

EXHIBIT 3

ATTACHMENT 1



To: Craig Davis, Vice President, Rural Health Care Division

From: Wayne Scott, Vice President, Internal Audit Division

Date: September 5, 2014

Re: Independent Auditor's Report on Iowa Rural Health Telecommunication Program's Compliance with Rural Health Care Pilot Program Rules (USAC Audit No. RH2013PP018)

Introduction

The Universal Service Administrative Company (USAC) Internal Audit Division (IAD) performed an audit of Iowa Rural Health Telecommunications Program (Beneficiary), Health Care Provider (HCP) number 17226, for compliance with the regulations and orders governing the Rural Health Care Pilot Program, set forth in the *Pilot Program Selection Order*,¹ as well as other program requirements (collectively, the Rules). Compliance with the Rules is the responsibility of the Beneficiary's management. USAC IAD's responsibility is to express a conclusion on the Beneficiary's compliance with the Rules based on our audit.

The Beneficiary provides health care services within the states of Iowa and South Dakota.

Purpose and Scope

The purpose of our audit was to determine whether the Beneficiary complied with the Rules. We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States (2011 Revision).² Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives.³ Our audit included examining, on a test basis, evidence supporting the type and amount of services received, as well as performing other procedures we considered necessary to form a conclusion. We believe

¹ *In the Matter of Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order, FCC 07-198, 22 FCC Rcd 20360 (2007) (*Pilot Program Selection Order*).

² See U.S. Government Accountability Office, *Government Auditing Standards*, GAO-12-331G, § 6.56 (Rev. Dec. 2011).

³ See *id.*

that the evidence obtained provides a reasonable basis for our findings and conclusions based on our objectives.

The following chart summarizes the Rural Health Care Pilot Program support amounts committed and disbursed to the Beneficiary for Funding Year 2009 (audit period):

Service Type	Amount Committed	Amount Disbursed
Network Equipment	\$3,921,289	\$3,738,216
Network Management Costs	\$231,590	\$231,590
Infrastructure and Outside Plant	\$4,385,473	\$4,379,252
Leased Facilities or Services	\$1,379,478	1,240,789
Ethernet Services	\$381,161	\$378,698
Total	\$10,298,991	\$9,968,545

Note: The amounts committed and disbursed reflect funding year activity as of July 10, 2014.

The committed total represents 26 FCC Form 466-A applications with 26 Funding Request Numbers (FRNs). We selected thirteen FRNs, which represent \$9,480,910 of the funds disbursed during the audit period, to perform the procedures enumerated below with respect to the Funding Year 2009 applications submitted by the Beneficiary.

Our procedures were performed to determine whether the Beneficiary complied with the Rules. For the purposes of this report, a finding is a condition that shows evidence of noncompliance with the Rules.

Conclusion

Based upon the test work performed, our examination disclosed that the Beneficiary did not comply with the Rules as set forth in the four audit findings discussed below. A summary of the procedures and results is included below.

Findings

- Service provider involvement in Beneficiary's competitive bidding process.
- Rural Health Care Pilot Program support used to fund ineligible participants.
- Beneficiary certified and service provider submitted invoices to USAC prior to collecting payment for the minimum 15 percent contribution from the Beneficiary.
- Beneficiary did not notify USAC and the FCC that the network project was not initiated within six months of the funding commitment letter (FCL).

Exceptions Taken and Recovery Action

Findings	Monetary Effect of Finding	USAC Recovery Action
#1 – Service provider involvement in Beneficiary’s competitive bidding process.	\$529,147	\$529,147
#2 - Rural Health Care Pilot Program support used to fund ineligible participants.	\$78,828	\$78,828
#3 - Beneficiary certified and service provider submitted invoices to USAC prior to collecting payment for the minimum 15 percent contribution from the Beneficiary.	\$0	\$0
#4 – Beneficiary did not notify USAC and the FCC that the network project was not initiated within six months of the Funding Commitment Letter.	\$0	\$0
Total Net Monetary Effect	\$607,975	\$607,975

Audit Procedures, Findings, and Responses

A. Application Process

We obtained an understanding of the Beneficiary’s processes relating to the Rural Health Care Pilot Program. Specifically, we obtained and examined documentation to support its effective use of funding and that adequate controls exist to determine whether funds were used in accordance with the Rules. We used inquiry and direct observation to determine whether the Beneficiary used funding as indicated in its Network Cost Worksheet (NCW).

We obtained and examined documentation to determine whether the Project Coordinator obtained Letters of Agency from the Beneficiary’s network HCPs and/or the HCPs’ health systems authorizing the Beneficiary’s lead entity and/or Project Coordinator to act on their behalf, confirming the HCPs’ agreement to participate in the network, and that the entities agree to avoid improper duplicate support for any HCPs participating in multiple networks.

We also obtained and examined the FCC Forms 466-A and the FCC Form 466-A Attachments to determine whether the Beneficiary identified the participating HCPs and documented the allocation of eligible costs related to the provision of health care services. We also obtained and examined the NCW to determine whether ineligible costs, if any, were identified and ineligible entities, if any, paid their fair share. We did not assess the reasonableness of any fair share amount since the Rules do not define what is considered reasonable.

B. Competitive Bid Process

We obtained and examined documentation to determine whether all bids for the managed Ethernet services received were properly evaluated. We used inquiry and examined documentation to determine whether the Beneficiary considered price and the non-cost factors including prior experience, personal qualifications, management capability, and environmental objectives (if appropriate). We obtained and examined documentation to determine whether no evaluation criteria was weighted higher than price but we did not assess the reasonableness of the weight assigned to the non-cost factors because the Rules do not define how to value the non-cost factors. We also obtained and examined evidence that the Beneficiary waited the required 28 days from the date the FCC Form 465 was posted on USAC's website before selecting or signing contracts with the selected service provider(s). We evaluated the services requested and purchased for cost-effectiveness as well.

We did not examine the competitive bid process as it relates to the Internet2 annual subscription services because the Rules provide a waiver of the competitive bidding requirements for such services.¹

C. Eligibility

We used inquiry and direct observation, and obtained and examined documentation to substantiate that the Beneficiary's eligible HCPs were public or non-profit eligible health care providers. We also obtained and examined documentation to determine whether the Beneficiary connected more than a *de minimis* number of eligible rural HCPs. For the purposes of our audit, *de minimis* is defined as one since the Rules do not define *de minimis*. We verified that a *de minimis* number of eligible HCPs are located in a rural area and verified that the eligible HCPs' physical addresses were the same as listed on the applications. We verified through inquiry, and obtained and examined documentation to determine whether the entities participating in the Project were not funded by the Rural Health Care (RHC) Pilot Program for the same services funded by the RHC Primary Program or any other Universal Service support program.

We used inquiry and direct observation, and obtained and examined documentation to determine whether ineligible entities, if any, were properly reported on the FCC Form 465.

D. Invoicing Process

We obtained and examined invoices for which payment was disbursed by USAC to determine whether the services identified on the service provider invoices submitted to USAC and the corresponding service provider bills submitted to the Beneficiary were consistent with the terms and specifications of the service provider agreements. We also obtained and examined documentation to determine whether the Beneficiary

¹ See *Pilot Program Selection Order*, 22 FCC Rcd 20368, ¶ 20.

provided proper notice of the services' initiation to the FCC and USAC. In addition, we obtained and examined documentation to determine whether the Beneficiary paid its required 15 percent minimum contribution and that the required contribution was from eligible sources. We also obtained and examined documentation to determine whether the Project's disbursements did not exceed 85 percent of the total costs.

E. Reporting Process

We obtained and examined documentation to determine whether the Beneficiary timely submitted its quarterly reports to USAC and the FCC, and that the reports included the required information, including an update on the Beneficiary's Sustainability Plan. We obtained and examined the Sustainability Plan to determine whether it included the required content. We did not conclude on the reasonableness of the Sustainability Plan or whether the Project can meet or maintain the objectives described in the plan because the Rules do not define how to assess the reasonableness of the content included in the Sustainability Plan.

F. Health Care Provider Location

We verified through inquiry and observation that the services provided existed and were functional. We also verified through inquiry and observation that the supported services for eligible HCPs were used for purposes reasonably related to the provision of health care services and in accordance with the Rules.

Our audit findings, as well as the responses to the findings, are provided below. We have evaluated the validity of the Beneficiary's and service provider's (where applicable) responses to our findings, and our position on these issues remains unchanged.

Finding #1
Service Provider Involvement in Beneficiary's Competitive Bidding Process

Condition

IAD examined documentation, including the FCC Forms 465, Requests for Proposal (RFPs), bids received for the services solicited in the RFPs, and bid evaluation matrices to determine whether the Beneficiary complied with the Rules governing the competitive bidding process for FRNs 41446, 63145, 64723, and 68296. In addition, IAD inquired of the Beneficiary and examined documentation to obtain an understanding of the RFP development and bid evaluation process that was used for the Beneficiary's Rural Health Care Pilot Program (RHCPP) funded network.

The Beneficiary issued the following six RFPs for its RHCPP funded network:

- (1) RFP 08-001 (Outside Plant Fiber) (USAC RFP#00);
- (2) RFP 08-002 (Network and Site Electronics) (USAC RFP#01);
- (3) RFP 09-002 (Quality Assurance Inspection Services) (USAC RFP # 02);
- (4) RFP 10-001 (Broadband Lit services) (USAC RFP #03);
- (5) RFP 12-004 (Outside Plant Fiber, Quality Assurance Inspection Services, and Network Electronics) (USAC RFP #05); and
- (6) RFP 12-005 (Meshed Ethernet Bandwidth Connectivity) (USAC RFP #04).

For RFP 08-001 (USAC RFP#00), the Beneficiary also requested Quality Assurance Inspection Services but did not award a contract after evaluating the bids for those services.

The Beneficiary selected Iowa Communications Network (ICN) as the service provider for RFP 12-005 (USAC RFP #04) (FRNs 64723 and 68296) and selected Access Integration Specialists (AIS) to provide Quality Assurance Inspection Services for RFP 09-002 (USAC RFP # 02) (FRN 41446) and RFP 12-004 (USAC RFP #05) (FRN 63145).

The Beneficiary informed the Rural Health Care Program (RHCP) on May 29, 2008, that ICN assisted in the development of the RHC Pilot Program application to the FCC, assisted in the development of the RFPs, functioned as the project manager for the fiber build-out and electronics, and staffed and evaluated the bids received.¹ On June 29, 2009, the Beneficiary informed RHCP that ICN also assisted in the development of the initial and revised Quality Assurance Inspection Services RFPs 08-001 and 09-002.² The Beneficiary also explained that Tony Crandell (AIS) assisted with the request for proposal and bid evaluation for the network plan when the Beneficiary prepared its application for the RHCPP in 2007.³ The Beneficiary confirmed that Tony Crandell (AIS), Dave Swanson (ICN) and Art Spies (IRHCP) were the main persons responsible

¹ Email from Arthur Spies, IRHCP, to USAC (May 29, 2008).

² Memorandum from Arthur Spies to RHCP, "Use of Vendors as Consultants and Project Funding for QA Inspection Services RFP 002," (June 29, 2009).

³ Memorandum from Art Spies, IRHCP, to USAC (Oct. 2, 2013).

for reviewing the bids received in response to the RFPs, but Tony Crandell was excluded from the bid evaluations for RFP 09-002 (USAC RFP # 02) and the quality assurance section of RFP 12-004 (USAC RFP #05) and Dave Swanson was excluded from the bid evaluation for RFP 12-005 (USAC RFP #04).¹ The Beneficiary further confirmed that Tony Crandell (AIS) was not an employee with ICN, but has been contracted by ICN “over the last six years for various projects such as developing scopes of work for various ICN projects and ensuring ICN construction contractors met all of ICN and industry construction standards and practices.”² IAD reviewed documentation from the Beneficiary that indicates Art Spies (IRHTP), Dave Swanson (ICN) and/or Tony Crandell (AIS) were part of the Beneficiary’s evaluation committee responsible for reviewing the bid responses to the six RFPs.³

IAD noted that Tony Crandell, owner of service provider, AIS, and a consultant to ICN, participated in the development of RFP 08-001 (USAC RFP#00), RFP 08-002 (USAC RFP#01), RFP 10-001 (USAC RFP #03), RFP 12-005 (USAC RFP #04), and sections of RFP 12-004 (USAC RFP #05) (outside plan dark fiber and network electronics sections).⁴ In addition, Tony Crandell assisted in the evaluation of the service provider bids received for the aforementioned RFPs. IAD also noted that Dave Swanson, employee of ICN, participated in the development of RFP 08-001 (USAC RFP#00), RFP 08-002 (USAC RFP#01), RFP 09-002 (USAC RFP # 02), RFP 10-001 (USAC RFP #03), and RFP 12-004 (USAC RFP #05).⁵ Mr. Swanson also assisted in the evaluation of the service provider bids received for the aforementioned RFPs.

AIS submitted two bids and was awarded contracts for the services solicited in RFP 09-002 (USAC RFP # 02) and the *Quality Assurance Services* section in RFP 12-004 (USAC RFP #05). IAD examined the contracts and noted that Tony Crandell (AIS) was also the key individual that provided consultation services during the Beneficiary’s network development, which included assisting with the development of RFPs 08-001 (USAC RFP #00), 08-002 (USAC RFP #01), 10-001 (USAC RFP #03), 12-005 (USAC RFP #04), and sections of RFP 12-004 (USAC RFP #05). IAD also noted that quality assurance services were originally requested in RFP 08-001 (USAC RFP #00), but a contract was not awarded for the quality assurance services after the Beneficiary evaluated the bids received for RFP 08-001 (USAC RFP #00). Mr. Crandell was one of the bid evaluators for RFP 08-001 (USAC RFP #00) and assisted in the development of this RFP.⁶

ICN submitted a bid and was awarded a contract for the services solicited in RFP 12-005 (USAC RFP #04). ICN was also involved in the development of RFP 08-001 (USAC RFP #00), RFP 08-002 (USAC RFP #01), RFP 09-002 (USAC RFP #02), RFP 10-001

¹ Memorandum from Art Spies, IRHTP, to USAC (Mar. 13, 2014).

² Memorandum from Art Spies, IRHTP, to USAC (May 15, 2014).

³ *See, e.g.*, Memorandum from Art Spies, IRHTP to USAC (Mar. 13, 2014).

⁴ Memorandum from Art Spies, IRHTP, to USAC (May 15, 2014).

⁵ *Id.*

⁶ *Id.*

(USAC RFP #03), and RFP 12-004.¹ Dave Swanson (ICN) also assisted in the bid evaluation of the service provider bids received for these RFPs.

