

# Louisiana Public Service Commission



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June 19, 2020

JOHNNY E. SNELLGROVE, JR  
Deputy Undersecretary

## VIA EMAIL

### ***RFP 20-11-Request for Proposal to Administer the State Universal Service Fund.***

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals ("RFP") for **outside consultants** issued by the Louisiana Public Service Commission for the above referenced docket. If your firm is interested in submitting a proposal, please review the RFP carefully to determine whether your firm meets the specific requirements to qualify for this representation. *Please note revisions to Section V-Estimate of Costs, which are underlined.*

All Proposals must include a showing that your firm possesses the requisite qualifications and experience to represent the Commission in this matter. Also, please note that all Proposals, including the **original, plus (3) three copies, and an electronic copy** must be received **on or before Thursday, July 9, 2020 at 4:30 p.m.** Selection of consultants is anticipated to take place at the July Business and Executive Session, which is currently scheduled for July 15, 2020.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "KHB", with a long horizontal flourish extending to the right.

Kathryn H. Bowman  
Executive Counsel

Enclosure

**RFP 20-11**  
**LOUISIANA PUBLIC SERVICE COMMISSION**  
**REQUEST FOR PROPOSALS**  
**June 19, 2020**

*Request for Proposal to Administer the State Universal Service Fund<sup>1</sup>*

**I. Overview**

The Louisiana Public Service Commission (“Commission” or “LPSC”), in accordance with the requirements of the LPSC General Order dated November 10, 2014 regarding the selection of contract employees (the “Contract Order”), issues this Request for Proposals (“RFP”) for a third-party administrator to administer the State Universal Service Fund for the State of Louisiana (“State USF” or “Fund”). The contract for administrative services shall be for a three-year term. The current contract is up for renewal in August 2020, thus the Commission is issuing this RFP seeking a third-party administrator for an additional three-year term.

Consistent with previous processes established by the Commission in hiring an administrator, this RFP is being issued to, and proposals accepted from Certified Public Accountant firms that have been qualified by the Commission in accordance with the Contract Order and which have substantive experience administering a state universal service fund, such as the State USF. The successful Applicant (“Administrator”) shall be bound by the terms of the State USF Orders and shall agree to establish and administer the State USF in accordance with the State USF Order, and the requirements set out in this RFP. The administrator of the State USF is expected to assume administrative responsibility for the Fund as of August 2020, and continue with such responsibility for a period of three years with yearly renewals subsequent thereto at the discretion of the Commission.

**Qualifying proposals are anticipated to be placed on July’s Business and Executive Session (“B&E”) agenda for Commission consideration.**

**II. Scope of Representation/ Minimum Requirements:**

In addition to the minimum requirements set forth for contract consultants in the Commission’s Contract Order, all applicants must meet the following minimum requirements:

A. Applicant shall at a minimum be experienced in analyzing the operations, books, and records of telecommunication service providers (“TSPs”) and have knowledge of the Telecommunications Act of 1996, including any and all amendments thereto as they pertain to Universal Service (the “Act”).

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<sup>1</sup> Adopted by the General Order dated 4/29/05, amended 5/18/05, and modified and superseded by the General Order dated 2/9/09 (“State USF Order”).

B. Applicants must demonstrate technical capabilities, competence and resources in the fields of accounting, investment management, computer system administration, and debt collection practices. Applicants should have managed monies in excess of twenty-five million dollars. To be eligible, applicants must be neutral and impartial, must not advocate specific positions to the LPSC in proceedings not related to administration of the State USF and must have no direct financial interest in the support mechanisms established by the State USF Order, through either the receipt of funds or the contribution of funds to the State USF. Applicants must be bonded or bondable.

