the Mechanisms or contributes to the USF.

During the term of this Agreement, Contractor shall identify any current or threatened litigation or other proceeding, including bankruptcy and related matters, in any judicial court or administrative agency in any jurisdiction, as well as any matter currently in, or expected to be in, arbitration, mediation, or other form of dispute resolution, the resolution of which could materially affect Contractor’s financial strength or ability to perform the duties set forth in this Agreement, and Contractor shall provide a summary description of the liabilities Contractor anticipates may occur as a result of such proceedings. Contractor shall identify any judgments entered in which Contractor was found to have committed fraud, misappropriation of funds, or other civil or criminal offense.

During the term of this Agreement, Contractor shall identify if it, any of its officers or personnel to be assigned to this engagement are suspended, debarred, or proposed for debarment from performing work for the United States government.

3. **Term.** The term of this Agreement will commence on the Effective Date (as defined above) and continue until the earlier of the completion of all Statements of Work or [date] unless this Agreement is terminated earlier in accordance with the provisions set forth herein. Company is not responsible for any work performed by Contractor or Key Personnel after termination or expiration of this Agreement or a Statement of Work, including any work performed in any interim between termination or expiration of this Agreement or a Statement of Work and any successor or renewal agreement or Statement of Work.
4. **Compensation.** Subject to the terms of this Agreement and in consideration of the Consulting Services provided as set forth in the applicable Statement of Work:
 - (a) Company shall pay Contractor the hourly rate specified in the applicable Statement of Work up to the maximum amount specified in the Statement of Work. Contractor shall not incur more than the maximum amount unless Company previously consents in writing.
 - (b) If the services provided under this Agreement are to be performed in phases, specific tasks or groups of tasks as set forth in the applicable Statement of Work, the total maximum payments for each such phase, task or groups of tasks are specified in the Statement of Work. The total payments to Contractor under an applicable Statement of Work shall not exceed the amount specified in therein without the prior written consent of Company.
 - (c) Company shall reimburse Contractor for customary and reasonable out-of-pocket expenses incurred in performing the services under this Agreement up to the maximum specified in the applicable Statement of Work. Travel expenses must conform to Company’s travel policy, a copy of which is provided in **Exhibit D** to this Agreement. Company is not responsible for damages to automobiles or other property of Contractor or Contractor personnel caused by accident, loss, or theft while performing work under this Agreement, including, but not limited to, accident, loss, or theft during periods of travel that may be required or authorized by Company.
 - (d) Contractor shall submit proper invoices at least once per month to:
Universal Service Administrative Company
Attn: Accounts Payable

2000 L St. NW, Suite 200
Washington, DC 20036

To constitute a proper invoice, the invoice must include the following information and/or attached documentation:

- (i) Name of the business concern, invoice number and invoice date.
- (ii) Contract number, or authorization for delivery of property or performance of services.
- (iii) Description, price, and quantity of property and services actually delivered or rendered.
- (iv) Name (where practicable), title, phone number, and complete mailing address of responsible official to whom payment is to be sent.
- (v) Name (where practicable), title, phone number, and complete mailing address of responsible official to whom notification should be sent if the invoice is defective.
- (vi) Any other substantiating documentation or information as required by the contract.
- (vii) Receipts to support all out-of-pocket expenses incurred by Contractor.
- (viii) A statement signed by a responsible official of the concern substantially similar if not identical to the following:

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

- (e) Company will not pay invoices not properly submitted or not conforming to the requirements set forth above. In addition, Company will not pay invoiced amounts associated with goods and services either not delivered or if delivered, not accepted by Company.
 - (f) Company will pay properly submitted invoices within 30 calendar days of receipt provided such invoice is proper and submitted in accordance with terms set forth herein.
 - (g) Contractor shall provide Company with accompanying documentation for each invoice describing the work and identifying the personnel performing services, the agreed upon rates and the number of billed hours. Monthly invoices must be based upon Contractor's weekly timesheets for Key Personnel, which must be presented to Company no later than the first business day following the completion of each week for review and written approval by an authorized representative of the Company. Only actual hours worked shall be billed for. Each weekly timesheet must include a description of services rendered, a weekly status report (including, but not limited to, achievements, challenges, problems, solutions, and alternative strategies arising during project development/implementation), and must reflect actual hours worked during the time period. A copy of the weekly timesheet to be used by Contractor is attached as **Exhibit E**.
 - (h) Contractor's rates to perform the services to be provided under this Agreement shall include all applicable federal, state and local taxes and duties.
5. **Independent Contractor.** Contractor acknowledges and agrees that it and its Key Personnel, employees, representatives, directors, officers, subcontractors and agents are independent contractors to Company and not employees of Company. Company will not withhold or contribute to Social Security, workers' compensation, federal or state income tax, unemployment compensation or other employee benefit programs on behalf of Contractor or Key Personnel. Contractor will indemnify and hold Company harmless against any and all loss, liability, cost and expense (including attorneys' fees) incurred by Company as a result of Company not withholding or making such payments. Neither Contractor nor any of Contractor's personnel are entitled to

participate in any of the employee benefit plans of, or otherwise obtain any employee benefits from, Company.

6. **Termination.** This Agreement or any or all Statements of Work may be terminated under the following circumstances (although this Agreement shall remain in effect as long as there is an active Statement of Work):
 - (a) **Cause.** Company may terminate this Agreement or any or all Statements of Work for Cause. For purposes of this Agreement, Company shall have “Cause” to terminate upon: (i) Contractor's failure to timely or properly perform the Consulting Services hereunder, (ii) Contractor's or Contractor's personnel's or a subcontractor or subcontractor's personnel engaging in conduct injurious to Company or in willful misconduct, (iii) Contractor's or Contractor's personnel's or a subcontractor or subcontractor's personnel personal dishonesty or breach of fiduciary duty to Company, (iv) Contractor's or Contractor's personnel's or a subcontractor or subcontractor's personnel violation of any law, rule or regulation (other than minor offenses), or (v) Contractor's breach of this Agreement; or
 - (b) **By Company Without Cause.** Company may terminate this Agreement or any or all Statements of Work for any reason and at any time upon one business day prior written notice to Contractor. Company shall reimburse Contractor for work performed properly and completely and expenses properly incurred through the termination date.
7. **Confidential Information.** Confidential Information means all information of a Party marked confidential, restricted, proprietary, or with a similar designation. In the case of Company, Confidential Information also includes, whether or not marked or otherwise designated “Confidential Information,” all written or printed material, outlines, reproductions, specifications, drawings, sketches, models, samples, tools and databases (including related documents), screen formats and other visual effects, technical information, business information or other data relating to Company's operations or plans provided to, obtained by or derived by Contractor from Company. Company and Contractor each must use reasonable care, considering the nature of the Confidential Information concerned, to prevent disclosing to third parties the Confidential Information of the other (“**Discloser**”) provided to it (“**Recipient**”) under or in connection with the Agreement. Company may disclose Confidential Information of Contractor when requested to do so by any agency of the United States government, or any state or local governmental entities, lawfully requesting such information. In the event of any disclosure or loss of, or inability to account for, any Confidential Information of Discloser, Recipient must notify Discloser promptly upon becoming aware thereof. Notwithstanding anything to the contrary contained in the Agreement, Contractor and Company are not obligated to treat as Confidential Information any information disclosed by the other Party which: (1) is independently developed by Recipient without use of Discloser's Confidential Information or (2) is or later becomes part of the public domain by operation of law or voluntary action of Discloser.