The first FCC Form 465 was for RFP 08-001 (USAC RFP#00) and it was submitted to the RHCP on July 28, 2008. The FCC Form 465 and the associated RFPs 08-001 (USAC RFP#00) and 08-002 (USAC RFP#01) were posted on USAC's website on July 31, 2008. As noted above, the Beneficiary informed the RHCP on May 29, 2008, that ICN assisted in the development of the RHC Pilot Program application to the FCC, assisted in the development of the RFPs, functioned as the project manager for the fiber build-out and electronics, and staffed and evaluated the bids received.² On June 29, 2009, the Beneficiary informed RHCP that ICN also assisted in the development of the initial and revised Quality Assurance Inspection Services RFPs 08-001(USAC RFP#00) and 09-002 (USAC RFP # 02).³ The Beneficiary did not identify Tony Crandell or AIS as a participant in the Beneficiary's competitive bidding process in either the May 29, 2008 or the June 29, 2009 notification letter. However, the Beneficiary informed the RHCP of AIS's assistance in the development of the RFPs 10-001 (USAC RFP #03) and 12-004 (USAC RFP #05) and the evaluation of the bids received for those RFPs on April 11, 2011, and June 21, 2012, (which was after the competitive bidding process was completed and a service provider was selected).⁴ In addition, the Beneficiary informed the RHCP on April 19, 2012, that AIS assisted in the development of RFP 12-005 (USAC RFP #04) prior to posting the FCC Form 465 on USAC's website on April 27, 2012.⁵

The Beneficiary informed IAD that AIS was not involved in the development of RFP 09-002 (USAC RFP # 02) or in the *Quality Assurance Services* section of RFP 12-004 (USAC RFP #05) nor was AIS involved in the evaluation of the bids received for RFP 09-002 (USAC RFP # 02) or the *Quality Assurance Services* section of RFP 12-004 (USAC RFP #05).⁶ In addition, the Beneficiary informed IAD that ICN was not involved in the development of RFP 12-005 (USAC RFP #04), or the evaluation of bids received for RFP 12-005 (USAC RFP #04).⁷

IAD examined the competitive bidding documentation for RFP 09-002 (USAC RFP # 02), and noted that another service provider submitted a bid of \$192,214 and that AIS submitted a bid of \$169,800. AIS was awarded the contract for FRN 41446. IAD also examined the competitive bidding documentation for RFP 12-004 (USAC RFP #05), and noted that AIS was the only service provider to bid for the *Quality Assurance Services*

¹ *Id.*

² Email from Arthur Spies, IRHTP, to USAC (May 29, 2008).

³ Memorandum from Arthur Spies to RHCP, "Use of Vendors as Consultants and Project Funding for QA Inspection Services RFP 002," (June 29, 2009).

⁴ Memorandums from Arthur Spies to USAC/FCC, 'Evaluation, Scoring and Award IRHTP RFP10-001', dated April 11, 2011 and 'Evaluation, Scoring and Awards for IRHTP RFP12-004, dated June 21, 2012.

⁵ Memorandum from Arthur Spies to RHCP, 'Disclosures', (Apr. 19, 2012).

⁶ Emails from Arthur Spies, (Mar. 13, 2014 and May 6, 2014).

⁷ Memorandum from Art Spies, IRHTP, to USAC (May 15, 2014); Memorandum from Art Spies, IRHTP, to USAC (June 7, 2012); Memorandum from Art Spies, IRHTP, to USAC (Apr. 19, 2012).

requested in RFP 12-004 (USAC RFP #05) and that AIS' bid was for \$12,000. AIS was awarded the contract for quality assurance services for FRN 63145.

IAD examined the competitive bidding documentation for RFP 12-005 (USAC RFP #04) and noted that ICN was the only service provider to bid for RFP 12-005 (USAC RFP #04) and that ICN's bid offered Ethernet connectivity to 88 locations with up to 1 Gigabits per second access at a monthly cost ranging from \$50,550 to \$204,550 depending on the speed of access selected for each location. ICN was awarded the contract for FRNs 64723 and 68296.

Because Mr. Crandell was involved in the development and execution of the IRHTTP Pilot Project, the development of RFPs 08-001 (USAC RFP#00), 08-002 (USAC RFP#01), and 12-005 (USAC RFP #04), and the Beneficiary's vendor selection process for RFPs 08-001 (USAC RFP#00), 08-002 (USAC RFP#01), 10-001 (USAC RFP #03), and 12-005 (USAC RFP #04), and the *Outside Plant – Dark Fiber Construction or IRUs and Network Electronics – Spare Parts* sections of RFP 12-004 (USAC RFP #05), Mr. Crandell had extensive knowledge about the Beneficiary's network and competitive bid processes from his roles as a consultant to ICN and the owner of AIS. In addition, because Mr. Swanson (ICN) was involved in the development and execution of all the Beneficiary's RFPs, with the exception of RFP 12-005 (USAC RFP #04), Mr. Swanson similarly had extensive knowledge about the Beneficiary's network and competitive bid processes. The Beneficiary did not demonstrate that it used a firewall mechanism to prevent AIS or ICN from having an advantage in the competitive bid process for the requested services for FRNs 41446, 63145, 64723, and 68296. In addition, AIS and ICN's extensive involvement in the IRHTTP Pilot Project and the development and vendor selection process for the Beneficiary's other RFPs may have disadvantaged one provider over another and discouraged other service providers from submitting bids for the requested services that were awarded to ICN and AIS. Further, ICN's consultant, Tony Crandell, was involved in the development and bid evaluation process for RFP 12-005, which resulted in the selection of ICN. Therefore, the Beneficiary did not comply with the Rules governing the competitive bidding process for FRNs 41446, 63145, 64723, and 68296 (criteria 1 to 6).

Cause

The Beneficiary did not demonstrate sufficient knowledge of the Rules governing the competitive bidding process and did not have adequate controls or procedures in place to prevent individuals with extensive knowledge of the Beneficiary's network from gaining a competitive advantage during the Beneficiary's competitive bid processes. In addition, the Beneficiary did not have adequate controls or procedures in place to ensure that representatives or consultants of its service providers did not participate in the competitive process for the requested services.

Effect

The monetary effect of this finding is \$529,147. This amount represents the total amount disbursed for the following FRNs:

FRN	Amount
41446	\$142,290
63145	\$8,160
64723	\$28,517
68296	\$350,180
Total	\$529,147

Recommendation

IAD recommends that USAC seek recovery of \$529,147. The Beneficiary must implement controls and procedures to ensure compliance with the Rules governing the competitive bidding process, including ensuring that universal service support does not disadvantage one provider over another or unfairly favor or disfavor one technology over another.

Beneficiary Response

The Iowa Rural Health Telecommunications Program (IRHTP) through its Project Coordinator, has reviewed the FCC rules cited, the background information provided, and the conclusions, effect and recommendation by the USAC auditors regarding Service Provider Involvement in IRHTP's Competitive Bidding Processes and its purported effect on competitive bidding and competitive bidding results. IRHTP does not agree that the facts and circumstances presented involve any selective sharing of information that tainted the competitive bidding process, created any undue competitive advantage to any particular vendors, or skewed a competitive bidding result as to any of the contracts listed above. As discussed herein, the circumstances as presented by the USAC auditors further do not rise to the level of an infraction that should result in USAC Management seeking recoupment of RFP [*sic*] funding under those contracts, as the findings propose.

As a threshold matter, none of the FCC rules cited by the USAC auditors provide notice that the particular firewall that IRHTP put into place consistent with the FCC's competitive bidding rules was insufficient or failed to provide adequate insulation from any potential for bid manipulation by program vendors. While FCC orders adopting the rules discuss the need to keep potential vendors at arm's length during the RFP formulation and vendor selection process, that is what IRHTP did. The FCC rules, combined with these orders, simply do not provide notice that IRHTP's practical, good faith application of that arm's length requirement would be reviewed after the fact and found to be insufficient. Without adequate notice of the specific firewalls that USAC – or ultimately the FCC - would and would not deem sufficient, this after the fact second guessing of the mechanisms used by IRHTP is highly problematic on a basic procedural fairness level. This is particularly true as IRHTP in fact

disclosed all of its dealings with potential vendors to USAC as part of its FCC Form 465 applications for funding, including identification of the parties involved in each RPF's formulation. Having this information, USAC never before raised any issue as to how IRHTP went about its competitive bidding process or questioned any of the vendor selection results prior to funding them. As a result, it would be arbitrary and inequitable for USAC Management to now seek recoupment of funding in this case, as the very disclosure requirements USAC cites and that IRHTP complied with are for the purpose of USAC review of competitive bidding to discover possible improprieties and to deal with them *prior* to providing funding.

Specific Corrections or Clarification with respect to the Conditions:

1. There were two competing bids for the quality assurance inspection services portion of USAC RFP#02. These bids were closely scored with a lower price being the most heavily weighted of the determinative factors. (See Art Spies memo, dated September 16, 2009, showing the cumulative score of 94 for Adesta and 97.7 for AIS) [copy provided to USAC management]. The attached affidavit of Art Spies [copy provided to USAC management] discusses in detail how the RFP#02 was developed, who reviewed the bids received and how the IRHTP Steering Committee members voted in evaluating the competing bids. This affidavit demonstrates that there was a firewall that prevented the winning bidder from participating in the RFP formulation or the award process.

2 USAC RFP #05 included a section for a small project to add quality assurance services for up to five sites that were not included in USAC RFP#02 due to several additional rural hospital members joining after RFP#02 was bid. These additional sites were required to be competitively bid in a separate contract rather than simply added to the services of the existing bid RFP#02. The circumstances of the drafting of the quality assurance portion of RFP#05 are detailed in the attached Arts Spies' affidavit [copy provided to USAC management]. IRHTP believes that due to the very limited scope of this additional work, the limited number of sites that were spread out across the state with more than 240 miles between each of them, and the limited compensation associated with any award, there was only a single bidder, AIS. The fact that only a single bid for quality assurance for those five sites was received under those circumstances is not surprising [*sic*]. Further, [*sic*] the cost of providing this service under USAC RPF #05 was at the same cost per site as USAC RFP#02. If there had been any insider knowledge or unfair competition or desire to circumvent the purposes of the competitive bidding process, then the AIS bid could have come in higher for these additional sites than those

in USAC RFP #02. The fact is that these additional site services were provided at the same cost-effective level. (Art Spies memo, June 21, 2012 showing same cost for addition of four sites as original bid) [copy provided to USAC management].

3 As the USAC auditors note, IRHTP received only one bid for USAC RFP#04, which was for recurring connectivity service or circuit fees, at each participating and eligible rural health care provider location. This bid was from the Iowa Communications Network (ICN), a fiber optic network owned, managed and operated by the State of Iowa by the Iowa Telecommunications [*sic*] and Technology Commission (ITTC). The bid was to provide IRHTP member rural hospitals with Ethernet connectivity of up to 1GB to all 88 points listed on the RFP using “existing link-segments that emanate from the HCP’s owned Alcatel-Lucent 7210 edge switch along the constructed [*sic*] hospital owned fiber link or a leased “IRU” to a point currently located in an ICN Point of Presence.” (USAC RFP#04). While theoretically [*sic*] it would have been possible for potential communications service providers serving different communities within Iowa to collaborate and join together and bid to provide connectivity service to these 88 points located all throughout the state, the fact is that only one entity, the publicly owned Iowa Communications Network, had built and already was operating a statewide publicly owned fiber optic network. ICN’s legal charter permits it to provide connectivity only to authorized users under the Iowa Code: these authorized users include schools, hospitals, state and federal government, National Guard armories, and libraries. ICN’s rates for this service are published and known to any service provider or potential service provider in Iowa. These facts were not highlighted and apparently not considered by the USAC auditors and these facts are consistent with what occurred when IRHTP bid the contract for connectivity for 88 participating rural hospitals throughout the state; namely that ICN was uniquely in the best position to provide this service, not because of anything IRHTP did or did not do with respect to competitive bidding, but because of its state charter, published rates and its unmatched fiber network reach. Further, ICN was already providing these circuits to 53 participating hospitals as of May 2012 without program support for the circuits, making ICN the obvious party to seek to continue to provide and expand that service. No other entity responded to the RFP, apparently because no other entity or group of entities believed themselves to be in a position to provide rural broadband connections where the IRHTP specified they were needed for participating rural hospitals throughout Iowa at a rate lower than the published rate that ICN offered in its bid response. Attributing capability [*sic*] to IRHTP for the lack of competitive bidders for RFP #04 when IRHTP had nothing whatsoever to do with ICN’s unique status and market position in Iowa would be entirely arbitrary.

IRHTP has demonstrated that no employee of ICN was involved in drafting, reviewing or evaluating RFP#04. The fact is that IRHTP did not have the technical ability within its project management staff to draft RFP#04. Recognizing that, IRHTP turned to Tony Crandell of AIS to do the initial drafting of that RFP. Art Spies of IHA on behalf of the IRHTP reviewed the draft and the Steering Committee approved awarding the bid to the ICN. (See minutes from May 29, 2012 Steering Committee meeting) [copy provided to USAC management]. It is not contested that IRHTP, in its Form 465 to USAC, disclosed the fact that Tony Crandell of AIS had assisted in drafting the RFP. It is also a fact that USAC did not at the time or at any time afterwards question or investigate the disclosure as potentially problematic.

The Federal Communications Commission has not prohibited stated owned and operated systems from offering highly publicly beneficial broadband services, although Iowa is apparently one of the few states that has built out a statewide facility for the public safety and health benefits it can confer on the citizens of the state. By law, there is a state agency charged with running the ICN, and that state agency publishes the rates for service for this purpose. Those rates are the rates ICN provided to IRHTP in responding to RFP#04 and those rates would have been known in advance by any other potential bidder for circuit connectivity services. The ICN, as an agency of the state, was simply following its legal charter in providing an RFP response to IRHTP. The ICN plainly is not a typical commercial “vendor.” To the extent that there was any commercial vendor interested and available to provide comparable circuit connectivity services at 88 different sites throughout the state of Iowa, it or they could have responded to the RFP. ICN was the only provider who responded. To mechanically apply broad brush “rules” and infer some competitive advantage was conferred on ICN by IRHTP’s use of Tony Crandell of AIS as a limited purpose consultant for technical assistance on this single RFP is simply unfounded speculation that ignores the unique non[-]commercial nature of the ICN and the high likelihood it would be the only bidder to provide Ethernet connectivity to its backbone network at 88 different locations throughout the state. Whatever “inside” knowledge one might surmise ICN had about IRHTP’s project would have come through its earlier work with IRHTP documentation for the FCC Pilot program, not through information theoretically [*sic*] provided by Tony Crandell. Further, ICN uniquely knew the technical requirements of its own infrastructure, and that use of the backbone infrastructure of ICN was expressly approved by the FCC in its grant of the Pilot program application. Tony Crandell was a part time hourly project management consultant to ICN with duties unrelated to the IRHTP and Mr. Crandell was not an employee of ICN. Mr. Crandell’s company AIS has other

clients. Tony Crandell also performed what IRHTP viewed to be an entirely unrelated one time technical project for IRHTP in drafting RFP#04 at IRHTP's direction and under its supervision.