C. The proposal must include a schedule which identifies key milestones, tasks, activities and events pertinent to the administration of the State USF Fund. At a minimum, the proposal should describe:

1. The design, testing, and implementation of procedures and computer systems related to monthly collection of data and monthly collection/disbursement of funds as authorized by the State USF Order, including proposals related to electronic transfer of information and/or funds as well as proposed reporting; and collection/disbursement schedules and formats;
2. Proposed procedures to ensure accuracy of data reported;
3. Current or proposed accounting procedures used to separately track and account for costs of administering the State USF;
4. An outline of a plan for managing short-term investments of multi-million-dollar sums;
5. Potential problems in administration of the State USF and methods to identify and resolve such problems; and relevant training and staff development programs, if any.

D. The applicant must provide satisfactory evidence of its capability to manage and coordinate activities described in this RFP. To provide information on qualifications to accomplish the described tasks, the Proposal must include the following information:

1. Structure of the Applicant's organization and an organizational chart;
2. Evidence of the ability to perform tasks described in this RFP;
3. Evidence that the Applicant has substantive experience working on projects similar to the administration of the State USF. The names of organizations served must be cited, the kinds of activities that were performed by the Applicant must be described, and the name and phone number of a contact person from each organization must be provided;
4. Names of persons who will direct the overall project throughout the duration of the service as well as persons who will coordinate major activities during each phase, and the time allocations that the persons will devote to fulfillment of the contract. An appendix to the proposal must contain resumes of project personnel. If the applicant plans to use external consultants or subcontractors, an organization chart and resumes

- of consultants and/or subcontractors must be included;
5. Evidence of the Applicant's ability to secure a performance bond in a minimum amount of fifty-million dollars; and
  6. Evidence of adequate protection against claims of liability against the Administrator.

### **III. Applicant's Financial Responsibility**

Private sector companies, individuals or non-profit organizations are required to submit indicators of financial stability along with the proposal. For example, a private company must submit its most recent audited financial statement or a certified public accountant-compiled financial report. Non-profit organizations must submit an audited financial statement, a certified public accountant-compiled financial report or similar document. Individuals must submit documents which depict their financial stability, such as an audited proprietorship financial statement, statement from a certified public accountant or banker, or a statement from vendors or suppliers. Similar proof of financial responsibility is also required of any subcontractor that is expected to receive more than ten (10) percent of the value of the work.

### **IV. Overview of the State Universal Service Fund**

The State USF is a multi-million-dollar fund established by Commission Order providing support to rural incumbent local exchange carriers providing service in high cost areas. The current State USF is capped by the 2/9/09 General Order at approximately \$45 million; however, the actual size may vary over time. The Administrator's general duties include, but are not limited to, assisting LPSC in the collection of assessments, disbursement of receipts, and management of the daily operations of the Fund.

### **V. Administration of State USF**

As specified above, and more particularly in the State USF Order, the Administrator shall administer the State USF which is currently in effect, and as may be modified from time to time by the Commission. The Administrator's fee shall be added to the total amount of the State USF. The LPSC will monitor and supervise the Administrator's activities related to operation and administration of the State USF Fund. The Administrator will be subject to annual performance audits and financial audits at the LPSC's discretion.

In addition to the duties described in the State USF Order and elsewhere in this RFP, the Administrator shall:

1. Manage the daily operations of the Fund in an efficient, fair and competitively neutral manner;
2. Ensure that all telecommunication service providers ("TSPs") subject to the Fund assessment, or eligible to withdraw from the Fund, follow the requirements in the State USF Order;