If Contractor believes that any Confidential Information is excepted from its obligations under this **Section 7** or it is requested or becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoena, criminal or civil investigative demand or similar process) to disclose any Confidential Information, it must provide Company with prompt written notice so that Company may seek (with Contractor's cooperation, if so requested by Company) a protective order or other appropriate remedy and/or consent to such disclosure. Company will advise Contractor promptly of the action it intends to take. If such protective order or other remedy is not obtained, or Company consents to such disclosure, Contractor must furnish or use only that

portion of the Confidential Information which is legally required or otherwise permitted and, except in the case of waiver, notify the third party or third parties receiving Confidential Information that it should be accorded confidential treatment. In the absence of any specific instruction from any appropriate governmental agency or court of competent jurisdiction, any decision as to what portion of the Confidential Information is legally required to be furnished will be made by Contractor in consultation with Company.

Contractor must not, without the prior express written authorization of Company, use Company Confidential Information for any purpose other than to perform the Consulting Services for Company. Each Party's Confidential Information shall remain the property of that Party except as expressly provided otherwise by the other provisions of the Agreement. Upon expiration or termination of this Agreement, Recipient must return or destroy as Discloser may direct, all material in any medium that contains, refers to, or relates to Discloser's Confidential Information, and retain no copies; provided, however, that Company may retain, use and disclose Contractor's Confidential Information (and may permit other consultants to use Contractor's Confidential Information) to the extent necessary for Company to assume responsibility for performing services itself or having another contractor perform services.

Contractor must limit access to information obtained, generated, or derived in the performance of the services provided under this Agreement to its employees, directors, officers, representatives, agents and subcontractors whose access is necessary to perform the Consulting Services; and, Contractor must indoctrinate its employees, directors, officers, representatives, agents and subcontractors who will have access to Company's Confidential Information as to the proprietary nature of the information, and the relationship under which Contractor has possession of this information. In addition, each of Contractor's employees, representatives and agents and the employees, representatives and agents of any subcontractor retained by Contractor to provide services under this Agreement must execute and provide to Company the confidentiality agreement set forth in Exhibit F to this Agreement.

8. **Proprietary Rights.** Contractor agrees that all such materials developed or conceived by Contractor and/or documented by Contractor during Contractor's retention by Company, as well as all modifications and improvements and all other designs, discoveries and inventions, shall, to the extent related to the current or potential business or operations of Company, be deemed Company Confidential Information pursuant to **Section 7** of this Agreement and works made-for-hire for Company within the meaning of the copyright laws of the United States or any similar or analogous law or statute of any other jurisdiction and accordingly, Company shall be the sole and exclusive owner for all purposes for the distribution, exhibition, advertising and exploitation of such materials or any part of them in all media and by all means now known or which may hereafter be devised, throughout the universe in perpetuity. Contractor agrees that in furtherance of the foregoing, Contractor shall disclose, deliver and assign to Company all such materials, modifications and improvements and all other designs, discoveries and inventions and shall execute all such documents, including patent and copyright applications, as Company reasonably shall deem necessary or desirable to further document Company's ownership rights therein and to provide Company the full and complete benefit thereof. Should any court of competent jurisdiction ever hold that the materials derived from Contractor's past or future contributions to Company do not constitute works made-for-hire, Contractor hereby irrevocably assigns to Company, and agrees that Company shall be the sole and exclusive owner of, all right, title and interest in and to all such materials, including the copyrights and any other proprietary rights arising there from. Contractor reserves no rights with respect to any such materials, and hereby acknowledges the adequacy and sufficiency of the compensation paid by Company to Contractor

for the materials and the contributions Contractor has made and will make to the development of any such information or materials. Contractor agrees to cooperate with all lawful efforts of Company to protect Company's rights in and to any or all of such information and materials and shall, at the request of Company, execute any and all instruments or documents in order to register, establish, acquire, prosecute, maintain, perfect or defend Company's rights in and to such information materials. Contractor shall grant or otherwise provide to Company a perpetual, worldwide, non-exclusive, transferable license to use any and all proprietary technology required for Company to realize continuing benefits of the services provided to Company by Contractor. The use by Contractor of any proprietary technology that will be required for Company to realize continuing benefits of the services provided to Company by Contractor must be approved by Company in writing in advance.

For any and all software Contractor develops or modifies pursuant to this Agreement:

- (a) Contractor hereby agrees to assist Company upon request by Company in the transfer and registration of copyrights to the Software as well as any other assistance Company may request of Contractor, its officers and employees, to document and protect Company's rights in the software. Company shall reimburse Contractor for any reasonable expenses it may incur in assisting Company pursuant to this Section (a).
- (b) Contractor agrees to place the following mark on the software (except for third party Software) and documentation for the software (except for third party documentation): *"Copyright © Universal Service Administrative Company, [insert year at issue]. All rights reserved."*
- (c) To enable Company to realize the rights specified in this Agreement, Contractor shall, within ten (10) days of completion of development and testing of any and all software developed pursuant to this Agreement and any updates or modifications made to such software from time to time, deliver to Company on electronic media in a format agreeable to Company the following:
 - (i) a complete copy of the current source code and machine executable code of the software presently used by Company;
 - (ii) source code (if in Contractor's possession) and machine executable copies of all third party software, including open source software, required by the software to use, run, operate, maintain and modify the Software as presently used by Company and copies of all licenses for such third party software;
 - (iii) complete documentation for the software and all third party software such that Company can use such documentation and third party software to use, run, operate, maintain, modify and make derivative works of the software and to produce fully operational and functional machine executable versions of the software from the source code provided by Contractor; and
 - (iv) documentation of and license agreements for all third party rights in the software such that Company can effectively use such third party software, and, if necessary, contact the licensor of such third party software.
- (d) Contractor shall not disclose the existence of, convey, transfer, distribute or make derivative works of the software and/or documentation in whole or in part to any third party without the prior express written consent of Company. When authorized by Company to make a disclosure, conveyance, transfer, distribution or derivative work of the software and/or documentation in whole or in part to any third party, Contractor shall include the notice specified in **Section 8(b)** of this Agreement on the software and the documentation.

9. **Amendment and Waiver.** The terms of this Agreement shall not be modified other than in writing signed by the parties. No term or condition of this Agreement shall be deemed to have been waived, nor shall there be any estoppel against enforcement of any provision of this Agreement, except by written instrument of the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.
10. **Specific Performance.** The parties to this Agreement acknowledge that any breach of the covenants set forth in **Sections 7 or 8** hereof may cause irreparable damage that would not be quantifiable and for which no adequate remedy would exist at law and agree that injunctive relief, in addition to all other remedies, shall be available. It is the intent and understanding of the parties hereto that if, in any action before any court or agency legally empowered to enforce this Agreement, any term, restriction, covenant, or promise is found to be unreasonable and for that reason unenforceable, then such term, restriction, covenant, or promise shall be deemed modified to the extent necessary to make it enforceable by such court or agency.
11. **Notices.** All notices, demands, consents or other communications required or permitted hereunder shall be in writing and shall be deemed to have been given when (i) personally delivered, (ii) sent postage prepaid by registered or certified mail, return receipt requested, (iii) sent by overnight delivery service, or (iv) sent by facsimile or electronic mail with a confirming copy sent pursuant to items (i), (ii) or (iii) of this section, addressed as follows:

If to	Company Name
Contractor:	Attn: Contact Name and Title
	Address
	City State ZIP
	Facsimile:
	Email:
	Telephone:

If to Company: Universal Service Administrative Company
Attn: XXXXXXXXXXXXXXXXXXXXXXXX
2000 L Street, NW, Suite 200, Washington DC 20036
Facsimile: 202-776-0080
Email: XXXXXXXXXXXXXXXXXXXXXXXX
Telephone: 202-776-0200

With a copy to: XXXXXXXXXXXXXXXXXXXXXXXX
Same Address, telephone, and Fax
Email: XXXXXXXXXXXXXXXXXXXXXXXX

or to such other addresses as may hereafter be furnished in writing by the respective parties if given in the manner required above. Notice shall be deemed to have been given and received either (i) on the day of delivery, if hand delivered or delivered by overnight delivery service, (ii) on the fifth (5th) day after the date sent if sent by prepaid registered or certified mail, or (iii) on the business day following the date of transmission, if sent by facsimile or electronic mail, with a confirming copy sent as stated above.