4. There were no contracts not subject to FCC competitive bidding processes and there were no special arrangements or specific or even general understandings with IRHTP or AIS or ICN as to how the RFPs that the USAC auditors reviewed were structured, what pricing would be preferred, or as to any other matter in the subject RFPs whatsoever. Neither AIS nor ICN personnel participated in the preparation of the RFPs that they were awarded, and neither reviewed or assessed their own or other party's bids. IRHTP did not discourage any potential bidders on any RFP, nor did it divulge additional information to any potential RFP bidder. How the USAC auditors can find under the circumstances that a competitive bidding advantage was conferred on any party, when IRHTP followed the FCC rules and created a firewall it believed in good faith was sufficient is not explained. As noted above, if there was a vendor that would come into the circuit fee RFP#04 bidding process with any potential advantage, it would be the ICN. But that would only be because the ICN was sufficiently built out so as to have a fiber optic network point of presence in each county in the entire state of Iowa and ICN had published rates that other potential bidders could review and conclude on their own as to whether they stood any reasonable chance of prevailing in a competitive bidding situation in which the FCC has directed that cost efficiency is to be the most heavily weighted factor in an award assessment. As a practical matter, the ICN "market" advantage certainly would affect whether other entities determine it would be worthwhile to compete against the state for this contract. But that is not any reason to determine that IRHTP failed to follow the FCC's competitive bidding rules.

The USAC auditors create undue inferences from the fact that ICN's engagement with IRHTP in its pilot program application having to do with its statewide backbone operations and in some unrelated competitive bidding assistance for other RFPs conferred unfair competitive bidding advantages on ICN. However, the USAC auditors failed to consider the unique nature of the state owned ICN. ICN was and is the only entity that has built out broadband fiber to all 99 counties in Iowa. While no entity was prevented or impeded from providing a competitive bid for circuit fee services, the reasonable inference from the fact that only ICN bid is not because it had some unfair insider network design or other informational advantage that chilled potential competition in bidding. Rather, it was uniquely situated to provide the Ethernet connectivity the rural Iowa hospitals banded together to seek as IRHTP. USAC Management should not adopt the inference that IRHTP tampered with the circuit fees bidding

process; IRTHP [*sic*] did not. Certainly prior to seeking any recoupment from IRHTP of the funds paid in support of the contracts, USAC should be required to do far more than merely offer an inference when there are other far more likely explanations for the lack of bidders for last mile circuit fee connectivity contract. There is no evidence of bid rigging, manipulation, or fraud or abuse. Only if they could be established would there be any possible grounds for seeking any recoupment.

5. Tony Crandell of AIS and Dave Swanson of ICN each have extensive knowledge and experience with utilizing the Iowa Communications Network to provide broadband connections and services to authorized entities throughout the state. Each person possessed this knowledge well before implementation of the FCC's Rural Health Pilot Program or IRHTP's bidding processes to participate in the Pilot Program. Simply because these individuals assisted IRHTP at points along the way with parts of the project that did not involve them in a bidding vendor capacity does not prove that they had any special knowledge of IRHTP's plans or that any purported special knowledge of IRHTP's plans skewed competitive bidding in any way. IRHTP's plan was contained in its FCC Pilot program application, it was a matter of public record any potential bidder could have consulted. IRHTP has at all times been transparent with USAC in disclosing its relationships with everyone involved in the program in any way. USAC Management is asked to consider all and not selective aspects of these circumstances when reviewing these audit findings.

IRHTP's other comments in response to the USAC auditor findings:

- As described in the attached affidavit [copy provided to USAC management], IRHTP had a firewall to prevent potential vendors from participating in the development of RFPs, the review of bids, and making the various awards. While the USAC auditors suggest that the firewall IRHTP used was inadequate to prevent tainting of the competitive bidding process, all the auditors can point to as purported proof of their assertion is a lack of competitive bids, a situation that can readily and more obviously be explained by the nature of the ICN statewide, state owned network itself, not anything IRHTP might purportedly have done to suppress [*sic*] or skew potential competition.
- At all the times in question IRHTP had procedures in place to prevent any unfair advantage to any potential bidder, including AIS and ICN. The ICN and AIS personnel also were aware of the prohibition from including potential bidders from the RFP drafting and review process from the beginning of the project due to their experience in public

bidding. As a state-owned entity, ICN itself is also subject to competitive bidding requirements for its projects, so it would not have expected to play a different role in this case. This is reflected in documentation provided to USAC and the USAC internal auditors. (See disclosure materials provided) [copy provided to USAC management].

- As required by USAC, for each RFP, IRHTP disclosed those individuals and entities that participated in the development of each RFP, those persons or companies involved in the bid review process, and those responsible for making any award determination. Through each of the competitive bidding processes and the FCC Form 466 award process, no USAC reviewer ever raised issues regarding supposed inappropriate service provider involvement in any part of the competitive bidding process. As USAC auditors note, the whole point of the FCC disclosure requirement is to allow for USAC review of any potentially improper influences prior to the award of funding. IRHTP should have some reasonable right to rely upon USAC to timely notify it of any perceived concerns so that they could be handled in a less draconian fashion than seeking after the fact recoupment when the case for unfair competitive bidding has yet to be made as opposed to merely being asserted and relying solely on unproven inferences. To attempt to recoup funding after the fact, USAC would have to prove its case rather than rely on unproven inferences as well as demonstrate that the FCC's rules and published requirements plainly prohibited the fully disclosed relationships discussed in the USAC audit findings.
- IRHTP's application for FCC Rural Health Care Pilot Program funding plainly and prominently indicated the project was a joint effort of IRHTP, the ICN as statewide fiber optic backbone provider and a consortium of Iowa, Nebraska and South Dakota rural and urban hospitals. The application indicated the IRHTP network would be built using the ICN backbone network infrastructure. There was no other similar infrastructure available from any other vendor.
- Importantly, at the time of the FCC Pilot program application in May of 2007, IRHTP was not seeking circuit fee service funding; that only became possible to [sic] due to subsequent changes in the program [sic]. However, at all times IRHTP was following program requirements to seek the least cost means of providing the supported rural broadband capability to rural hospitals. Thus, the FCC and the public had a record of what IRHTP had done with ICN previously.

The FCC approved the ICN relationship and network structure by making the initial pilot program award. When later there became a possibility of supported bridge funding for circuit fees, IRHTP disclosed all relationships and followed the competitive bidding rules. The USAC auditors would apparently only be satisfied if another vendor for that contract had materialized and prevailed, and that was not something IRHTP had any control over. The reasons why other vendors did not materialize are apparent and have been explained. Holding IRHTP financially responsible for the bidding results it did not preordain or control is manifestly unfair.

- Because the ICN was the entity that formed the backbone of the state fiber network, the ICN's knowledge of its network and access to that network was imperative for the success of the IRHTP pilot project. As discussed in this submission and affidavit, the IRHTP firewall as to vendors for particular follow-up RFPs was utilized throughout the RFP process. IRHTP in good faith believes that its processes prevented any improper influence or competitive advantage in any bidding process or bid award.
- The IRHTP firewall was utilized when Access Integration Specialists (AIS) was bidding on the RFPs for Quality Assurance. AIS was not involved in the development of these RFPs. AIS' role with the IRHTP was as a consultant with experience and knowledge of the technical details of the ICN and AIS' role with ICN was as an independent contractor consultant to provide program manager support on an "as-needed" hourly basis. An Internet search [*sic*] shows that AIS is a communications consulting firm with Anthony Crandell as its principal. Mr. Crandell has indicated his client list includes Iowa Homeland Security, Iowa National Guard, Cherokee Community School District, among others.
- All relationships between the parties were fully disclosed in all documentation provided to USAC and the FCC. IRHTP enacted protocols to ensure there was no improper influence or competitive advantage during the request, bidding, or awarding process. Bids were awarded based on the most cost-effective awards offered by providers with relevant capabilities and expertise and nothing else. USAC's audit finding comes to erroneous conclusions in its review of the information presented. IRHTP respectfully disagrees with USAC's Internal Audit finding and asks that on USAC Management review, the conclusions and recommendations be altered to reflect the facts in this case. Certainly [*sic*] the proposal that funds be recouped cannot

stand given that there was a firewall in place. To the extent that USAC auditors believe that the FCC rules provide detailed notice as to what constitutes a sufficient firewall in this instance, IRHTP contends that that determination is arbitrary and capricious and will not survive review by the FCC.

The USAC auditor conclusions cannot and do not include any finding that the program was asked to fund excessive costs or that any vendor receiving an award that is questioned now lacked relevant experience or knowledge. Nor have the USAC auditors done anything beyond merely suggesting there could have been some prejudice to other potential bidders from what they assert was an insufficient firewall. The punitive nature of an action to recoup funds for services provided would be inequitable, particularly given that the ICN's historic and unique state role was disclosed and on the record at the FCC from the time IRHTP filed its application for pilot program funding in May 2007. USAC was well aware of ICN's unique position as a statewide state owned backbone and connectivity provider. It was also aware from reviewing and commenting on IRHTP's Sustainability Report in 2009 that IRHTP was assuming the use of ICN for network access and USAC knew that ICN had had a long term role with IRTHP [*sic*] starting with the FCC Pilot program. To seek full recoupment of the circuit fee discount and quality assurance discount under these circumstances, where IRHTP in good faith attempted to comply with competitive bidding rules and fully disclosed what it was doing and how it was doing it, would be inequitable.

USAC IAD Response

In its response, the Beneficiary states that “[t]he FCC rules, combined with these [FCC] orders, simply do not provide notice that IRHTP’s practical, good faith application of that arm’s length requirement would be reviewed after the fact and found to be insufficient.” IAD does not concur with this statement as the Rules state that each Pilot Program participant is subject to an audit.¹ IAD is required to conduct its audits in accordance with Generally Accepted Government Auditing Standards (GAGAS)², which require auditors to obtain sufficient, appropriate evidence to substantiate audit findings and conclusions.³

¹ See, e.g., *Pilot Program Selection Order*, 22 FCC Rcd at 20362, ¶ 6 (“[T]he Commission will conduct audits of all selected participants, and if necessary, investigations of any selected participants to determine compliance with Pilot Program, Commission rules and orders, and section 254 of the 1996 Act.”). See also *Erratum*, DA 07-5018 (Rel. Dec. 17, 2007) (clarifying that the FCC’s Office of Inspector General will conduct an audit for each Pilot Program participant).

² See also 47 C.F.R. § 54.702(n) (2008).

³ See also *Government Auditing Standards*, GAO-12-331G, § 6.56 (Rev. Dec. 2011) (“Auditors must obtain sufficient, appropriate evidence to provide a reasonable basis for their findings and conclusions.”).

The Beneficiary's response does not dispute that Mr. Crandell, the sole proprietor of AIS and consultant to ICN, was involved in the development of and vendor selection process for RFP 12-005 (USAC RFP # 04), which resulted in the selection of ICN to provide meshed Ethernet bandwidth connectivity services for FRNs 64723 and 68296. The Beneficiary's response also does not dispute that Mr. Crandell developed and participated in the vendor selection process for multiple IRHTTP RFPs, including the initial RFP requesting quality assurance inspection services (RFP 08-001/USAC RFP #00) for which a provider was not selected after reviewing the bids received. Mr. Crandell's company, AIS, later bid on the quality assurance services and was selected to provide quality assurance inspection services through RFP 09-002 (USAC RFP #02) and RFP 12-04 (USAC RFP #05) (FRNs 41446 and 63145). The Beneficiary's admission of Mr. Crandell's involvement with the development of the RFPs and the vendor selection process for RFP 12-005 and RFP 08-001 demonstrates that the competitive bid process was compromised for FRNs 41446, 63145, 64723, and 68296. Although the Beneficiary explained that it had a firewall in place to ensure its compliance with the Commission's competitive bid rules, the Beneficiary did not provide any documentation to demonstrate the firewall was in place. Therefore, the Beneficiary did not comply with the competitive bid requirements of the Rules (criteria 1 to 3 and 5).

In its response, the Beneficiary states that "none of the FCC rules cited by the USAC auditors provide notice that the particular firewall that IRHTTP put into place consistent with the FCC's competitive bidding rules was insufficient or failed to provide adequate insulation from any potential for bid manipulation by program vendors." However, the Rules require the Beneficiary to ensure that the competitive bidding process does not disadvantage one service provider over another (criterion 6). The documentation provided by the Beneficiary during the audit to demonstrate that it had a firewall only consisted of acknowledgements that the Beneficiary, ICN, and AIS were aware of the Rules and did not describe the type and sufficiency of the firewall that the Beneficiary asserts was in place. The Beneficiary indicates, "there was a firewall that prevented the winning bidder from participating in the RFP [#02] formulation or the award process [and] no employee of ICN was involved in drafting, reviewing, or evaluating RFP#04." In addition, the Beneficiary states "[n]either AIS nor ICN personnel participated in the preparation of the RFPs that they were awarded, and neither reviewed or assessed their own or other party's bids." However, the Beneficiary did not provide any documentation to support it had a firewall in place. As noted above, the Beneficiary asserted it was aware of the Commission's rules regarding competitive bidding, but did not provide a description of the implemented firewall to ensure AIS and ICN did not have a competitive advantage during the Beneficiary's competitive bid processes.

Although the Beneficiary states that AIS was not involved in the development and evaluation of the quality assurance inspection service RFPs that resulted in the selection of AIS, Mr. Crandell was involved in developing the original RFP for quality assurance inspection services. In addition, Mr. Crandell served on the evaluation committee that reviewed the bids that were received for the requested quality assurance services. Mr. Crandell had knowledge of the services to be inspected and the requirements for the

quality assurance inspection services that was not available to other potential bidders. In addition, because Mr. Crandell served on the bid evaluation committee for the first RFP for quality assurance services, he was aware of the amounts of the bids received for these services and could use this knowledge to prepare AIS' bids for the two RFPs for quality assurance inspection services that were issued later.

The Beneficiary also states in its response that Mr. Swanson of ICN was not involved in the development or vendor selection process for the RFP, which resulted in the selection of ICN, and "Mr. Crandell was not an employee of ICN." However, the Beneficiary also acknowledges in its response that Mr. Crandell was an ICN consultant and was involved in the development of and vendor selection process for the RFP awarded to ICN. As noted above, the Beneficiary asserts that there was a firewall in place to prevent ICN from having a competitive advantage during this competitive bid process for RFP 12-005 (Meshed Ethernet Bandwidth Connectivity, however, the Beneficiary did not provide IAD with documentation to support this firewall was in place. In addition, IAD was not aware of Mr. Crandell's dual role as a consultant to ICN and as the owner of AIS until informed by the Beneficiary during this audit.¹

The Beneficiary acknowledges in its response that "[w]hatever 'inside' knowledge one might surmise ICN had about IRHTP's project would have come through its earlier work with IRHTP documentation for the FCC Pilot program... [and] ICN uniquely knew the technical requirements of its own infrastructure..." In addition, the Beneficiary acknowledges, "IRHTP did not have the technical ability within its project management staff to draft RFP#04 [and] IRHTP turned to Tony Crandell of AIS to do the initial drafting of that RFP." Thus, ICN's previous work with the Beneficiary's initial RFP and its relationship with Tony Crandell, who drafted RFP 12-005, provided ICN with an unfair competitive advantage.