3. Calculate and collect the proper assessment from every TSP required to pay into the Fund;
4. Calculate and make proper payments to eligible recipients;
5. Ensure that only eligible recipients receive funds;
6. Take steps necessary, including audits, to ensure that all TSPs subject to the Fund assessment and all recipients of the Fund disbursements accurately report required information;
7. Submit monthly reports to the LPSC regarding administration of the Fund;
8. Notify the LPSC of TSPs that violate requirements related to the Fund;
9. Perform other duties as determined by the LPSC;
10. Protect the proprietary nature of information reported them in conjunction with the LPSC while recognizing that the Administrator is subject to the Public Records Act;
11. Provide information necessary to support external audits of the Fund if deemed necessary;
12. Assist LPSC Staff in the calculation of amounts needed to fund the Fund pursuant to the requirements in the State USF Order;
13. Establish assessment rates to be levied upon all TSPs subject to such, pursuant to the requirements in the State USF Order;
14. Endeavor to resolve disputes with all participating TSPs;
15. Maintain thorough records of costs directly and reasonably associated with implementation of the Fund;
16. Establish an appropriate true-up methodology, if needed, for the Fund.
17. Perform incidental tasks necessary to support administration of the Fund, such as: development and maintenance of mailing lists; development and maintenance of procedures manuals; reconciliation of financial account statements; maintenance, testing and upgrades of the computer system; and establishment of budgets, schedules and cost tracking systems;
18. From time to time, be involved in resolving disputes regarding assessments and disbursements. In this capacity, it will be necessary for the Administrator to either employ alternative dispute resolution techniques such as mediation and arbitration or to have access to such expertise, and report to the LPSC; and

19. Perform any and all additional duties described in the State USF Order.

**VI. Estimate of Costs**

All proposals shall include fees and direct costs associated with Applicants services as described above. Applicants responding to this RFP shall quote their rates on an hourly basis, and shall submit a total budget, separating professional fees from direct costs. Along with providing the above, Applicants should provide an overview of the estimated costs in the summary of the bid proposal.

Applicants shall only be allowed to charge for actual hours of work performed and costs incurred. Once selected, an Applicant's hourly rates and budget shall not be altered except by formal approval of the Commission.

**VII. Conflict of Interest**

Applicants shall prominently and separately disclose current, as well as past employment, which could possibly result in a conflict of interest. In addition, Applicants shall disclose matters in which they currently represent clients before the Commission.

**VIII. Billing Guidelines**

As required by the November 10, 2014 General Order, all bills will be rendered monthly and shall specifically identify and describe all work performed, the person performing such work, the time and charge for such work, and shall additionally show the total amount billed to date and the authorized original estimate. Bills will be rendered in strict accordance with the Commission's guidelines. Expenses shall also be separately disclosed with proof of such expenses attached.

Expenses, where applicable, shall be reimbursed at state authorized rates as specified in the Travel Policies and Procedures Memorandum issued by the State of Louisiana, Division of Administration in effect at the time such expenses are incurred ("Allowable Expenses"). Any expenses that exceed the Allowable Expenses shall be borne by the contract employee and shall not be reimbursed by either the Commission, or the correspondent utility, unless otherwise specified by the Commission.

**IX. Reservation of Rights**

The LPSC reserves the right to reject any and all proposals, to amend and/or supplement this RFP at any time, and to consider proposals or modifications thereof received at any time prior to LPSC vote at Open Session, if such action is found by the LPSC to be in the public interest. Pursuant to the General Order regarding the selection of contract employees, the LPSC has the right to accept any offer and does not have to accept the lowest bid amount. In addition, there is also no assurance, express or implied, that an award will necessarily be made pursuant to this RFP.

**X. Submission of Proposals**

Interested parties should submit the **original (hard copy), 3 copies, and e-mail an electronic copy** of the proposal to:

Kathryn H. Bowman  
Executive Counsel  
Louisiana Public Service Commission  
602 North Fifth Street (Galvez Building) (70802)  
P.O. Box 91154  
Baton Rouge, Louisiana 70821-9154  
Phone: (225) 342-9888  
Fax: (225) 342-5610  
Email: [kathryn.bowman@la.gov](mailto:kathryn.bowman@la.gov)

To be considered, an original, three copies, and the electronic copy of the proposal must be received on or before **July 9, 2020 at 4:30 p.m.** **Selection of consultants is anticipated to take place at the Commission's July Business and Executive Session, which is currently scheduled for July 15, 2020.** Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.