12. **Entire Agreement.** This Agreement, together with the exhibits hereto, incorporate the entire understanding among the parties relating to the subject matter hereof, recites the sole consideration for the promises exchanged and supersedes any prior agreements between Contractor and Company with respect to the subject matter hereof. In reaching this Agreement, neither party has relied upon any representation nor promise except those set forth herein.
13. **Audits.** Company, or its authorized designee, shall have access to and the right to examine any of Contractor's directly pertinent records involving transactions related to this Agreement or a subcontract hereunder during the Term of this Agreement and for three (3) years following its termination.
14. **No Assignment or Delegation; No Subcontract.** Neither this Agreement, nor any right or interest hereunder, shall be assignable or delegated by Contractor without the prior written consent of Company. Any purported assignment or delegation that violates this section is void *ab initio*. Prior written approval of Company is required before entering into any Subcontract for the performance of or assistance with the Consulting Services.
15. **Compliance with Applicable Laws.** Contractor represents and warrants that it is in compliance as of the effective date of the agreement between Contractor and Company and will remain in compliance during the term of this agreement with all applicable federal, state and local laws in performing the work and otherwise in its actions under this agreement. Contractor shall defend and indemnify Company from and against any and all claims and liabilities, including without limitation attorneys' fees and other costs, associated with any breach of the warranty set forth in this Section 10.
16. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the District of Columbia without regard to any otherwise applicable principle of conflicts of laws except as they maybe preempted by, or in conflict with, any federal laws, rules, regulations or regulatory action.

17. **Counterparts.** This Agreement may be executed by either of the parties hereto on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument.
18. **Actions and Defenses.** Contractor acknowledges that in any action by Company to enforce the provisions of this Agreement, claims asserted by Contractor against Company arising out of this Agreement shall not constitute a defense to enforcement of Contractor's obligations hereunder. Each party waives the defense of *contra proferentum*.
19. **Invalidity of Any Provision.** If any provision of this Agreement is found to be void or unenforceable, the remainder of the Agreement shall remain in full force and effect. Additionally, if any provision of this Agreement is found to be void or unenforceable, it shall be interpreted as close as possible to the original term and change such original term only to the extent necessary to render the same valid and enforceable.
20. **Key Personnel.** Contractor shall provide the key personnel as specified in **Exhibit B** ("Key Personnel").
- (a) Any personnel of Contractor working on Company's premises may be required to sign the Visitor's Form, **Exhibit C**, upon arrival and must leave their assigned workspace in the same condition as it was originally assigned. Contractor is fully responsible for any actions of its personnel that constitute a breach of this Agreement including **Exhibit C**. If any Contractor personnel use a Company workstation, laptop, mobile or other device, or Company's network, then those personnel shall not, without the prior express written permission of Company's Director of Data Security: (a) install or download any software, personal content, or third-party content through Company's network or onto a Company workstation, laptop, mobile, or other device; or (b) make any configuration changes to any Company workstation, laptop, mobile, or other device. Contractor personnel must abide by all Company computer, email, Internet, and network usage policies.
 - (b) If Company requests replacement Key Personnel, Contractor must use its best efforts to provide Company with a suitable replacement for the Key Personnel within a reasonable time period.
 - (c) Contractor agrees that such 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 Company under any order), and without compliance with the balance of this clause. Company will not approve substitutions for the sole convenience of Contractor.
 - (d) If any changes to the list of authorized Key Personnel become necessary (substitutions or additions), Contractor shall immediately notify the Company designated contact 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.
 - (e) No Key Personnel substitutions or replacements shall be approved within the first ninety days of the issuance of this contract.
 - (f) 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 for each individual:

- (i) A comparison of skills and qualifications to those set forth in the accepted resume proposed for substitution.
- (ii) Any other information requested by Company to reach a decision.

Company will evaluate such requests and promptly notify Contractor of his/her approval or disapproval in writing.

- (g) If Contractor uses any personnel under Key Personnel categories in performing the effort who are not identified as key personnel, Contractor shall bear the total risk if any individual is subsequently disapproved by Company. Company may seek additional remedies for such a breach beyond just disapproving the individual.

21. **Scanning.** Contractor understands that Company performs periodic scanning of network devices and that if Contractor is connected to Company's network devices, its system is subject to scan. Contractor, its employees, directors, officers, representatives, agents and subcontractors, consent to such scanning.
22. **Malicious Software.** Contractor represents and warrants that it shall use its best efforts to ensure that no program routine, device, or other undisclosed feature, including, without limitation, a time bomb, virus, software lock, spyware, adware, drop-dead device, malicious logic, worm, Trojan horse, back door or trap door, that is designed to delete, disable, deactivate, interfere with or otherwise harm any software or systems, or Company's information, or that is intended to provide access or produce modifications not authorized by Company or similar items ("**Malicious Software**") will be introduced into the systems used to provide the Consulting Services. Contractor agrees that, in the event Malicious Software is found to have been introduced into the systems used to provide the Consulting Services, Contractor must use its best efforts at no additional charge to assist Company in reducing and eliminating the effects of the Malicious Software and, if the Malicious Software causes a loss of operational efficiency or loss of data to mitigate and restore such losses.
23. **Indemnity.** Contractor shall defend, indemnify and hold harmless Company from and against, any losses, liabilities, costs and expenses (including attorneys' fees) arising out of or relating to: (a) claims by a third party for personal injuries, death or damage to tangible personal or real property to the extent proximately caused by the negligent acts or negligent omissions of Contractor, its employees, representatives or subcontractors in connection with the Agreement; (b) claims by a third party of any nature whatsoever to the extent caused by acts of willful misconduct of Contractor, its employees, representatives or subcontractors in connection with the performance of the Consulting Services; and (c) claims by a third party that the Consulting Services or deliverables provided by Contractor infringes on a United States patent, copyright, or trade secret right of a third party. Any compromise or settlement of an action if the result of such compromise or settlement shall affect the rights of or result in the disclosure of the confidential or proprietary information of Company shall require the prior written consent by a duly authorized representative of Company. Contractor shall notify Company in writing of any action that arises related to this Agreement.

Company shall defend, indemnify and hold harmless Contractor from and against, any losses, liabilities, costs and expenses (including attorneys' fees) arising out of or relating to: (a) claims by a third party for personal injuries, death or damage to tangible personal or real property to the extent proximately caused by the negligent acts or negligent omissions of Company, its

employees, representatives or subcontractors (excluding Contractor) in connection with the Agreement; (b) claims by a third party of any nature whatsoever to the extent caused by acts of willful misconduct of Company, its employees, representatives or subcontractors (excluding Contractor) in connection with Contractor's provision of services under this Agreement; and (c) claims by a third party that the use by Contractor in the performance of the Consulting Services of software or materials provided by Company to Contractor under the Agreement infringes a United States patent, copyright, or trade secret rights of a third party. Any compromise or settlement of an action if the result of such compromise or settlement shall affect the rights of or result in the disclosure of the confidential or proprietary information of Contractor shall require the prior written consent by a duly authorized representative of Contractor. Company shall notify Contractor in writing of any action that arises related to this Agreement.