In its response, the Beneficiary states that "IRHTP in fact disclosed all of its dealings with potential vendors to USAC as part of its FCC Form 465 applications for funding [and] USAC did not at the time or at any time afterwards question or investigate the disclosure as potentially problematic." However, the Beneficiary did not communicate to USAC AIS's involvement in the Beneficiary's application to the FCC and the development of the network RFPs until October 2, 2013, which was after the competitive bid processes have been completed. While the Beneficiary disclosed AIS' involvement in developing RFP 12-005 (USAC RFP # 04) for which ICN was selected as the service provider, the Beneficiary did not indicate that Mr. Crandell was also a consultant for ICN.² As indicated by the Beneficiary, Mr. Crandell, the sole proprietor of AIS, already had a relationship with ICN through his consultant contracts with ICN.³ Therefore, Mr. Crandell was in a position to influence the Beneficiary's service provider selection while serving as a consultant to ICN, and ICN was selected as the service provider for FRNs 64723 and 68296. Further, although the Beneficiary communicated Mr. Crandell's

¹ Memorandum from Arthur Spies to RHCP, 'Disclosures,' (Apr. 19, 2012).

² Memorandum from Arthur Spies to RHCP, 'Disclosures,' (Apr. 19, 2012).

³ Memorandum from Art Spies, IRHTP, to USAC (May 15, 2014).

involvement in the development of RFPs 10-001 (USAC RFP #03) and 12-004 (USAC RFP #05) on April 11, 2011 and June 21, 2012, this was after the competitive bidding process was completed and the service provider was selected.¹ Therefore, the Beneficiary did not fully inform USAC of the level of IAS and ICN's involvement in the development of its RFPs and participation in the evaluation of bids for the RFPs prior to taking such action (criterion 5).

In its response, the Beneficiary states "ICN was expressly approved by the FCC in its grant of the Pilot program application." However, the FCC's approval of the Beneficiary's pilot program application was not an approval to use ICN as a service provider, and the Commission did not waive the Rules governing the competitive bidding requirements (criteria 1 to 6). In the *Pilot Program Selection Order*, the FCC stressed the importance of the competitive bidding requirements and explicitly stated that the projects selected for RHC Pilot Program awards were required to comply with those requirements.² Further, service providers participating in the competitive bid process are prohibited from assisting with or filling out a selected participants' FCC Form 465 for services they are competing to provide (criterion 4). Although the Beneficiary may have described the network infrastructure and the inclusion of ICN in its proposal to the FCC, the Beneficiary did not provide documentation demonstrating that it informed the FCC that ICN would also be a potential service provider for the recurring Ethernet services. In addition, the Beneficiary did not provide documentation demonstrating that it indicated to the FCC that Mr. Crandell, the owner of AIS and consultant to ICN, would be assisting with the development of the RFPs and evaluating the bids received for the services awarded to ICN.

In its response, the Beneficiary states that "the USAC auditors failed to consider the unique nature of the state owned ICN [who] was and is the only entity that has built out broadband fiber to all 99 counties in Iowa [and] was uniquely situated to provide the Ethernet connectivity the rural Iowa hospitals banded together to seek as IRHTP." IAD does not concur with this assertion. IAD did consider ICN's capacity to provide the services requested by the Beneficiary. Further, IAD does not concur with the Beneficiary's assertion that the "USAC auditors would apparently only be satisfied if

¹ Memorandums from Arthur Spies to USAC/FCC, 'Evaluation, Scoring and Award IRHTP RFP10-001,' dated April 11, 2011 and 'Evaluation, Scoring and Awards for IRHTP RFP12-004, dated June 21, 2012.

² See, e.g., *Pilot Program Selection Order*, 22 FCC Rcd 20414, ¶ 102 (providing "[t]he competitive bidding requirements ensure that selected participants are aware of the most cost-effective method of providing service and ensures that universal service funds are used wisely and efficiently, thereby providing safeguards to protect against waste, fraud, and abuse.... We find that it is in the public interest and consistent with the 2006 *Pilot Program Order* to require all participants to participate in the competitive bidding process."); *Id.* at 20395, ¶ 70 ("Among other things, we deny waiver requests of the Commission's rule requiring that Pilot Program selected participants competitively bid their proposed network projects. In doing so, we reaffirm that the competitive bidding process remains an important safeguard to ensuring universal service support is used wisely and efficiently ensuring that the most cost-effective service providers are selected by selected participants...."); *Id.* n. 326 (directing "the Iowa applicants, and all other applicants, to follow the competitive bidding process detailed *supra* Part III.E.7" and denying their requests for waiver of the competitive bidding requirements).

another vendor for that contract had materialized and prevailed...” ICN’s previous dealings with the Beneficiary in the development of the RHC Pilot Program application, ICN’s assistance in developing previous RFPs for the Beneficiary’s network and evaluation of the bids received, and ICN’s direct relationship with Mr. Crandell who developed the RFP for the Ethernet services that ICN was awarded are at the core of this audit finding. As noted above, the Beneficiary did not provide documentation to demonstrate that it had a sufficient firewall in place to ensure the individual(s) that developed the RFP were not also the individual(s) that bid on the Ethernet services provided over the network.

IAD also does not concur with the Beneficiary’s assertion that the only purported proof “that the firewall IRHTTP used was inadequate to prevent tainting of the competitive bidding process... is a lack of competitive bids.” As noted above, Mr. Crandell, AIS’ sole proprietor and ICN’s consultant, assisted in the development of and the competitive bidding process for the Beneficiary’s original RFP for quality assurance inspection services RFP 08-001 (USAC RFP#00) and RFP 12-005 (USAC RFP#04) for meshed Ethernet services that resulted in the selection of ICN. Mr. Crandell and AIS also competed for and was selected to provide quality inspection services through RFP 09-002 (USAC RFP # 02) and RFP 12-004 (USAC RFP #05). In addition, Mr. Crandell and Mr. Swanson of ICN developed and participated in the competitive bidding process for the Beneficiary’s other network RFPs, which provided AIS and ICN knowledge about the Beneficiary’s network and competitive process that was not available to other providers. Further, the Beneficiary has not provided any evidence that there was a sufficient firewall in place to ensure that ICN and AIS were not provided a competitive advantage when the companies submitted their own bids for certain RFPs. Therefore, the Beneficiary did not comply with the competitive bidding requirements of the Rules (criteria 1 to 6).

For the reasons stated above, IAD’s position on this finding remains unchanged.

USAC Management Response

FRNs 41446 and 63145

IAD determined that Mr. Crandell (the owner of AIS) received information that was not available to other prospective bidders for the Quality Assurance Inspection Services that AIS provided for FRNs 41446 and 63145. As discussed above, Mr. Crandell was involved in the development of and bid evaluation for RFP 08-001 that requested bids for Quality Assurance Inspection Services. Based on the documentation provided to USAC, prior to the audit, the Beneficiary did not disclose to USAC that Mr. Crandell or AIS was involved in the development of RFP 08-001. Although the Beneficiary received bids for RFP 08-001, it did not issue an award for the Quality Inspection Services because it determined that “the bids were too expensive for the project” after completing the bid evaluation process for the quality assurance services.¹ Afterwards, Mr. Crandell

¹ Affidavit of Art Spies, IRHTTP, at 1 (Oct. 3, 2014) (*Affidavit*).

informed the Beneficiary “that he might be interested in bidding on a more scaled back quality assurance RFP if IRHTP decided in the future to issue one.”¹ The Beneficiary later issued two RFPs with a smaller scope of Quality Inspection Services—RFPs 09-002 and 12-004—that resulted in awards to AIS.²

The Beneficiary does not dispute that Mr. Crandell helped develop RFP 08-001 and was part of the bid evaluation committee for this RFP. However, the Beneficiary asserts that there was no competitive bidding violation because Mr. Crandell was not involved in the development of or the evaluation of the Beneficiary’s subsequent RFPs for Quality Inspection Services that resulted in awards to AIS. The Beneficiary explained that AIS was able to “provide a lower cost, more responsive service” based on the bids that the Beneficiary received for RFP 12-004, and that AIS was the sole bidder for the Quality Inspection Services for RFP 09-002.³ Although Mr. Crandell did not develop or evaluate RFPs 12-004 or 09-002, that does not mitigate the competitive bidding violation for FRNs 41446 and 63145. Although the Beneficiary asserts that Mr. Crandell was not involved in the RFPs that resulted in the awards to AIS or in its discussions concerning those RFPs, Mr. Crandell had knowledge that was not available to other providers (e.g., competing providers’ pricing and information about IRHTP’s competitive bidding processes) because of his involvement in the first RFP for Quality Inspection Services (RFP 08-001). Therefore, the Beneficiary’s screening of Mr. Crandell from RFPs 12-004 and 09-002 did not prevent AIS from having a competitive advantage when it bid on RFPs 12-004 and 09-002. In addition, the Beneficiary also did not disclose that Mr. Crandell and AIS assisted with developing and evaluating the received bids for RFP 08-001.

USAC management agrees with IAD’s recommendation for recovery of funds associated with these FRNs and that the Beneficiary must implement controls and procedures to ensure compliance with the Rules governing the competitive bidding process, including making the necessary disclosures concerning individuals involved in its RFPs. Additional information concerning the competitive bidding requirements for the RHC Pilot Program is available in the *Pilot Program Selection Order* and on USAC’s website.⁴

FRNs 64723 and 68296

RFP 12-005 resulted in an award to ICN for meshed Ethernet services for FRNs 64723 and 68296. IAD determined that the Beneficiary violated the competitive bidding requirements because Mr. Crandell (the owner of AIS and consultant to ICN) was involved in the development of and evaluation of bids received for RFP 12-005. IAD

¹ *Id.*

² *Id.*

³ *Id.* at 2.

⁴ See *In the Matter of Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order, FCC 07-198, 22 FCC Rcd 20360, 20412-20415, ¶¶ 100-104 (2007). See also <http://www.usac.org/rhcp/participants/competitive-bidding.aspx>.

also determined that ICN had extensive knowledge about the IRHTP Pilot Project as a result of its involvement in the development and implementation of the IRHTP Pilot Project, and as a result of Mr. Swanson's (an ICN employee) involvement in IRHTP's other RFPs for which ICN did not compete.

The Beneficiary does not dispute that Mr. Crandell was involved in RFP 12-005 or that ICN was involved in the development and implementation of the IRHTP Pilot Project and the other RFPs for which ICN did not compete. However, the Beneficiary states that a competitive bidding finding is not supported because of the unique nature of ICN, the purpose of the IRHTP, and its measures to exclude ICN employees from RFP 12-005. In addition, the Beneficiary provided an affidavit that further clarified the screening process that the Beneficiary used for RFP 12-005 to ensure its compliance with the FCC rules.

The Beneficiary's response explains that ICN is a statewide "fiber optic network, owned, managed, and operated by the State of Iowa." The Beneficiary also explains that "ICN's charter permits it to provide connectivity only to authorized users under the Iowa Code" including hospitals, and that "ICN's rates for this service are published and known to any service provider or potential service provider in Iowa."¹ The Beneficiary further explains that its public Pilot Program application requested funding to build out last-mile fiber to connect eighty-eight individual hospitals throughout Iowa "to the state-wide Iowa Communications Network (ICN) backbone" and disclosed that ICN would eventually charge hospitals for recurring circuit fees for those connections.² The Beneficiary's Sustainability Plan also stated that ICN would charge circuit fees to participating HCPs in order to sustain the network.³ The Beneficiary did not initially seek RHCPP funding for these circuit fees. However, following the FCC's 2012 *Bridge Funding Order* (which provided additional temporary funding for continued support of broadband services provided to HCPs participating in the RHC Pilot Program), the Beneficiary issued RFP 12-005 which resulted in an award to ICN for meshed Ethernet services.⁴ Before the Beneficiary issued RFP 12-005, ICN was already providing Ethernet services to HCPs participating in the IRHTP Pilot Project, as was contemplated in IRHTP's Pilot Program application.⁵

The Beneficiary's affidavit further explains that given the nature and mission of ICN and the purpose of the IRHTP Pilot Project, it was anticipated that ICN would submit a bid for RFP 12-005. Accordingly, "Dave Swanson of ICN and any other ICN employee was excluded from the development of the RFP" and the Beneficiary did not "discuss any aspect of the connectivity RFP at any point before the award of the contract to ICN with

¹ See also, e.g., Iowa Code §§ 8D.1, 8D.3, 8D.13; ICN website at <http://icn.iowa.gov/about-icn/agency-information-icn-story>.

² Affidavit, at 3. See also IRHTP Pilot Program Application, at 39 (May 4, 2007).

³ Affidavit, at 3. See also IRHTP Sustainability Plan at 2, 3 (June 2009).

⁴ Affidavit, at 3. See also *In the Matter of Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order, FCC 12-74, 27 FCC Rcd 7907, 7911, ¶ 10 (2012).

⁵ Affidavit, at 3, 4, 5.

Dave Swanson or anyone else at ICN.”¹ The Beneficiary further explains that “[i]t was necessary for IHRT [sic] staff to have access to technical knowledge of the ICN technology to be able to draft the technical specifications for the competitive bidding RFP 12-005 to rely on the ICN backbone structure for providing circuit connectivity and to effectively review the bids received” and that there were “very few individuals within the state that could provide consultation on the necessary technical issues.”² The Beneficiary states that because its staff did not have the necessary technical expertise to develop RFP 12-005, IRHTP engaged Tony Crandell to develop and evaluate bids for that RFP given his “extensive knowledge of the technology already in use in the IRHTP project.”³ The Beneficiary further explains that RFP 12-005 “was drafted to reflect the requirements for the network to function as proposed by the IRHTP project and the previous build-out and nothing more.”⁴ Based on the affidavit that was provided, the Beneficiary took measures to ensure that ICN employees were not involved with the development or evaluation of RFP 12-005.

Although USAC management understands that the Beneficiary’s affidavit demonstrates that the Beneficiary took steps to ensure that ICN employees were excluded from the development of the RFP, IAD has demonstrated that the beneficiary did not comply with the FCC’s competitive bidding rules because it neglected to disclose the relationship. While USAC management further understands that: (a) the Beneficiary competitively bid the Ethernet services and ICN was the only bidder under the procurement; (b) ICN was uniquely situated to provide the most expansive network and services along with the best rates as the State of Iowa’s fiber optic network; (c) ICN already possessed sufficient knowledge of the network’s current topology and configuration as the preexisting Ethernet services provider to HCPs participating in the project; and (d) no result other than the selection of ICN would have been economically and technically rational, the FCC’s rules do not allow consultants for service providers to participate in competitive bidding, and the recovery of funds as recommended by IAD, is required by the rules.