24. **Limitation of Liability.** Except for a party's breach of Confidentiality or willful misconduct, NEITHER PARTY, NOR ANY AFFILIATE OF A PARTY, SHALL BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, STATUTORY, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, OF ANY KIND WHATSOEVER, OR FOR ANY LOST PROFITS, BUSINESS OR REVENUE, OR LOSS OF USE OR GOODWILL, ARISING OUT OF OR RELATED TO THE AGREEMENT OR THE BREACH THEREOF, WHETHER SUCH CLAIMS ARE BASED ON BREACH OF CONTRACT, STRICT LIABILITY, TORT, ANY FEDERAL OR STATE STATUTORY CLAIM, OR ANY OTHER LEGAL THEORY AND EVEN IF THE OTHER PARTY KNEW, SHOULD HAVE KNOWN, OR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
25. **Force Majeure.** Each Party shall be excused from performance for any period during which, and to the extent that, it or its subcontractor(s) is prevented from performing any obligation or Service, in whole or in part, as a result of causes beyond its reasonable control and without its fault or negligence. Such acts shall include without limitation acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental laws and regulations imposed after the fact, fire, communication line failures, power failures, earthquakes, floods or other natural disasters (a "Force Majeure Event"). Delays in delivery or in meeting completion dates due to Force Majeure Events that cannot reasonably be circumvented shall automatically extend such dates for a period equal to the duration of such events. Company shall not be obligated to make payments of fixed fees during periods of non-performance by Contractor caused by Force Majeure Events. In the event such nonperformance continues for a period of thirty (30) days or more, either Party may terminate this Agreement.
26. **Survival.** The provisions in Sections 2, 5, 7, 8, 10, 11, 12, 13, 15, 16, 18, 19 22, 23, and 24 shall survive expiration or termination of this Agreement.

IN WITNESS WHEREOF, Company and Contractor have caused this Agreement to be executed by their duly authorized representatives, all as of the Effective Date.

[COMPANY NAME]	UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
Signature:	Signature:
Name:	Name: XXXXXXXXXXXXXXXX
Title:	Title: XXXXXXXXXXXXXXXX
Date:	Date:

EXHIBIT A
STATEMENT OF WORK
(Begins on Next Page)

EXHIBIT B
KEY PERSONNEL

EXHIBIT C
USAC VISITOR FORM

NAME: _____

USAC DIVISION: _____

USAC ID Badge (VISITOR BADGE # _____)
Replacement value \$20.00.

Visitor Direction: Visitor is required to sign the Visitors Log at the 2nd floor reception each day he/she will be working at USAC's offices. USAC hours of operations are from 9:00 a.m. – 6:00 p.m. A Visitor needing to work within USAC space outside of these standard hours must have his/her USAC employee point of contact onsite with them at all times. If no USAC point of contact is available, Visitor will not be permitted to work within USAC space. Visitors are required to visibly display the assigned USAC ID Badge at all times while in USAC space. Visitors must present the assigned badge to any inquiring USAC employee for security purposes. If Visitor's USAC ID Badge is lost, missing or has been left at home, Visitor must notify the receptionist and be assigned another temporary badge. Visitor is required to pay USAC the replacement value stated in this form for the USAC ID Badge if Visitor does not return it immediately upon request by any USAC employee or at the end of Visitor's assignment

USAC Device and Network Security: USAC performs periodic scanning of network devices. Any device connected to the USAC network is subject to these scans. Visitor understands that if he/she is connected to the USAC network, he/she consents to these scans.

Visitor agrees that he/she shall use his/her best efforts to ensure that no software, device, or other undisclosed feature, including, without limitation, a time bomb, virus, software lock, spyware, adware, drop-dead device, malicious logic, worm, Trojan horse, back door or trap door, that is designed to delete, disable, deactivate, interfere with, harm any software or systems, or USAC's information, or that is intended to provide access to or produce modifications not authorized by USAC or similar items ("Malicious Software") will be introduced into USAC's systems or networks. Visitor agrees that, in the event Malicious Software is found to have been introduced into the systems used by Visitor, Visitor or the company he/she represents shall use its best efforts at no charge to USAC to assist in reducing and eliminating the effects of the Malicious Software and, if the Malicious Software causes a loss of operational efficiency or loss of data, to mitigate and restore such losses.

If Visitor is using a USAC workstation, laptop, mobile or other device and/or the USAC network, then Visitor shall not, without the prior express written permission of the USAC IT Security Manager, (i) install or download any software, personal content or 3rd party content through the USAC network and/or onto a USAC workstation, laptop, mobile or other device; or (ii) make any configuration changes to any USAC workstation, laptop, mobile or other device. Visitor shall abide by all USAC computer, email, internet and network usage policies.

Space Agreement: Visitor agrees to leave his/her assigned workspace in the same condition in which it was originally assigned. Visitor, or the company he/she represents, will be held financially responsible for any damages incurred as a direct result of the occupancy. USAC reserves the right to inspect said workspace at any time. No workspace assignment is guaranteed and Visitors are subject to seat reassignment based on seating considerations at anytime for any reason.

By signing this form I acknowledge and agree to the terms stated herein.

Visitor's Signature ("Visitor")

EXHIBIT D
USAC TRAVEL POLICIES
(Begins on next page)

1. USAC Travel Guidelines & Business Expense Reimbursement

Travel & Reimbursement Policy

The purpose of this policy is to set forth eligibility, reporting requirements, and controls applicable to expenses incurred by employees of USAC on behalf of USAC, and to set forth the procedures to be followed in determining whether to accept reimbursement of travel expenses for USAC employees from non-USAC sources. The policies relating to meals and travel are also applicable to USAC's consultants, and this information shall be included in any consultant contracts.

It is impossible to anticipate every situation that may be encountered while traveling on business; therefore, every USAC employee is expected to exercise sound, practical, and prudent judgment when determining the need for travel as well as the appropriate expenses to be incurred in connection with such travel. Common sense and logic should prevail in all cases where expenses are incurred on behalf of USAC.

It is the policy of USAC to reimburse USAC employees for customary and reasonable expenses incurred by them on behalf of the USAC in carrying out authorized activities. Under no circumstances shall USAC employees seek reimbursement for expenses in excess of those actually incurred. Falsification of any receipts, expenses, or expense reports is prohibited and may be grounds for termination or other disciplinary action. Staff responsible for reviewing and approving check requests, expense reports, and timesheets are required to ascertain that the complete report is in accordance with USAC policy before giving approval.

Documentation

Documentary evidence and original receipts must be provided for all travel expenses and other expenditures over \$25 (with the exception of meals—special restrictions apply—see “Travel-related Expenses” below), and the documentation must establish the amount, date, place, and essential character of the expenditure. Non-reimbursable expenses and charges that are included in the submitted paid receipts shall be identified and deducted directly on the receipts or deducted from the amount owed the originator on the expense statement. Explanation of the non-reimbursable expenses must be included in the explanation area of the expense statement. If the purpose of the trip was to attend a convention or conference, include a copy of the agenda or registration form, whichever includes information as to which, if any, meals were included in the registration fee.

Since USAC funds are being used for business travel, any compensatory credits or payments received by USAC employees in connection with business travel (except frequent flyer miles or hotel bonus points) must be returned to USAC.

Non-Travel Related Expenses

Amounts paid for business meals purchased in a USAC employee's home city is not reimbursable except in unusual circumstances with prior approval of a corporate officer.

Expenses for entertainment (amusement or recreation, such as visiting night clubs, theater expenses, sporting events, meals purchased in surroundings not conducive to a business discussion) are not reimbursable.

Dues and meeting fees covering memberships in trade, professional, and technical organizations where memberships are used primarily and in greater part for USAC benefit shall be reimbursable with approval in advance by the employee's supervisor.

Reimbursement may be made for personal, non-USAC related expenses incurred by an USAC employee as a result of unusual and unanticipated USAC work requirements imposed on that employee, such as expenses related to abrupt cancellation of approved vacations, minimal notice of excessive overtime work, and minimal notice of travel requirements, if the Division Head and the Vice President of Strategic Planning & USAC Operations approves reimbursement of such

expenses at the time the unusual and unanticipated work requirements are presented to the employee. The expense statement shall include the phrase “personal expenses approved in advance” and must be signed by the Division Head and USAC’s Vice President of Strategic Planning & USAC Operations.

Travel-Related Expenses

Expenditures shall be appropriate to the USAC business undertaken and reasonable in the judgment of both the initiating individual and the approving authority. The following rules will govern reimbursement of travel expenses:

- Costs of meals taken (including tips) and overnight lodging when traveling outside the normal reporting location on USAC authorized business will be reimbursed if they are customary and reasonable. If no overnight stay is involved, any meals expensed will be taxable income to the employee.
- On days that travel begins and ends, meals prior to or subsequent to traveling will be reimbursed if travel occurs under the following time frames:
 1. Breakfast – provided the employee leaves home before 6:00 am local time.
 2. Lunch – provided the employee leaves their headquarters city before 10:30 a.m. or returns after 2:30 pm local time (or when both conditions are present for travel that begins and ends the same day).
 3. Dinner – provided the employee returns home after 7:00 pm local time.
- Meals at or below these dollar amounts will be reimbursed at the following amounts without an original receipt, \$10 – breakfast, \$10 – lunch, and \$15 – dinner.* Meals above these amounts must not be considered excessive based on normal business practices giving consideration to the location.

**An original receipt must accompany requests for meal amounts above these limits.*

- USAC employees are entitled to a single room with bath in quarters that are neither inadequate nor luxurious when traveling outside the normal reporting location. Proximity of the quarters to the remote work location will be considered a relevant factor in the selection of quarters. Laundry and valet expenses will be reimbursed only if deemed reasonable and necessary.
- Gratuities will be reimbursed only if they are paid in accordance with local tipping customs. Gratuities shall be reported along with the basic charge for the service.
- Telephone and facsimile transmission expense reimbursements shall be limited to business expenditures. USAC employees may be reimbursed for one (1) personal call per day for a reasonably limited total duration. Supervisors may permit reimbursement for other reasonable, personal telephone calls if they find that the extra expense to the USAC representative is necessitated by his or her travel status. The employee is required to use the most cost-effective technology and supplier available for telecommunications.
- It is expected that USAC employees will elect the most cost-effective means of travel (in terms of time and expense) consistent with the circumstances. Efforts shall be made to reduce air travel expense through pre-purchase of tickets when trip schedules are known in advance.
- Personal vehicles may be used for USAC business travel except that reimbursement will be for the lesser of the total dollar amount of mileage reimbursed at the current federal rate (including toll and parking charges) or the total dollar amount for the equivalent commercial transportation fare. USAC will maintain insurance coverage to cover injury, loss, and damage resulting from the use of USAC employees’ personal vehicles on official USAC business travel, but that insurance will only cover losses not compensated by the employee’s own vehicle insurance or by others, such as another driver found to be liable for the damage.
- When renting a vehicle while on USAC business, regardless of rental company, employees must elect the rental agency’s insurance coverage for Collision Damage Waiver (CDW) (also known as Loss Damage Waiver (LDW)), Supplemental or Additional Liability Insurance (SLI/ALI) and Personal Effect Coverage (PEC). Any insurance coverage fees associated with the employee’s car rental will be reimbursed. USAC employees using rental cars for USAC business must submit a completed Form 1002 – Personal and Rental Vehicles Use Authorization. The Form 1002 must be completed and approved prior to the beginning of travel.

- Parking tickets or fines for violation of motor vehicle laws incurred by an employee while on USAC business are not reimbursable.
- Transportation between home and the regular work location as well as any personal travel are not reimbursable.
- Expenses for educational or training purposes including costs reasonably incurred in attending authorized seminars, professional meetings, conferences, or conventions are reimbursable in accordance with the USAC Training and Education Policy.
- Reimbursement for damages and losses of a personal nature sustained as a result of traveling on USAC business will be allowed on a case-by-case basis in uncontrollable circumstances, but only for the portion not compensated by a transportation carrier, hotel management, personal travel or homeowner's insurance, etc. Evidence of loss, such as a copy of police, airline, hotel report of loss, plus a personal statement of claims made (indicating names of insurance companies) shall be attached to the expense statement. Authorization to reimburse this type of expense requires approval of the Division Head and USAC's Vice President of Strategic Planning & USAC Operations.
- Air travel by USAC employees, regardless of flight duration or destination, shall be at the lowest practical and available fare except, with prior approval of the Vice President of Strategic Planning & USAC Operations, when selection of a more expensive option would avoid disproportionate delay or hampering of business schedules. Division Heads must receive authorization from the CEO. First class fares will not be reimbursed by USAC.
- USAC employees are encouraged to schedule trips to the same location in the most efficient manner to avoid multiple trips and limit the expense for USAC.

Non-Reimbursable Expenses

The following expenses, in addition to those mentioned above, shall not be reimbursable by USAC:

- Expenses of spouses or other family members accompanying USAC employees on business trips
- Costs of privately owned or rented aircraft
- Alcohol

Expense Reimbursement Summary Chart

(a) SUBJECT	(b) SUMMARY
(c) Expenses Reimbursement	(d) Company reimburses its employees for all customary and reasonable expenses incurred by them while doing company business. Employee pays for expenses and seeks reimbursement from Company.
(e) Documentation	(f) Documentary evidence for all travel expenses and expenditures over \$25 (must include amount, date, place, and essential character of the expenditure). See "Meal Reimbursements" below for special exceptions to this policy.
(g) Airfare	(h) Reimbursed at the lowest practical and available fare – exceptions need prior approval. First class fares are not reimbursable.

(a) SUBJECT	(b) SUMMARY
(i) Meal Reimbursement	(j) While traveling, meals are reimbursed at the following rates. Employee must have receipts for meals which exceed these amounts: (k) Breakfast: \$10 or less (l) Lunch: \$10 or less (m) Dinner: \$15 or less (n) 1. Breakfast provided if the employee leaves home before 6:00 a.m. (o) 2. Lunch provided if the employee leaves their headquarters city before 10:30 a.m. or returns after 2:30 p.m. (p) 3. Dinner provided if the employee returns home 7:00 p.m. 1. All times noted above are local time at the relevant location.
(q) Meals – Personnel Administration	(r) Non-reimbursable
(s) Holiday, Birthday, Farewell Meals, and Parties	(t) Non-reimbursable
(u) Business Award	(v) Non-reimbursable
(w) Alcohol	(x) Non-reimbursable
(y) Frequent Flyer Miles and Bonus Hotel Points	(z) Employee keeps
(aa) Mileage	(bb) Current federal tax-deductible rate while on company business using personal vehicle.
(cc) Transportation and Taxi Service	(dd) Reimbursable while traveling or to attend business meetings in or near headquarter city
(ee) Car Rental	(ff) Reimbursable while traveling, if cost justified
(gg) Hotel/Lodging	(hh) Single room with bath in quarters, neither inadequate nor luxurious
(ii) Laundry/Valet	(jj) Only if deemed reasonable and necessary while on business trip. Documentary evidence is required.
(kk) Gratuities	(ll) Reimbursable while traveling but only if reasonable and paid in accordance with local tipping customs.
(mm) Telephone Calls/Cell Phones	(nn) While traveling, one (1) personal call per day for a reasonably limited duration. All business calls while traveling are reimbursed in full. All calls must be lowest cost technology. Only hands-free cell phones may be used while driving a personal or rental vehicle on USAC business
(oo) Facsimile Transmission	(pp) Reimbursable while traveling
(qq) Non-Travel Related Expenses	(rr) Non-reimbursable except in special circumstances.
(ss) Travel and Non-Travel Related Entertainment	(tt) Non-reimbursable
(uu) Expressions of Sympathy	(vv) Non-reimbursable
(ww) Personal, Non-Work Related Expenses	(xx) Reimbursed only when unusual and unanticipated Company work situations are imposed on employee that may create a personal expense to employee (canceling vacation, additional childcare expenses when minimal notice of overtime work is imposed, etc.) subject to <u>prior approval</u> .
(yy) Extended Travel	(zz) USAC employees are encouraged to schedule trips to the same location in the most efficient manner to avoid multiple trips.