Conclusion

USAC management concurs with the finding, effect and recommendation for FRNs 41446 and 63145 for Quality Assurance Inspection Services and will seek recovery of \$150,450. USAC management also concurs with the finding, effect and recommendation for FRNs 64723 and 68296 for meshed Ethernet services and will seek recovery of \$378,697.

USAC management further concurs with IAD’s finding that the Beneficiary did not sufficiently demonstrate or provide supporting documentation that sufficient controls were in place ensuring that ICN and AIS were not provided a competitive advantage when the companies submitted their own bids for certain RFPs. USAC management

¹ *Id.* at 4.

² *Id.*

³ *Id.*

⁴ *Id.*

directs the Beneficiary to implement policies and procedures ensuring that individuals associated with a service provider, including consultants, employees and agents, are not involved in the development of or bid evaluation for RFPs for which that particular service provider intends to compete. USAC will request that the Beneficiary provide a copy of its new procedures within 90 days so USAC can confirm corrective action was undertaken and that the Beneficiary has developed and implemented the appropriate controls.

Criteria

1. “To select the telecommunications carriers that will provide services eligible for universal service support to it under this subpart, each eligible health care provider shall participate in a competitive bidding process pursuant to the requirements established in this subpart and any additional and applicable state, local or other procurement requirements.” 47 C.F.R. § 54.603(a) (2008).
2. “Pursuant to sections 54.603 and 54.615 of the Commission’s rules, each eligible health care provider must participate in a competitive bidding process and follow any applicable state, local, or other procurement requirements to select the most cost-effective provider of the services eligible for universal service support under the RHC support mechanism.” *In the Matter of Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order, FCC 07-198, 22 FCC Rcd 20360, 20412, ¶ 100 (2007) (*Pilot Program Selection Order*).
3. “Consistent with the Joint Board’s recommendation for eligible schools and libraries, we conclude that eligible health care providers shall be required to seek competitive bids for all services eligible for support pursuant to section 254(h) by submitting their bona fide requests for services to the Administrator.” *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 97-157, 12 FCC Rcd 8776, 9133, ¶ 686 (1997) (*1997 Universal Service Order*).
4. “We note that vendors or service providers participating in the competitive bid process are prohibited from assisting with or filling out a selected participants’ FCC Form 465.” *Pilot Program Selection Order*, 22 FCC Rcd at 20405, ¶ 86, n.281.
5. “To further prevent against waste, fraud, and abuse, we require participants to identify, when they submit their Form 465, to USAC and the Commission any consultants, service providers, or other outside experts, whether paid or unpaid, who aided in the preparation of their pilot Program applications.... Identifying these consultants and outside experts could facilitate the ability of USAC, the Commission, and law enforcement officials to identify and prosecute individuals that may seek to manipulate the competitive bidding process or engage in other illegal acts. To ensure selected participants comply with the competitive bidding requirements, they must disclose all of the types of relationships explained above.” *Pilot Program Selection Order*, 22 FCC Rcd at 20415, ¶ 104.

-
6. “The competitive bidding rules also ensure that universal service support does not disadvantage one provider over another, or unfairly favor or disfavor one technology over another.” Federal Communications Commission, *Pilot Program: Frequently Asked Questions and Answers*¹

¹ See FCC’s website at <http://www.fcc.gov/encyclopedia/rural-health-care-pilot-program#faq18>.

Finding #2
Rural Health Care Pilot Program Support Used to Fund Ineligible Participants

Condition

IAD examined the Network Cost Worksheets (NCWs), the contracts between the Beneficiary and the selected Service Providers, the Rural Health Care (RHC) Pilot Program invoices submitted to USAC, as well as the associated service provider bills, to determine whether RHC Pilot Program support was used to fund eligible participants and services. IAD examined the contract between the Beneficiary and Alcatel-Lucent, the FCC Form 465 Attachments, and noted that the contract listed three ineligible participants and the FCC Form 465 Attachments listed two of the three ineligible participants. The three ineligible participants were not listed on the associated FCC Form 466-A Attachments or the NCWs (criteria 1, 2, 5). The Beneficiary informed IAD that the ineligible participants were not listed in the FCC Form 466-A Attachments or the NCWs to ensure that the ineligible participants did not receive RHC Pilot Program funds.¹ Because the Beneficiary did not list the ineligible participants on the FCC Form 466-A Attachments or the NCWs, the Beneficiary did not make a clear delineation between the eligible and ineligible components, apportion the costs to the ineligible participants, or demonstrate how the ineligible participants would pay their fair share of the network costs (criteria 1 to 5).

For FRN 37533, IAD examined the contract between the Beneficiary and the service provider, Alcatel-Lucent, for network electronic services and noted that it included 82 eligible participants and three ineligible participants. The service provider billed the Beneficiary \$2,493,237 for core network electronic equipment on October 26, 2009. IAD examined the NCW and the invoice submitted to USAC and noted that the core network electronic equipment costs were allocated equally among the 82 eligible participants and that no costs were allocated to the three ineligible participants. USAC was invoiced for 85% of the costs (or \$2,119,252) and USAC disbursed the full amount requested.

For FRN 57252, the service provider billed the Beneficiary \$134,378 for software upgrades on June 3, 2011 and October 25, 2011. IAD examined the NCW and the invoice submitted to USAC and noted that the costs for the upgrades were allocated equally among the 82 eligible participants (\$1,639 each) and that no costs were allocated to the three ineligible participants. USAC was invoiced for 85% of the costs (or \$114,221) and USAC disbursed the full amount requested.

The Beneficiary informed IAD that “[a]ll three ineligible entities are invoiced [by the Beneficiary] for the operation and maintenance of the network just like all participating entities. [The Beneficiary] did not invoice [the ineligible participants] for the \$1,638.75 allocated to the 82 IRHTP hospitals.”² Because the three ineligible entities are using the RHC Pilot Program funded network and benefiting from the supported equipment

¹ Emails from Art Spies, Iowa Rural Health Telecommunications Program (IRHTP) (June 30, 2009 and Mar. 13, 2014).

³ Memorandum from IRHTP (July 14, 2014).

received, the costs of the core network electronics and the network upgrades should have been allocated among all 85 participants rather than allocating the costs only among the 82 eligible participants. Thus, the three ineligible participants did not pay their fair share of costs and USAC was over-invoiced \$74,797 for FRN 37533 ($\$2,119,252 / 85 * 3$) and \$4,031 for FRN 57252 ($\$114,221 / 85 * 3$) for the ineligible participants' share of the costs.

Cause

The Beneficiary did not demonstrate sufficient knowledge of the Rules requiring the identification of ineligible entities on the FCC Form 466-A and NCWs and requiring ineligible entities to pay their fair share of the costs. In addition, the Beneficiary did not have adequate controls and procedures in place to ensure that ineligible participants paid their fair share of network costs and that USAC is invoiced only for eligible services delivered to eligible participants.

Effect

The monetary effect for this finding is \$78,828. This amount represents the funding disbursed for the three ineligible participants' share of the costs for FRN 37533 (\$74,797) and for FRN 57252 (\$4,031).

Recommendation

IAD recommends USAC seek recovery of \$78,828. The Beneficiary must implement controls and procedures to ensure that it identifies all ineligible participants in its NCW submitted to USAC with its FCC Form 465 and FCC Form 466-A, that ineligible participants pay their fair share of network costs, and that USAC is invoiced only for eligible services delivered to eligible participants.

Beneficiary Response

Regarding FRN 37533 we disagree with the finding and recommendation because all three ineligible providers were NOT participating in the program at that time and so there were only 82 participating health care providers to allocate the network costs to. All 82 HCPs signed Letters of Agency and Participation Agreements and paid their 15% share of the network costs. IHA, RCI and Iowa Radiology did not sign a Letter of Agency, Participation Agreement or made any payment, therefore, they were not participating at that time and should be excluded from the initial network build out. As I indicated to [the auditor] earlier the Alcatel Lucent contract listed IHA, Radiology Consultants of Iowa (RCI) and Iowa Radiology but were potential future additional sites at that time. Please note that the site electronics for IHA, RCI and Iowa Radiology were not included in the Bill of Materials that was part of the Alcatel Lucent contract because these ineligible entities were not part of the initial network. USAC required us to include IHA and Radiology Consultants of Iowa on [the] Form 465 Attachment and they were also included in RFP 01 as potential future sites. Please note Iowa Radiology was not

included in the RFP. We were told to think ahead... A “fair share” issue was NOT raised during the [Form] 466 Award package review by USAC. The FCL for FRN 37533 was issued on August 20, 2009. A critical determinate of participation is when each ineligible entity was connected to the IRHTP network.

Ineligible Entities Timeline – see attached ICN customer connection status [copy provided to USAC management][:]

Event	Radiology Consultants of Iowa	Iowa Hospital Association	Iowa Radiology
Connection to IRHTP Network	10/13/2010	9/21/2010	June 11, 2012

Network connectivity is the time when shared network fair share considerations should begin for ineligible entities.

Each ineligible entity paid 100% of the cost (fiber and electronics) to connect to the IRHTP network. Upon connection[,] each ineligible entity began paying the same monthly circuit fee and administrative and operational fees. The monthly administrative and operation fee covered: electronics service, repair and replacement; fiber locates, relocates and repair; and network software upgrades.

Regarding FRN 57252 we concur with the finding that participating ineligible entities should have been included in the software upgrade cost. It was our oversight. Per the above chart, only two of the ineligible entities were connected and using the network. Therefore based on your calculation, the monetary effect to be reimbursed should be \$2,720 for FRN 57252 ($\$114,221 / 84 * 2$) reflecting the two entities that are benefiting from the software upgrade.

We have noted the recommendations and will implement controls and procedures to ensure that we identify all ineligible participants in NCW submissions to USAC with its FCC Form 465 and FCC Form 466-A, that ineligible participants pay their fair share of network costs, and that USAC is invoiced only for eligible services delivered to eligible participants.

USAC IAD Response

IAD does not concur with the Beneficiary’s statement for FRN 37533 that the Iowa Hospital Association (IHA), Radiology Consultants of Iowa (RCI), and Iowa Radiology “were NOT participating in the program at the time...[,] [had not] made any payment...[,] [and] should be excluded... [because they] were potential future additional sites at that time.” IAD examined documentation substantiating that the Beneficiary, via IHA, invoiced RCI and Iowa Radiology to

obtain their fair share of the Beneficiary's shared network core costs on August 17, 2009, and September 9, 2009, respectively, and the Beneficiary, via IHA, received the payments for RCI's and Iowa Radiology's fair share on August 31, 2009, and September 9, 2009, respectively. However, the Beneficiary was not billed by the service provider for the network core equipment until October 26, 2009. Further, the invoice seeking reimbursement was not submitted to USAC until November 24, 2009. The invoice, which the Beneficiary certified, allocated the full cost of network core equipment evenly to the 82 eligible entities and did not exclude any costs for the ineligible entities' fair share. Although IHA was not invoiced for its fair share prior to the bill for the network core equipment, IHA is the project coordinator and administrator for the Beneficiary. IHA's significant involvement with the network development, its inclusion on the FCC Form 465 Attachment, and its inclusion in the original contract with the service provider demonstrates IHA was a known participant and should have been included with RCI and Iowa Radiology in the allocation of the network core costs.

The Beneficiary states that "the site electronics for IHA, RCI and Iowa Radiology were not included in the Bill of Materials that was part of the Alcatel Lucent contract because these ineligible entities were not part of the initial network." IAD examined the contract and agrees with the Beneficiary that IHA, RCI, and Iowa Radiology were not included for the site electronics. However, the issue for this finding is the purchase of the network core equipment to serve the entire shared network and not the specific site electronics. The Beneficiary informed IAD that the site electronics for the three ineligible entities were purchased at a later date. However, as noted above, the Beneficiary was aware of the three ineligible entities' future participation in the network, therefore, the network core equipment should have been allocated among all 85 participants.

In its response, the Beneficiary states "[n]etwork connectivity is the time when network fair share considerations should begin for ineligible entities." Using this logic, the costs of the network core equipment would be incorrectly allocated on its NCW for the eligible entities. In the Beneficiary's June 2009 Sustainability Plan, the Beneficiary states that its revenue and expense projections reflect "20 hospitals connected in 2009, 65 hospitals connected in 2010 and 84 sites in 2011." As noted above, USAC was invoiced for reimbursement of the network core equipment on November 2009 and RCI and Iowa Radiology were requested to pay their fair share in August 2009 and September 2009, respectively. Although the Beneficiary states that the ineligible entities were not allocated costs and therefore, not reduced from the network core costs invoiced to USAC because they were "potential future sites," the Beneficiary included other eligible sites that also were not yet connected in its Sustainability Plan. The network core equipment was purchased in anticipation of use by participants that would connect to the network, including the three ineligible participants. The network core equipment was delivered by the service provider on October 26, 2009, and at

that time, no participants were connected to the Beneficiary's network because they had not received their site specific network equipment.

For FRN 57252, IAD does not concur with the Beneficiary's statement that the monetary effect should be allocated by 84 entities rather than 85. As noted above, the Beneficiary should have allocated the shared network costs among all known participants regardless of whether they were connected to the network by the date of the bill or were to be connected at a later date. Because Iowa Radiology paid its fair share to the Beneficiary in September 2009, and was included in the contract, the Beneficiary was aware of Iowa Radiology's participation in the shared network.

For the reasons above, IAD's position on this finding remains unchanged.

USAC Management Response

USAC management concurs with IAD's finding that the three ineligible entities were benefiting from the supported equipment received and that the costs of the core network electronics and the network upgrades should have been allocated among all 85 participants rather than among the 82 eligible participants. This is evidenced by the fact that the Beneficiary invoiced two of the ineligible entities in August and September 2009. The network core equipment was purchased in anticipation of use by participants that would connect to the network, including the three ineligible participants. The Beneficiary was aware of the three ineligible entities' future participation in the network, therefore, the network core equipment should have been allocated among all 85 participants. USAC also concurs with IAD's finding that the Beneficiary should have included the three ineligible entities when allocating the software upgrade costs instead of the two claimed by the Beneficiary. Like the network core equipment, the Beneficiary purchased the software upgrades in anticipation of use by known participants including the three ineligible entities and, therefore, should have allocated the costs accordingly. USAC will seek recovery of \$78,828.