EXHIBIT E
USAC TIME SHEET

(A copy of the time sheet to be used by Consultant Personnel, as required in **Section 19**, begins on the next page)

Contractor Weekly Status and Timesheet

Name: _____

Company: _____

Week Ending: _____

Total Hours: _____

ACHIEVEMENTS:

[List the activities or deliverables that you completed this week, and the hours associated with each, using the table below.]

Date	Project	Activities Summary	Hours	Location*

* If location was not USAC offices, please indicate here.

CHALLENGES/PROBLEMS

[List any challenges or problems that may affect your ability to complete your assigned tasks, and any solutions you propose to address those challenges or problems.]

ALTERNATIVE STRATEGIES:

[If the project schedule or scope is at risk, list any alternative strategies you are exploring.]

FOR Contractor

By signing this timesheet, I certify the information above is true and correct.

Signature of Contractor

FOR USAC

Signature of Authorized USAC Representative

Exhibit F
Confidentiality Agreement

USAC Confidentiality Agreement

1. I recognize and acknowledge that as an employee, director, officer, contractor, subcontractor, consultant, agent, or an employee or other representative thereof (collectively, "a Staff Person") for the Universal Service Administrative Company ("USAC"), I may have access to Confidential Information, as that term is defined in Appendix A to this Confidential Information Use and Disclosure Agreement ("Confidentiality Agreement").
2. I acknowledge and agree that I will treat any Confidential Information in the manner set forth in this Confidentiality Agreement. I acknowledge and agree that this obligation applies to the treatment of all Confidential Information to which I obtain access while working as a Staff Person for or on behalf of USAC, regardless of the form of the Confidential Information or the manner in which I obtain access to it. I acknowledge and agree that my obligations with respect to Confidential information apply to oral and written communications, drafts and final documents, information obtained directly or indirectly, and information obtained pursuant to or outside of my job responsibilities if I obtained the information as a result of my relationship with USAC.
3. I acknowledge and agree that my obligation to treat Confidential Information in the manner set forth in this Confidentiality Agreement will continue even if I am no longer a Staff Person.
4. I acknowledge and agree that I will not use Confidential Information for any purpose other than a legitimate business purpose of USAC.
5. I acknowledge and agree that, except as provided in paragraphs 6 and 7 herein or as authorized by the USAC Chief Executive Officer or the USAC General Counsel, or in either one's absence, a respective designee, I will not disclose Confidential Information to any person or entity other than: (a) the provider of the Confidential Information at issue, or (b) an authorized Staff Person who has executed a confidentiality agreement with USAC.
6. I acknowledge and agree that this Confidentiality Agreement shall not apply to requests for Confidential information made by an employee of the Federal Communications Commission ("FCC"), except that I may not disclose Personally Identifiable Information (as that term is defined in Appendix A to this Confidentiality Agreement) without the express advance written approval of the USAC Director of Human Resources or the USAC General Counsel, or in either one's absence, a respective designee.
7. I acknowledge and agree that, subject to the notice requirement in paragraph 8 below, this Confidentiality Agreement shall not prevent disclosure of Confidential Information in response to an official request from the Comptroller General of the United States, the Government Accountability Office, or the United States Congress or a Committee or Subcommittee thereof, except that I may not disclose Personally Identifiable Information without the express advance written approval of the USAC Director of Human Resources or the USAC General Counsel, or in either one's absence, a respective designee.
8. I acknowledge and agree that if I receive a subpoena or any other request or demand for Confidential Information, I will take all reasonable and appropriate steps to ensure that the request is submitted within one business day of receipt, and prior to any disclosure of such information or records, to the USAC General Counsel, or in the USAC General Counsel's absence, a respective designee.
9. I acknowledge and agree that if I know or have a reasonable basis for believing that any Staff Person is using or disclosing Confidential Information in violation of this Confidentiality Agreement, I will immediately so notify my USAC supervisor or the USAC General Counsel.
10. I acknowledge and agree that if I intentionally or unintentionally disclose any Confidential Information in violation of this Confidentiality Agreement, I will immediately so notify my USAC supervisor or the USAC General Counsel.
11. I acknowledge and agree that if I am uncertain or have questions about my obligations under this Confidentiality Agreement, I will immediately seek advice from my USAC supervisor, the USAC Director of Human Resources or the USAC General Counsel.

12. I acknowledge and agree that any violation of this Confidentiality Agreement may subject me to disciplinary-action, including suspension or termination of employment, and civil and criminal liability.
- 13.1 acknowledge and agree that signing this Confidentiality Agreement is a condition of my working as a Staff Person for USAC. I acknowledge and agree that USAC may modify this Confidentiality Agreement and require me to execute the modified version.
14. I acknowledge and agree that upon completion or termination of my relationship as a Staff Person for USAC, I will return to the USAC General Counsel, the USAC Director of Human Resources, or other person designated by either of them, any Confidential Information in my possession.
15. I acknowledge and agree that this Confidentiality Agreement is binding upon me as of the date of my signature, that any modification to this Confidentiality Agreement is binding on me as of the date that I sign such modified version, and that my obligations under the Confidentiality Agreement, including any modifications, continue through and beyond the termination of my position as a Staff Person and for as long as I have in my possession, access to, or knowledge of Confidential Information. I further acknowledge and agree that USAC may, in its sole discretion, modify Appendix A and such modification(s) shall be effective and enforceable against me following written notice to me, which may be by any reasonable method, including but not limited to hand delivery, mail, courier service, email, or facsimile, and that my signature or agreement is not required for the modification to Appendix A to be effective and binding on me.
16. If any provision of this Confidentiality Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, that provision shall be deemed stricken and the remainder of the Confidentiality Agreement shall continue in full force and effect as if it had been executed without the invalid provision.

Acknowledged and agreed:

By (signature): _____

Name (print): _____

Date: _____

CONFIDENTIALITY AGREEMENT - APPENDIX A

Personally Identifiable Information is defined as information whose disclosure would constitute an unwarranted invasion of personal privacy, including but not limited to, personnel records, salary and compensation information, medical records, social security number or residential address. In the event of a question about whether disclosure would constitute an unwarranted invasion of personal privacy, the USAC General Counsel or his or her designee will use for guidance the standards set forth in 47 C.F.R. § 0.457(f) and decisions made thereunder.

Confidential Information is defined as:

1. Information, data, material, or communications in any form or format, whether tangible or intangible, including notes, analyses, data, compilations, studies, or interpretations (collectively referred to hereafter as "Information") and any data, material or communications in any form or format, whether tangible or intangible, that contains, reflects, or is derived from or based upon any information or is related to internal USAC management matters, including but not limited to USAC program integrity procedures, if disclosure is reasonably likely to interfere with or prejudice the performance of the internal USAC management functions.
2. Information related to the development of statements of work or evaluation criteria for USAC or FCC procurements (but not final solicitation or procurement documents that are formally released to one or more prospective bidders or offerors), contractor bids or proposals, evaluation of bidders or offerors, selection of contractors, or the negotiation of contracts.
3. Information that is excluded by applicable statute or regulation from disclosure, provided that such statute (a) requires that the information be withheld from the public in such a manner as to leave no discretion on the issue, or (b) establishes particular criteria for withholding or refers to particular types of information to be withheld. Such information includes copyrighted or trademarked information.
4. Information containing trade secrets or commercial, financial or technical information that (a) identifies company-specific (i.e., non-aggregated) proprietary business information about a Universal Service Fund (USF) contributor (or a potential contributor) or its parent, subsidiary, or affiliate, and (b) has not previously been made publicly available.
5. Information concerning USAC relationships with financial institutions, including but not limited to, account locations, identifiers, balances, transaction activity and other account information and any advice or guidance received from such institutions.
6. Information regarding or submitted in connection with an audit or investigation of a USF contributor, potential USF contributor, USF beneficiary, applicant for USF support, or USAC Staff Person.
7. Information to which USAC, the FCC, or any other government agency might assert a claim of privilege or confidentiality, including but not limited to attorney-client communications, information that constitutes work product or reflects USAC, FCC or other government agency decision-making processes, including law enforcement investigations and program compliance matters. Such information includes but is not limited to internal USAC information, information exchanged between USAC and the FCC or another government agency and information exchanged between two or more government agencies in any form, including but not limited to letters, memoranda, draft settlement documents, and working papers of USAC, the FCC, other government agencies, and their respective staff..
8. Information that was submitted with a corresponding written request for confidential treatment, protection, or nondisclosure, including, but not limited to, submissions marked "proprietary," "privileged," "not for public disclosure," or "market sensitive information," unless and until such request is denied.
9. Information developed in security investigations. Such information is the property of the investigative agency and may not be made available for public inspection without the consent of the investigative agency.

APPENDIX C

Samples of Trade Show Panels and Banner Ups. (Begins on next page)

Sample of Rural Health Care Program Panels for 10-foot display booth.

ONE FUND, FOUR *Programs*

USAC administers the Universal Service Fund (USF) and manages the four universal service programs—RURAL HEALTH CARE, SCHOOLS & LIBRARIES, HIGH COST, and LOW INCOME—as required by the 1996 Telecommunications Act and FCC rules, regulations, orders, and directives. Across the nation, consumers, rural health care facilities, and schools and libraries are provided affordable access to modern telecommunications services through these programs.

The Rural Health Care Program provides reduced rates to rural health care providers for telecommunications and Internet services necessary for the provision of health care.

The Schools and Libraries Program, commonly known as E-Rate, provides discounts on high-speed Internet service to help schools and libraries affordably access, maintain, and enhance access.

The High Cost Program provides discounts to rural areas that are at a disadvantage in providing telecommunications services due to the high cost of service in those areas.

The Low Income Program, commonly known as Lifeline, provides discounts on monthly telephone service to help low-income households affordably access, maintain, and enhance access.

APPLY FOR SUPPORT AT:
www.usac.org

RURAL HEALTH CARE PROGRAM COMMITMENTS BY FUNDING YEAR

Since 1998, over 2,600 facilities have received \$130 million in funding commitments.

RURAL HEALTH CARE support

The Rural Health Care Program provides reduced rates to rural health care providers for telecommunications and Internet services necessary for the provision of health care.

- USF support is available to eligible rural health care providers (HCPs) for telecom services and certain Internet service charges.
- Support for telecom services is the difference between urban and rural rates. Internet access services are discounted at 25%.
- HCPs apply for this support and USAC works in conjunction with service providers to make sure this support is passed on to program participants.
- USAC reimburses telecom carriers and ISPs for services provided to rural HCPs.

ELIGIBLE SERVICES

Urban-Rural difference, if any, or mileage charges for Telecom Services, such as:

- T1, T3, DS3, or Fractional T1
- ISDN (BRI and PRI)
- Frame Relay
- ATM
- Satellite Service
- Centrex
- Private Line, Foreign Exchange Line
- Off-Premise Extension
- NRS, DID
- Standard Installation Charges

Internet Services, such as:

- Monthly Recurring Internet Charges
- E-mail
- Web Hosting

RURAL HEALTH CARE PROVIDER APPLICATIONS RECEIVED BY FUNDING YEAR

LEARN MORE AT:
www.usac.org

Since 1998, the Rural Health Care Program has disbursed 99 million dollars. Find out if your organization qualifies.

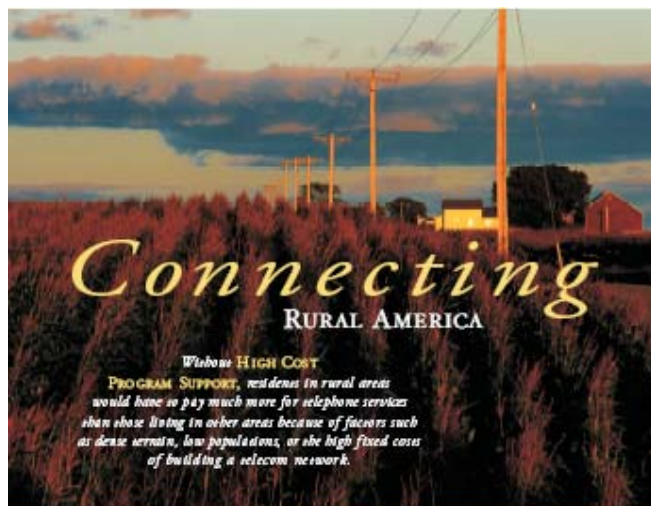
ELIGIBLE ENTITIES

Post-secondary institutions offering health care instruction, teaching hospitals, or medical schools

Community health centers or health centers providing health care to migrants

- Local health departments or agencies
- Community mental health centers
- Not-for-profit hospitals
- Rural health clinics, including mobile clinics
- Consortia of HCPs consisting of one or more of the above entities
- Part-time eligible entities located in otherwise ineligible facilities
- Emergency departments of rural for-profit hospitals

Samples of High Cost and Low Income Banner Ups.



Connecting RURAL AMERICA

Without HIGH COST PROGRAM SUPPORT, residents in rural areas would have to pay much more for telephone services than those living in other areas because of factors such as dense terrain, low populations, or the high fixed costs of building a telecom network.

The HIGH COST PROGRAM provides support to over 1,700 rural, non-rural, and competitive carriers designated as eligible telecom carriers.

COMPONENTS OF HIGH COST SUPPORT

- **HIGH COST LOOP SUPPORT** is for the "last mile" of connection for rural companies in high-cost service areas.
- **HIGH COST MODEL SUPPORT** keeps the cost for telephone service comparable in all areas (urban and rural) of a state.
- **INTERSTATE ACCESS SUPPORT** helps offset interstate access charges and is available for price-cap carriers.
- **INTERSTATE COMMON LINE SUPPORT** helps offset interstate access charges and provides support to rate-of-return carriers to the extent that SLC caps do not permit them to recover their common line revenue requirements.
- **LOCAL SWITCHING SUPPORT** helps carriers recoup some high fixed switching costs.
- **COMPETITIVE ETCs** providing service in the areas of incumbent carriers may be eligible for support in the same manner as the incumbent ETC.