Criteria

1. "Ineligible costs include costs that are not directly associated with network design, deployment, operations and maintenance. These ineligible costs include, but are not limited to:....Connections to ineligible network participants or sites (e.g., for-profit health care providers) and network costs apportioned to ineligible network participants." *In the Matter of Rural Health Care Support Mechanism*, , WC Docket No. 02-60, Order, FCC 07-198, 22 FCC Rcd 20360, 20398, ¶ 75 (2007) (*Pilot Program Selection Order*).
2. "USAC may only fund eligible costs as described in this Order and is prohibited from funding ineligible costs or providing funding to ineligible participants. We require, as discussed below, Pilot Program participants to identify and detail all ineligible costs, including costs apportioned to for-profit and other ineligible network participants or sites, in their line-item network

costs worksheets submitted to USAC with FCC Forms 465 and 466-A, and to clearly demonstrate that Pilot Program support amounts will not be used to fund ineligible costs. We note that if a product or service contains both eligible and ineligible components, costs should be allocated to the extent that a clear delineation can be made between the eligible and ineligible components.” *Pilot Program Selection Order*, 22 FCC Rcd at 20399, ¶ 76.

3. “Selected participants’ network costs worksheet submissions shall demonstrate how ineligible (*e.g.*, for-profit) participants will pay their fair share of network costs. Selected participants shall identify these costs with specificity in their network costs worksheet submissions.” *Pilot Program Selection Order*, 22 FCC Rcd at 20408, ¶ 90.
4. “A selected participant cannot sell its network capacity supported by funding under the Pilot Program but could share network capacity with an ineligible entity as long as the ineligible entity pays its fair share of network costs attributable to the portion of network capacity used.” *Pilot Program Selection Order*, 22 FCC Rcd at 20416, ¶ 107.
5. “To prevent against violation of the prohibition on resale of supported services and to further prevent against waste, fraud, and abuse, we require participants to identify all for-profit or other ineligible entities, how their fair share of network costs was assessed, and proof that these entities paid or will pay for their costs.” *Pilot Program Selection Order*, 22 FCC Rcd at 20416, ¶ 108.

Finding #3

Beneficiary Certified and Service Provider Submitted Invoices to USAC Prior to Collecting Payment for the Minimum 15 Percent Contribution from the Beneficiary

Condition

IAD examined documentation, including the Rural Health Care Pilot Program invoices the service provider submitted to USAC and the corresponding service provider bills provided to the Beneficiary, to determine whether the Beneficiary paid the required 15 percent minimum contribution to the service provider before certifying that the invoice was accurate and that the required minimum 15 percent contribution was paid from eligible sources for each invoice submitted to USAC. IAD examined the service provider bills and payments for FRNs 37533, 37534, 38196, 41316, 41446, 41820, 47731, 53313, 59779, and 60318 and noted that the Beneficiary paid its required 15 percent minimum contribution to the service provider after the Project Coordinator certified to the accuracy of invoices and that the 15 percent minimum contribution was paid, after the service provider submitted the invoices to USAC (criteria 1 and 2). The specific dates at issue for each invoice are provided below.

FRN	Date Invoice Signed by Lead Project Coordinator	Date Service Provider Submitted Invoice to USAC	Service Provider Bills Sought for Reimbursement in the Invoices	Date Beneficiary Paid the Bills
37533	November 24, 2009	November 24, 2009	One for October 2009	November 30, 2009
	September 9, 2010	September 10, 2010	One for August 2010	September 14, 2010
	January 19, 2011	January 25, 2011	Two for January 2011	January 27, 2011
37534	August 18, 2010	August 18, 2010	Two for July 2010	August 26, 2010
	November 1, 2010	November 1, 2010	One for October 2010	November 4, 2010
	May 31, 2011	May 31, 2011	Two for May 2011 One for October 2010	June 3, 2011
38196	October 15, 2010	October 15, 2010	Three for September 2010	October 21, 2010
	October 25, 2010	October 25, 2010	Two for June 2010 One for July 2010 Three for September 2010 Two for October 2010	November 4, 2010
	October 10, 2011	October 17, 2011	Three for September 2011	October 20, 2011
	November 29, 2010	November 30, 2010	Three for November 2010	December 20, 2010
	December 6, 2010	December 7, 2010	Three for November 2010	
	December 15, 2010	December 15, 2010	Five for November 2010 Three for December 2010	
	December 16, 2010	December 16, 2010	Two for November 2010 One for December 2010	January 14, 2011
	December 22, 2010	December 23, 2010	Five for November 2010 Nine for December 2010	
January 10, 2011	January 11, 2011	Four for December 2010		
41316	August 18, 2010	August 25, 2010	One for May 2010	August 26, 2010

FRN	Date Invoice Signed by Lead Project Coordinator	Date Service Provider Submitted Invoice to USAC	Service Provider Bills Sought for Reimbursement in the Invoices	Date Beneficiary Paid the Bills
41446	April 19, 2013	April 26, 2013	One for April 2013	May 3, 2013
41820	June 8, 2010	June 9, 2010	Six for May 2010	June 17, 2010
	May 16, 2011	May 17, 2011	Thirteen for May 2011	May 19, 2011
	June 29, 2011	June 30, 2011	One for June 2011	July 5, 2011
	November 4, 2011	November 8, 2011	Three for September 2011	November 17, 2011
47731	June 29, 2011	June 30, 2011	One for June 2011	July 5, 2011
	November 4, 2011	November 8, 2011	One for September 2011	November 17, 2011
53313	December 7, 2011	December 8, 2011	Two for September 2011	December 15, 2011
59779	August 1, 2012	August 3, 2012	Four for July 2012	August 10, 2012
	April 19, 2013	April 22, 2013	One for January 2013	May 6, 2013
60318	May 1, 2012	May 1, 2012	One for April 2012	May 7, 2012

Cause

The Beneficiary and Service Provider did not demonstrate sufficient knowledge of the Rules and did not have adequate controls and procedures in place to ensure that the Beneficiary paid its 15 percent minimum contribution to the service provider before the Project Coordinator certified that the invoices were accurate and that the required 15 percent minimum contribution was paid before the service provider submitted the invoices to USAC.

Effect

There is no monetary effect for this finding as the Beneficiary paid its 15 percent minimum contribution in full to the service provider. However, by certifying that an invoice is accurate and that the 15 percent minimum contribution was paid prior to actually paying the required contribution, there is an increased risk that the Beneficiary may not pay its 15 percent minimum contribution as required by the Rules.

Recommendation

The Beneficiary must implement controls and procedures to ensure that it pays its 15 percent minimum contribution to the service provider prior to certifying that an invoice is accurate and that the Beneficiary paid the required 15 percent minimum contribution. In addition, the service provider must implement controls and procedures to ensure the Beneficiary’s 15 percent minimum contribution is collected prior to submitting the invoices to USAC.

Beneficiary Response

Each participating health care provider (HCP) forwarded/prepaid their 15% share of the cost to IHA prior to construction of fiber and acquisition of electronics. The HCP is an eligible source of funding. By forwarding their 15% share of the cost [to] the Beneficiary (HCP) prior to electronics

acquisition and fiber installation[,] the HCP has paid their share of the cost. As service provider invoices were received, the IRHTP Project Coordinator reviewed the service providers invoice for accuracy, calculated the HCP's 15% share[,] and processed the service providers invoice for USAC payment and payment of the HCP 15% share to the service provider.

Your recommendation has been noted and procedures will be implemented to ensure the Beneficiary has paid the required 15% contribution and the HCP 15% cost share is paid to the service provider prior to certifying that the invoice is accurate.

Service Provider Response for FRNs 37533 and 60318

We processed both transactions at the same time with the understanding that the terms were net 45 with the customer and that USAC will follow with the remaining amount due. The problem is that the customer invoice comes as one and there is [*sic*] two sources of payment. Then the customer is slower in paying versus USAC. This process is hard to manage when you have to wait for a payment from the beneficiary before making the claim to UCAC [*sic*]. This is all back office systems that cannot support invoice once payment is delivered. We usually invoice as services are rendered not as beneficiary pays.

Service Provider Response for FRN 37534

We have reviewed the findings above and report the following in response: Findings are understood. Future claims will be audited to confirm 15% payment. All payments and requests on this order have been completed. There was no malice intended.

Service Provider Response for FRNs 38196 and 59779

Communication Technologies, LLC. had no control over the timing of the Beneficiary's contribution. Invoices were sent to Communication Technologies from Art Spies with the Iowa Hospital Association which we confirmed, signed and e-mailed to the USAC e-mail address for such purposes.

Service Provider Response for FRN 41316

Premier Communications ("Premier") agrees that the 15% was paid by the Beneficiary one day after Premier submitted the invoice to USAC for reimbursement. It was Premier's understanding that when it received the signed invoice from the Beneficiary, payment had been sent and received; however, we can assume that this was done via verbal confirmation and not through an actual check received, which occurred the next day according to USAC's audit. In the future, Premier will implement a control where our regulatory department will confirm with its accounting department that payment has been received prior to requesting the

signature of our CEO and submitting the invoice to USAC. We feel that this control will prevent future instances where payments are received after the invoice is submitted.

Service Provider Response for FRN 41446

The above finding has been read, is understood, and has been included in the AIS USAC Financial Documentation Book. A checklist is now in that book showing the date of the receipt of the 15% for future projects.

Service Provider Response for FRNs 41820 and 47731

MasTec has received all payments according to the email [from the auditor] dated August 19, 2014 [notifying MasTec of this finding].

Service Provider Response for FRN 53313

I did check back into the history of FRN 53313, and would agree that USAC was invoiced on December 8, 2011 (one week before payment was received from IRHTP for the 15% portion due by the HCP).

Unfortunately I do not know the history of why this happened as the SDN employee that handled the Rural Health invoicing at that time is no longer with us. I can only assume that they were unaware of this specific rule with the Pilot Program.

Since that staff transition I have been diligent in working to improve SDN's accounting processes as they relate to the Rural Health and Erate Programs. We are also striving to be sure that all USAC requirements are met within the different programs through research, other Rural Health Consultants[,] as well as more open communication with the HCP's. This past year, we have transitioned from an outdated/inflexible billing system to a much more robust billing/receivables system. This new system allows us to better track HCP payments "real-time" as well as housing more detailed information at the account level so that we can be sure that USAC is invoiced correctly. Obviously the certification process must not be taken lightly and we will certainly do more due diligence on payments and requirements before sending on to USAC going forward.

USAC IAD Response to Service Provider Response for FRNs 38196 and 59779

Although Communication Technologies, LLC, had no control over the timing of the Beneficiary's 15 percent contribution, the Service Provider is still responsible for submitting the invoice to USAC and collecting the required 15 percent contribution from eligible participants. In this instance, the Service Provider submitted the invoice to USAC before ensuring it had collected the Beneficiary's 15 percent minimum contribution. For this reason, IAD's position on this finding remains unchanged.

USAC Management Response

While the Beneficiary certified that it collected the required 15 percent contribution prior to invoice submission, the contribution was actually collected *after* invoices were submitted to USAC in violation of the Rules. USAC management agrees with IAD's recommendation that the Beneficiary and Service Providers implement policies and procedures to ensure that USAC is invoiced only after the 15 percent contribution has been paid. USAC will request that the Beneficiary provide a copy of its new procedure to confirm the corrective action was undertaken.

Criteria

1. "USAC will disburse Pilot Program funds based on monthly submissions (*i.e.*, invoices) of actual incurred eligible expenses...Service providers shall submit detailed invoices to USAC on a monthly basis for actual incurred costs...All invoices shall also be approved by the lead project coordinator authorized to act on behalf [of] the health care provider(s), confirming the network build-out or services related to the itemized costs were received by each participating health care provider. The lead project coordinator shall also confirm and demonstrate to USAC that the selected participant's 15 percent minimum funding contribution has been provided to the service provider for each invoice." *In the Matter of Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order, FCC 07-198, 22 FCC Rcd 20360, 20411 ¶ 98 (2007) (*Pilot Program Selection Order*).
2. "**Project Coordinator Certification.** I certify that I have examined the information provided in the Rural Health Care Pilot Program Invoice, and to the best of my knowledge, information and belief, the participating health care providers have received the network build-out or related services itemized on this invoice. I certify under penalty of perjury that the 15 percent minimum funding contribution for each item on this invoice required by the Rural Health Care Pilot Program rules was funded by eligible sources as defined in the rules and has been provided to the vendor." Rural Health Care Pilot Program Invoice Form, (OMB 3060-0804), Nov. 2010.

Finding #4
Beneficiary Did Not Notify USAC and the FCC that the Network Project Was Not Initiated Within Six Months of the Funding Commitment Letter

Condition

IAD examined the Funding Commitment Letter (FCL), FCC Form 467, and the initial service provider bill demonstrating the start of services for FRN 47731 to determine whether the fiber installation services were initiated within six months of the FCL dated September 16, 2010. The Beneficiary submitted its FCC Form 467 to USAC on September 28, 2010 and certified that the fiber installation services would start on October 1, 2010. However, IAD noted that the initial service provider bill dated June 28, 2011, was for services received between April 1, 2011 and May 27, 2011, which is more than six months after the FCL was issued (criterion 1). The Beneficiary informed IAD that it did not notify USAC or the FCC that its network project was not initiated within six months of the date of the FCL.

Cause

The Beneficiary did not demonstrate sufficient knowledge of the Rules and did not have adequate controls and procedures in place to ensure that the Beneficiary notified USAC and the FCC that its RHC Pilot Program funded network project was not initiated within six months of the FCL.

Effect

There is no monetary effect for this finding because the fiber build-out for the RHC Pilot Program funded network was initiated by April 1, 2011, prior to completion of the audit.

Recommendation

The Beneficiary must implement controls and procedures to ensure that it notifies USAC and the FCC when RHC Pilot Program funded network projects are not initiated within six months of the FCL and to do so within 30 days thereafter, explaining when it anticipates that the approved network project will be initiated as required by the Rules.

Beneficiary Response

While construction began on April 1, 2011, there are many activities that must occur prior to the start of construction such as pathway engineering and drawings, procuring needed construction materials (e.g. fiber) and obtaining any needed permits[,] which means activity actually began prior to April 1, 2011. Your recommendation has been noted and controls and procedures will be implemented to ensure USAC is notified if service is not initiated within 6 months of the FCL.

USAC Management Response

USAC management agrees with the finding and recommendation. The Beneficiary should have notified USAC that its network build-out would not start within six months

after issuance of the FCL. USAC will request that the Beneficiary provide a copy of its new procedure to confirm the corrective action was undertaken.

Criteria

1. “If the selected participant’s network build-out has not been initiated within six months of the [Funding Commitment Letter] FCL sent by USAC to the selected participant and service provider(s) approving funding, the selected participant must notify USAC and the Commission within 30 days thereafter explaining when it anticipates that the approved network project will be initiated.” *In the Matter of Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order, FCC 07-198, 22 FCC Rcd 20360, 20409, ¶ 94 (2007) (*Pilot Program Selection Order*).