HIGH COST DISBURSEMENTS BY COMPONENT AS OF DECEMBER 31, 2005
(Unaudited - in thousands)

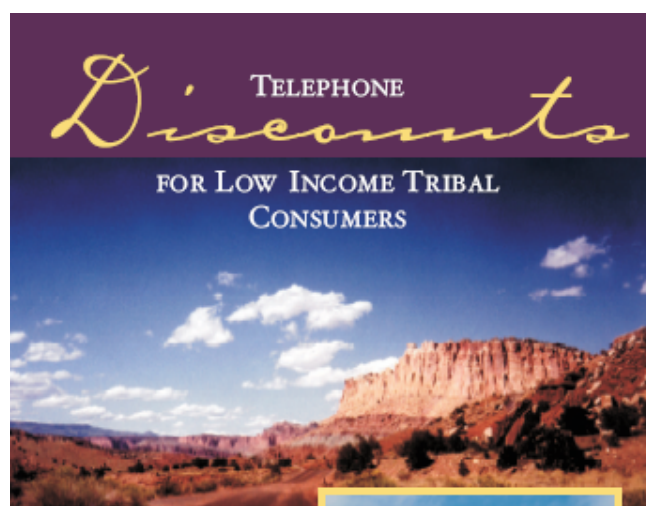
Component	Amount (\$ thousands)	Percentage
INTERSTATE COMMON LINE SUPPORT	\$1,178,126	31%
INTERSTATE ACCESS SUPPORT	\$691,000	18%
HIGH COST MODEL	\$291,840	8%
HIGH COST LOOP	\$1,238,425	32%
LOCAL SWITCHING SUPPORT	\$424,795	11%
2005 TOTAL:	\$3,824,186	

USAC
Universal Service Administrative Company
Helping Keep Americans Connected

FOR MORE INFORMATION, VISIT:
www.usac.org

TELEPHONE Discounts

FOR LOW INCOME TRIBAL CONSUMERS



TRIBAL LIFELINE
provides discounted basic telephone service for as little as \$1.00 per month

TRIBAL LINK UP
provides a discount off the cost of initiating telephone service.

ELIGIBILITY CRITERIA

APPLICANTS MUST BE:
Residents of any federally recognized Indian tribe's reservation, Pueblo, or Colony, including former reservations in Oklahoma, Alaska Native regions, and Indian Allotments

AND PARTICIPATE IN ONE OF THE FOLLOWING:
BIA's General Assistance ■ Federal Public Housing Assistance or Section 8 Food Stamps ■ Head Start (income eligible)
Low Income Home Energy Program ■ Medicaid
National School Lunch free lunch program ■ Supplemental Security Income
Temporary Assistance for Needy Families or Tribal TANF

Tribal consumers also may be eligible if household income is at or below 135% of the federal poverty guidelines.

In some states, tribal residents may qualify if they meet state-specific eligibility criteria.

Contact your local telephone company to enroll, or visit www.usac.org to learn more.

USAC
Universal Service Administrative Company
Helping Keep Americans Connected

TO LEARN MORE, VISIT:
www.usac.org

Sample of Schools and Libraries Program Panels for 10-foot display booth.



USAC
Universal Service Administrative Company

Helping Keep Americans Connected

SCHOOLS AND LIBRARIES PROGRAM

One Form,
Four
Programs

USAC administers the Universal Service Fund (USF) and manages the four universal service programs—RURAL HEALTH CARE, SCHOOLS & LIBRARIES, HIGH COST, and LOW INCOME—as required by the 1996 Telecommunications Act and FCC rules, regulations, orders, and directives. Across the nation, consumers, rural health care facilities, and schools and libraries are provided affordable access to modern telecommunications services through these programs.

The Rural Health Care Program provides critical telecommunication services to rural health care providers for telemedicine, and further ensures necessary for the provision of health care.



The Schools and Libraries Program, commonly known as E-rate, provides discounts on a variety of telecommunications services to help schools and libraries access modern telecommunications and Internet access.



The High Cost Program covers the construction and maintenance of long-haul lines for telecommunications services that are geographically infeasible to provide and are not paid for by rates.



The Low Income Program, commonly known as Lifeline, provides discounts on monthly telephone service to help low-income consumers maintain contact with family and friends.



APPLY FOR SUPPORT AT:
www.usac.org

Fixing M&C ERRORS

(MINISTERIAL & CLERICAL ERRORS)

FORM 470
YOU CAN CORRECT CHANGES IN:

- Version of form
- Contact information
- Services or needs requested
- Eligible entities that will receive service (add or remove)
- Billed entities (add or remove)

AND PROVIDE:

- A missing signature
- Missing or late certifications

FORM 471
YOU CAN CORRECT CHANGES IN:

- Version of form
- Contact information
- Service provider name and SPIN (missing or corrective SPIN change)
- Establishing Form 470
- Contract number
- Contract award date
- Billing account number
- Entities receiving service (Block 4 worksheets)
- Funding request amounts (Item 23)
- Amounts budgeted for ineligible services

AND PROVIDE:

- A missing signature
- Missing or late certifications

YOU CAN SEND CORRECTIONS BY:

- E-MAIL: FCC06-54corrections@sl.universal-service.org
- FAX: (973) 599-6526
- MAIL: FCC 06-54 Corrections
Schools & Libraries Division Correspondence Unit
100 S. Jefferson Rd., P.O. Box 902
Whippany, NJ 07981

TRAINING for SUCCESS

FILE EARLY!

- USAC can review your forms for data entry errors
- You can correct errors before it's too late
- You can file additional forms if you need to

FILE PRIORITY 1 AND PRIORITY 2 REQUESTS SEPARATELY

- PRIORITY 1 (P1)
Telecommunications Services and Internet Access
- PRIORITY 2 (P2)
Internal Connections and Basic Maintenance of Internal Connections
- File separate forms for P1 and P2
- If you file them together, USAC can't commit funding for your P1 services even while reviewing P2 services

FILE ELECTRONICALLY

- The online system warns you of most errors and helps prevent you from making errors
- You can start your form, save it, and come back later to complete your form
- You can file your Item 21 attachment electronically if you file your Form 471 electronically
- You can file and certify online and get immediate confirmation
- Your form won't be lost in the mail

REVIEW YOUR RAL CAREFULLY

- RAL= Form 471 Receipt Acknowledgment Letter
- You can check your work
- You can correct many errors before USAC review and avoid denials
- Your service provider can review your information too

Two-IN-FIVE Made Easy

EACH YEAR COUNTS!

- You can only receive Internal Connections commitments in two out of any five funding years
- Starts with FY2005
- Every entity on your worksheet uses a year if you get a commitment

CAN I CHANGE MY MIND?

- You can remove individual entities from your FRN — OR —
- You can completely cancel your funding request
- If you cancel, you must return the funding if you have already invoiced USAC

HOW DO I KNOW WHO HAS USED TWO YEARS?

Check the Two-in-Five tool for:

- Information on entities
- Information on districts by SPIN or BEN

COMPETITIVE BIDDING

FORM 470 MUST BE POSTED ON THE USAC WEBSITE FOR 28 DAYS BEFORE YOU:

1. Select a service provider
2. Sign a contract
3. Sign your Form 471
4. Submit your Form 471

DID YOU ISSUE YOUR RFP AFTER YOU POSTED YOUR FORM 470?

- Then you must wait 28 days after you issued your RFP

THE BID YOU CHOOSE MUST:

- Be the most cost effective, with price as the primary factor
- Be cost effective compared to other offerings in the marketplace

ALSO:

- You can use a state master contract as a bid response
- If you get no bids, you can use your current service as a bid response
- If you get only one or no bid, document that fact
- Retain ALL documentation of your bidding process