This concludes the results of our audit. Certain information may have been omitted from this report concerning communications with USAC management or other officials and/or details about internal operating processes or investigations. This report is intended solely for the use of USAC, the Beneficiary, and the FCC and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of those procedures for their purposes. This report is not confidential and may be released to a requesting third party.

cc: Mr. Chris Henderson, USAC Chief Executive Officer
Mr. David Capozzi, USAC General Counsel

ATTACHMENT 2



**Rural Health Care Division
Healthcare Connect Fund Program**
<http://www.usac.org/rhc/default.aspx>
Phone: 202-776-0200

Via electronic mail

April 30, 2015

Arthur Spies
Iowa Rural Health Telecommunications Program
100 East Grand Avenue
Suite 100
Des Moines, IA 50309-1835

Re: Denial of Form 462 FRN 1342232, Vendor: State of Iowa, Iowa Telecommunication & Technology

Dear Mr. Spies,

The Universal Service Administration Company (USAC) completed the review of the above-mentioned funding request and as denied the request for all services. The explanation for the decision made about this request is as follows:

Explanation

Apparent service provider involvement in beneficiary's competitive bidding process. This issue was also raised under the recent RHCPP audit of IRHTP.

Supporting Portions from the Order

Section B 1. "Fair and Open" Competitive Bidding Process, paragraphs 229 thru 233.

Questions and Appeals:

Appeals: If you wish to appeal this decision, you must do so within **60** days (ie., must be post marked by the 60th day) of receipt of this letter. To find more information on how to appeal, go to:

<http://www.usac.org/rhc/about/program-integrity/appeals.aspx>

Questions: If you have any questions or need help, please call USAC at (202)776-0200 and ask to speak to the RHC Consortia Applications Team.

Sincerely,

RHCD – USAC Healthcare Connect Fund Program

ATTACHMENT 3



From: Paige Pierce [<mailto:ppierce@usac.org>]

Sent: Friday, May 01, 2015 8:05 AM

To: Spies, Arthur J.; Rodriguez, Gabrielle

Cc: Donald Lewis

Subject: HCP 17226 IRHTP FRN 13422321 State of Iowa, Iowa Telecommunication & Technology Denial

Art and Gabrielle,

Please see the attached official denial letter for FY2013 FRN 13422321 State of Iowa, Iowa Telecommunication & Technology.

Please let me know if you have any questions.

Thanks,

Paige

Paige Pierce

Assistant Program Analyst – Rural Healthcare

Universal Service Administrative Company

202-772-4505 (office phone)

www.usac.org

The information contained in this electronic communication and any attachments and links to websites are intended for the exclusive use of the addressee(s) and may contain confidential or privileged information. If you are not the intended recipient, or the person responsible for delivering this communication to the intended recipient, be advised you have received this communication in error and that any use, dissemination, forwarding, printing or copying is strictly prohibited. Please notify the sender immediately and destroy all copies of this communication and any attachments.

ATTACHMENT 4

Spies, Arthur J.

From: rhcadmin@usac.org
Sent: Monday, May 11, 2015 11:21 AM
To: Spies, Arthur J.
Subject: Rural Health Care FCC Form 462 Determination for HCP 17226
Attachments: Form_462.pdf

Date: 11-May-2015
Funding Year: 2013
Health Care Provider (HCP) Number: 17226
HCP Name: Iowa Rural Health Telecommunications Program
FCC Form 462 Application Number: 13422321

The Rural Health Care (RHC) division of the Universal Service Administrative Company (USAC) has reviewed the submitted FCC Form 462 and supporting documents for the HCP referenced above. USAC has denied the HCP's FCC Form 462 for the following reason(s):

Possible Competitive Bidding Violation

If you wish to appeal this decision, you must file an appeal with USAC, or directly to the FCC, within 60 days of the date of this letter. Detailed instructions for filing appeals are available on the RHC website at <http://www.usac.org/rhc>.

All account holders associated with the HCP will be copied on this and all correspondence from USAC related to this account.

For questions or assistance, or if you believe you have received this email in error, contact the Rural Health Care Help Desk at (800) 453-1546 between 9:30 AM and 4:30 PM ET Monday - Friday or by email at rhc-assist@usac.org.

**Rural Health Care (RHC) Universal Service
 Healthcare Connect Fund
 Funding Request Form**

(Line 4) Iowa Rural Health Telecommunications Program

Read instructions thoroughly before completing this form. Failure to comply may cause delayed or denied funding.

Block 1: General Information	
1 Funding Year: 2013	2 Funding Request Number (FRN): 13422321
3 HCP Number: 17226	4 Site Name/Consortium Name: See above
Block 2: Competitive Bidding Information	
5 FCC Form 461 Application Number: 100001671	
6 Allowable Contract Selection Date (ACSD): 01/24/2014	
7 Number of vendors who bid: 1	
8 Request for competitive bidding exemption (Only complete if claiming a competitive bidding exemption).	
<input type="checkbox"/> Annual Undiscounted Cost of \$10,000 or less	
<input type="checkbox"/> Government Master Services Agreement	Contract ID: Friendly Name:
<input type="checkbox"/> Pre-Approved Master Services Agreement	Contract ID: Friendly Name:
<input checked="" type="checkbox"/> Evergreen Contract	Contract ID: 730650 Friendly Name: ICN May 2012 Contract
<input type="checkbox"/> E-Rate Approved Contract	Contract ID: Friendly Name:
Block 3: Vendor Information	
9 Service provider identification number (SPIN): 143003005	
10 Vendor name: State of Iowa, Iowa Telecommunication & Technology	
Block 4: Type of Funding Request	
11 <input type="checkbox"/> Individual HCP, single eligible expense	
<input type="checkbox"/> Individual HCP, multiple eligible expenses	
<input checked="" type="checkbox"/> Consortium Application	
Block 5: Single Eligible Expense Request for Funding	
12 Category of Expense	13 Expense Type
14 Bandwidth	14a Is this service symmetrical? <input type="radio"/> Yes <input type="radio"/> No
15 Circuit ID (optional)	If no, what is the upload bandwidth _____, What is the download bandwidth _____.
16 Percentage of expense eligible	
17 Does the Service Type include both eligible and ineligible components? <input type="radio"/> Yes <input type="radio"/> No	
If yes, percentage of usage eligible _____	
18 Billing Account Number (BAN)	
19 Contract ID	19a Date contract signed
19b Expected service start date	19c Length of initial contract term
19d Number of contract extensions	19e Length of optional extension(s) combined
20 Circuit start location	21 Circuit end location
22 Is this a multi-year funding request? <input type="radio"/> Yes <input checked="" type="radio"/> No	Multi-year commitments cannot exceed 3 funding years and may not extend beyond the expiration date of an Evergreen Contract.
23 Expense frequency	24 Quantity of expense periods
25 Undiscounted cost per expense period	26 Source of HCP contribution
27 One-time installation charges	

28 This contract contains a Service Level Agreement. <input type="radio"/> Yes <input type="radio"/> No	
If yes, provide the following information concerning the SLA in the contract:	
a. Latency:	b. Jitter:
c. Packet Loss:	d. Reliability:
Block 6: Multiple Eligible Expenses and Consortium Requests for Funding (attach Network Cost Worksheet)	
29 Total undiscounted cost for eligible recurring expenses	\$1,967,561.84
30 Total undiscounted cost for eligible non-recurring expenses	\$1,692.61
Block 7: Additional Documentation	
31 List all supporting documentation (Competitive bids, Contract, etc.) that is required to be submitted with this form.	
Type of Documentation	
a.	
b.	
c.	
Block 8: Request for Confidentiality	
32 Is applicant requesting confidential treatment and non-disclosure of commercial and financial information? (See instructions for specific information covered by this request.) <input type="radio"/> Yes <input checked="" type="radio"/> No	
Block 9: Certifications	
33 <input checked="" type="checkbox"/> I certify that I am authorized to submit this request on behalf of the health care provider or consortium.	
34 <input checked="" type="checkbox"/> I declare under penalty of perjury that I have examined this form and attachments and to the best of my knowledge, information, and belief, all information contained in this form and in any attachments is true and correct.	
35 <input checked="" type="checkbox"/> I certify under penalty of perjury that the health care provider or consortium has considered all bids received and selected the most cost-effective method of providing the requested services. The "most cost-effective service" is defined as the "method that costs the least after consideration of the features, quality of transmission, reliability, and other factors that the health care provider deems relevant to choosing a method of providing the required health care services." 47 C.F.R. Sec. 54.642(c).	
36 <input checked="" type="checkbox"/> I certify under penalty of perjury that all Healthcare Connect Fund support will be used only for the eligible program purposes for which support is intended.	
37 <input checked="" type="checkbox"/> I certify that the health care provider or consortium is not requesting support for the same service from both the Telecommunications Program and the Healthcare Connect Fund.	
38 <input checked="" type="checkbox"/> I certify that the health care provider or consortium satisfies all of the requirements under Section 254 of the Telecommunications Act of 1996, as amended, and applicable Commission rules, and understand that any letter from the Administrator that erroneously commits funds for the benefit of the applicant may be subject to rescission.	
39 <input checked="" type="checkbox"/> I certify that I have reviewed all applicable requirements for the program and will comply with those requirements.	
40 <input checked="" type="checkbox"/> I understand that all documentation associated with this application, including all bids, contracts, scoring matrices, and other information associated with the competitive bidding process, and all billing records for services received, must be retained for a period of at least five years pursuant to 47 C.F.R. § 54.648, or as otherwise prescribed by the Commission's rules.	
41 Signature	42 Date: 05/23/2014
43 Printed Name of Authorized Person: Gabrielle A. Rodriguez	
44 Title/Position of Authorized Person: IRHTP Assistant Project Coordinator	
45 Phone: (515) 283-9361 Ext.	46 Email: rodriguezg@ihaonline.org
47 Employer: IRHTP	48 Employer's FCC RN: 0017393045

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

FCC NOTICE FOR INDIVIDUALS REQUIRED BY THE PRIVACY ACT AND THE PAPERWORK REDUCTION ACT

Part 3 of the Commission's Rules authorize the FCC to request the information on this form. The purpose of the information

is to determine your eligibility for certification as a health care provider. The information will be used by the Universal Service Administrative Company and/or the staff of the Federal Communications Commission, to evaluate this form, to provide information for enforcement and rulemaking proceedings and to maintain a current inventory of applicants, health care providers, billed entities, and service providers. No authorization can be granted unless all information requested is provided. Failure to provide all requested information will delay the processing of the application or result in the application being returned without action. Information requested by this form will be available for public inspection. Your response is required to obtain the requested authorization.

The public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the required data, and completing and reviewing the collection of information. If you have any comments on this burden estimate, or how we can improve the collection and reduce the burden it causes you, please write to the Federal Communications Commission, AMD-PERM, Paperwork Reduction Act Project (3060-0804), Washington, DC 20554. We will also accept your comments regarding the Paperwork Reduction Act aspects of this collection via the Internet if you send them to pra@fcc.gov. PLEASE DO NOT SEND YOUR RESPONSE TO THIS ADDRESS.

Remember - You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid OMB control number or if we fail to provide you with this notice. This collection has been assigned an OMB control number of 3060-0804.

THE FOREGOING NOTICE IS REQUIRED BY THE PRIVACY ACT OF 1974, PUBLIC LAW 93-579, DECEMBER 31, 1974, 5 U.S.C. 552a(e)(3) AND THE PAPERWORK REDUCTION ACT OF 1995, PUBLIC LAW 104-13, OCTOBER 1, 1995, 44 U.S.C. SECTION 3507.

ATTACHMENT 5

Finding

Service Provider Involvement in Beneficiary's Competitive Bidding Process

Criteria

1. "To select the telecommunications carriers that will provide services eligible for universal service support to it under this subpart, each eligible health care provider shall participate in a competitive bidding process pursuant to the requirements established in this subpart and any additional and applicable state, local or other procurement requirements." 47 C.F.R. § 54.603(a) (2008).
2. "Pursuant to sections 54.603 and 54.615 of the Commission's rules, each eligible health care provider must participate in a competitive bidding process and follow any applicable state, local, or other procurement requirements to select the most cost-effective provider of the services eligible for universal service support under the RHC support mechanism." *In the Matter of Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order, FCC 07-198, 22 FCC Rcd 20360, 20412, ¶ 100 (2007) (*Pilot Program Selection Order*).
3. "Consistent with the Joint Board's recommendation for eligible schools and libraries, we conclude that eligible health care providers shall be required to seek competitive bids for all services eligible for support pursuant to section 254(h) by submitting their bona fide requests for services to the Administrator." *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 97-157, 12 FCC Rcd 8776, 9133, ¶ 686 (1997) (*1997 Universal Service Order*).
4. "We note that vendors or service providers participating in the competitive bid process are prohibited from assisting with or filling out a selected participants' FCC Form 465." *Pilot Program Selection Order*, 22 FCC Rcd at 20405, ¶ 86, n.281.
5. "To further prevent against waste, fraud, and abuse, we require participants to identify, when they submit their Form 465, to USAC and the Commission any consultants, service providers, or other outside experts, whether paid or unpaid, who aided in the preparation of their pilot Program applications.... Identifying these consultants and outside experts could facilitate the ability of USAC, the Commission, and law enforcement officials to identify and prosecute individuals that may seek to manipulate the competitive bidding process or engage in other illegal acts. To ensure selected participants comply with the competitive bidding requirements, they must disclose all of the types of relationships explained above." *Pilot Program Selection Order*, 22 FCC Rcd at 20415, ¶ 104.
6. "The competitive bidding rules also ensure that universal service support does not disadvantage one provider over another, or unfairly favor or disfavor one technology over another." Federal Communications Commission, *Pilot Program: Frequently Asked Questions and Answers*¹

¹ See FCC's website at <http://www.fcc.gov/encyclopedia/rural-health-care-pilot-program#faq18>.

Condition

IAD examined documentation, including the FCC Forms 465, Requests for Proposal (RFPs), bids received for the services solicited in the RFPs, and bid evaluation matrices to determine whether the Beneficiary complied with the Rules governing the competitive bidding process for FRNs 41446, 63415, 64723, and 68296. In addition, IAD inquired of the Beneficiary and examined documentation to obtain an understanding of the RFP development and bid evaluation process that was used for the Beneficiary's Rural Health Care Pilot Program (RHCPP) funded network.

The Beneficiary issued the following six RFPs for its RHCPP funded network:

- (1) RFP 08-001 (Outside Plant Fiber) (USAC RFP#00);
- (2) RFP 08-002 (Network and Site Electronics) (USAC RFP#01);
- (3) RFP 09-002 (Quality Assurance Inspection Services) (USAC RFP # 02);
- (4) RFP 10-001 (Broadband Lit services) (USAC RFP #03);
- (5) RFP 12-004 (Outside Plant Fiber, Quality Assurance Inspection Services, and Network Electronics) (USAC RFP #05); and
- (6) RFP 12-005 (Meshed Ethernet Bandwidth Connectivity) (USAC RFP #04).

For RFP 08-001 (USAC RFP#00), the Beneficiary also requested Quality Assurance Inspection Services but did not award a contract after evaluating the bids for those services.

The Beneficiary selected Iowa Communications Network (ICN) as the service provider for RFP 12-005 (USAC RFP #04) (FRNs 64723 and 68296) and selected Access Integration Specialists (AIS) to provide Quality Assurance Inspection Services for RFP 09-002 (USAC RFP # 02) (FRN 41446) and RFP 12-004 (USAC RFP #05) (FRN 63415).

The Beneficiary informed the Rural Health Care Program (RHCP) on May 29, 2008, that ICN assisted in the development of the RHC Pilot Program application to the FCC, assisted in the development of the RFPs, functioned as the project manager for the fiber build-out and electronics, and staffed and evaluated the bids received.² On June 29, 2009, the Beneficiary informed RHCP that ICN also assisted in the development of the initial and revised Quality Assurance Inspection Services RFPs 08-001 and 09-002.³ The Beneficiary also explained that Tony Crandell (AIS) assisted with the request for proposal and bid evaluation for the network plan when the Beneficiary prepared its application for the RHCPP in 2007.⁴ The Beneficiary confirmed that Tony Crandell (AIS), Dave Swanson (ICN) and Art Spies (IRTHP) were the main persons responsible for reviewing the bids received in response to the RFPs but Tony Crandell was excluded from the bid evaluations for RFP 09-002 (USAC RFP # 02) and the quality assurance section of RFP 12-004 (USAC RFP #05) and Dave Swanson was excluded from the bid

² Email from Arthur Spies, IRTHP, to USAC (May 29, 2008).

³ Memorandum from Arthur Spies to RHCP, "Use of Vendors as Consultants and Project Funding for QA Inspection Services RFP 002," (June 29, 2009).

⁴ Memorandum from Art Spies, ITRHP, to USAC (Oct. 2, 2013).

evaluation for RFP 12-005 (USAC RFP #04).⁵ The Beneficiary further confirmed that Tony Crandell (AIS) was not an employee with ICN, but has been contracted by ICN “over the last six years for various projects such as developing scopes of work for various ICN projects and ensuring ICN construction contractors met all of ICN and industry construction standards and practices.”⁶ IAD reviewed documentation from the Beneficiary that indicates Art Spies (IRTHP), Dave Swanson (ICN) and/or Tony Crandell (AIS) were part of the Beneficiary’s evaluation committee responsible for reviewing the bid responses to the six RFPs.⁷

IAD noted that Tony Crandell, owner of service provider, AIS, and a consultant to ICN, participated in the development of RFP 08-001 (USAC RFP#00), RFP 08-002 (USAC RFP#01), RFP 10-001 (USAC RFP #03), RFP 12-005 (USAC RFP #04), and sections of RFP 12-004 (USAC RFP #05) (outside plan dark fiber and network electronics sections).⁸ In addition, Tony Crandell assisted in the evaluation of the service provider bids received for the aforementioned RFPs. IAD also noted that Dave Swanson, employee of ICN, participated in the development of RFP 08-001 (USAC RFP#00), RFP 08-002 (USAC RFP#01), RFP 09-002 (USAC RFP # 02), RFP 10-001 (USAC RFP #03), and RFP 12-004 (USAC RFP #05).⁹ Mr. Swanson also assisted in the evaluation of the service provider bids received for the aforementioned RFPs.

AIS submitted two bids and was awarded contracts for the services solicited in RFP 09-002 (USAC RFP # 02) and the *Quality Assurance Services* section in RFP 12-004 (USAC RFP #05). IAD examined the contracts and noted that Tony Crandell (AIS) was also the key individual that provided consultation services during the Beneficiary’s network development, which included assisting with the development of RFPs 08-001 (USAC RFP #00), 08-002 (USAC RFP #01), 10-001 (USAC RFP #03), 12-005 (USAC RFP #04), and sections of RFP 12-004 (USAC RFP #05). IAD also noted that quality assurance services were originally requested in RFP 08-001 (USAC RFP #00), but a contract was not awarded for the quality assurance services after the Beneficiary evaluated the bids received for RFP 08-001 (USAC RFP #00). Mr. Crandell was one of the bid evaluators for RFP 08-001 (USAC RFP #00) and assisted in the development of this RFP.¹⁰

ICN submitted a bid and was awarded a contract for the services solicited in RFP 12-005 (USAC RFP #04). ICN was also involved in the development of RFP 08-001 (USAC RFP #00), RFP 08-002 (USAC RFP #01), RFP 09-002 (USAC RFP #02), RFP 10-001 (USAC RFP #03), and RFP 12-004.¹¹ Dave Swanson (ICN) also assisted in the bid evaluation of the service provider bids received for these RFPs.

⁵ Memorandum from Art Spies, IRTHP, to USAC (Mar. 13, 2014).

⁶ Memorandum from Art Spies, IRTHP, to USAC (May 14, 2014).

⁷ See, e.g., Memorandum from Art Spies, IRTHP to USAC (Mar. 13, 2014).

⁸ Memorandum from Art Spies, IRTHP, to USAC (May 6, 2014).

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

The first FCC Form 465 was for RFP 08-001 (USAC RFP#00) and it was submitted to the RHCP on July 28, 2008. The FCC Form 465 and the associated RFPs 08-001 (USAC RFP#00) and 08-002 (USAC RFP#01) were posted on USAC's website on July 31, 2008. As noted above, the Beneficiary informed the RHCP on May 29, 2008, that ICN assisted in the development of the RHC Pilot Program application to the FCC, assisted in the development of the RFPs, functioned as the project manager for the fiber build-out and electronics, and staffed and evaluated the bids received.¹² On June 29, 2009, the Beneficiary informed RHCP that ICN also assisted in the development of the initial and revised Quality Assurance Inspection Services RFPs 08-001(USAC RFP#00) and 09-002 (USAC RFP # 02).¹³ The Beneficiary did not identify Tony Crandell or AIS as a participant in the Beneficiary's competitive bidding process in either the May 29, 2008 or the June 29, 2009 notification letter. However, the Beneficiary informed the RHCP of AIS's assistance in the development of the RFPs 10-001 (USAC RFP #03) and 12-004 (USAC RFP #05) and the evaluation of the bids received for those RFPs on April 11, 2011, and June 21, 2012, (which was after the competitive bidding process was completed and a service provider was selected).¹⁴ In addition, the Beneficiary informed the RHCP on April 19, 2012, that AIS assisted in the development of RFP 12-005 (USAC RFP #04) prior to posting the FCC Form 465 on USAC's website on April 27, 2012.¹⁵

The Beneficiary informed IAD that AIS was not involved in the development of RFP 09-002 (USAC RFP # 02) or in the *Quality Assurance Services* section of RFP 12-004 (USAC RFP #05) nor was AIS involved in the evaluation of the bids received for RFP 09-002 (USAC RFP # 02) or the *Quality Assurance Services* section of RFP 12-004 (USAC RFP #05).¹⁶ In addition, the Beneficiary informed IAD that ICN was not involved in the development of RFP 12-005 (USAC RFP #04), or the evaluation of bids received for RFP 12-005 (USAC RFP #04).¹⁷

IAD examined the competitive bidding documentation for RFP 09-002 (USAC RFP # 02), and noted that another service provider submitted a bid of \$192,214 and that AIS submitted a bid of \$169,800. AIS was awarded the contract for FRN 41446. IAD also examined the competitive bidding documentation for RFP 12-004 (USAC RFP #05), and noted that AIS was the only service provider to bid for the *Quality Assurance Services* requested in RFP 12-004 (USAC RFP #05) and that AIS' bid was for \$12,000. AIS was awarded the contract for quality assurance services for FRN 63415.

IAD examined the competitive bidding documentation for RFP 12-005 (USAC RFP #04) and noted that ICN was the only service provider to bid for RFP 12-005 (USAC RFP

¹² Email from Arthur Spies, IRTHP, to USAC (May 29, 2008).

¹³ Memorandum from Arthur Spies to RHCP, "Use of Vendors as Consultants and Project Funding for QA Inspection Services RFP 002," (June 29, 2009).

¹⁴ Memorandums from Arthur Spies to USAC/FCC, 'Evaluation, Scoring and Award IRHTP RFP10-001', dated April 11, 2011 and 'Evaluation, Scoring and Awards for IRHTP RFP12-004, dated June 21, 2012.

¹⁵ Memorandum from Arthur Spies to RHCP, 'Disclosures', dated April 19, 2012.

¹⁶ Emails from Arthur Spies, received March 13, 2014 and May 6, 2014.

¹⁷ Memorandum from Art Spies, IRHTP, to USAC (May 6, 2014); Memorandum from Art Spies, IRTHP, to USAC (June 7, 2012); Memorandum from Art Spies, IRTHP, to USAC (Apr. 19, 2012).

#04) and that ICN's bid offered Ethernet connectivity to 88 locations with up to 1 Gigabits per second access at a monthly cost ranging from \$50,550 to \$204,550 depending on the speed of access selected for each location. ICN was awarded the contract for FRNs 64723 and 68296.

Because Mr. Crandell was involved in the development and execution of the IRHTTP Pilot Project, the development of RFPs 08-001 (USAC RFP#00), 08-002 (USAC RFP#01), and 12-005 (USAC RFP #04), and the Beneficiary's vendor selection process for RFPs 08-001 (USAC RFP#00), 08-002 (USAC RFP#01), 10-001 (USAC RFP #03), and 12-005 (USAC RFP #04), and the *Outside Plant – Dark Fiber Construction or IRUs* and *Network Electronics – Spare Parts* sections of RFP 12-004 (USAC RFP #05), Mr. Crandell had extensive knowledge about the Beneficiary's network and competitive bid processes from his roles as a consultant to ICN and the owner of AIS. In addition, because Mr. Swanson (ICN) was involved in the development and execution of all the Beneficiary's RFPs, with the exception of RFP 12-005 (USAC RFP #04), Mr. Swanson similarly had extensive knowledge about the Beneficiary's network and competitive bid processes. The Beneficiary did not use a firewall mechanism to prevent AIS or ICN from having an advantage in the competitive bid process for the requested services for FRNs 41446, 63415, 64723, and 68296. In addition, AIS and ICN's extensive involvement in the IRHTTP Pilot Project and the development and vendor selection process for the Beneficiary's other RFPs may have disadvantaged one provider over another and discouraged other service providers from submitting bids for the requested services that were awarded to ICN and AIS. Further, ICN's consultant, Tony Crandell, was involved in the development and bid evaluation process for RFP 12-005, which resulted in the selection of ICN. Therefore, the Beneficiary did not comply with the Rules governing the competitive bidding process for FRNs 41446, 63415, 64723, and 68296 (criteria 1 to 6).

Cause

The Beneficiary did not demonstrate sufficient knowledge of the Rules governing the competitive bidding process and did not have adequate controls or procedures in place to prevent individuals with extensive knowledge of the Beneficiary's network from gaining a competitive advantage during the Beneficiary's competitive bid processes. In addition, the Beneficiary did not have adequate controls or procedures in place to ensure that representatives or consultants of its service providers did not participate in the competitive process for the requested services.

Effect

The monetary effect of this finding is \$529,147. This amount represents the total amount disbursed for the following FRNs:

FRN	Amount
41446	\$142,290
63415	\$8,160
64723	\$28,517
68296	\$350,180
Total	\$529,147

Recommendation

IAD recommends that USAC Management seek recovery of \$529,147. The Beneficiary must implement controls and procedures to ensure compliance with the Rules governing the competitive bidding process, including ensuring that universal service support does not disadvantage one provider over another or unfairly favor or disfavor one technology over another.

Beneficiary Response

The Iowa Rural Health Telecommunications Program (IRHTP) through its Project Coordinator, has reviewed the FCC rules cited, the background information provided, and the conclusions, effect and recommendation by the USAC auditors regarding Service Provider Involvement in IRHTP’s Competitive Bidding Processes and its purported effect on competitive bidding and competitive bidding results. IRHTP does not agree that the facts and circumstances presented involve any selective sharing of information that tainted the competitive bidding process, created any undue competitive advantage to any particular vendors, or skewed a competitive bidding result as to any of the contracts listed above. As discussed herein, the circumstances as presented by the USAC auditors further do not rise to the level of an infraction that should result in USAC Management seeking recoupment of RFP funding under those contracts, as the findings propose.

As a threshold matter, none of the FCC rules cited by the USAC auditors provide notice that the particular firewall that IRHTP put into place consistent with the FCC’s competitive bidding rules was insufficient or failed to provide adequate insulation from any potential for bid manipulation by program vendors. While FCC orders adopting the rules discuss the need to keep potential vendors at arm’s length during the RFP formulation and vendor selection process, that is what IRHTP did. The FCC rules, combined with these orders, simply do not provide notice that IRHTP’s practical, good faith application of that arm’s length requirement would be reviewed after the fact and found to be insufficient. Without adequate notice of the specific firewalls that USAC – or ultimately the FCC - would and would not deem sufficient, this after the fact second guessing of the mechanisms used by IRHTP is highly problematic on a basic procedural

fairness level. This is particularly true as IRHTP in fact disclosed all of its dealings with potential vendors to USAC as part of its FCC Form 465 applications for funding, including identification of the parties involved in each RPF's formulation. Having this information, USAC never before raised any issue as to how IRHTP went about its competitive bidding process or questioned any of the vendor selection results prior to funding them. As a result, it would be arbitrary and inequitable for USAC Management to now seek recoupment of funding in this case, as the very disclosure requirements USAC cites and that IRHTP complied with are for the purpose of USAC review of competitive bidding to discover possible improprieties and to deal with them *prior* to providing funding.

Specific Corrections or Clarification with respect to the Conditions:

1. IRHTP was not issued FRN 63415 as stated; rather the correct FRN number is FRN 63145.
2. There were two competing bids for the quality assurance inspection services portion of USAC RFP#02. These bids were closely scored with a lower price being the most heavily weighted of the determinative factors. (See Art Spies memo, dated September 16, 2009, showing the cumulative score of 94 for Adesta and 97.7 for AIS). The attached affidavit of Art Spies discusses in detail how the RFP#02 was developed, who reviewed the bids received and how the IRHTP Steering Committee members voted in evaluating the competing bids. This affidavit demonstrates that there was a firewall that prevented the winning bidder from participating in the RFP formulation or the award process.
3. USAC RFP #05 included a section for a small project to add quality assurance services for up to five sites that were not included in USAC RFP#02 due to several additional rural hospital members joining after RFP#02 was bid. These additional sites were required to be competitively bid in a separate contract rather than simply added to the services of the existing bid RFP#02. The circumstances of the drafting of the quality assurance portion of RFP#05 are detailed in the attached Arts Spies' affidavit. IRHTP believes that due to the very limited scope of this additional work, the limited number of sites that were spread out across the state with more than 240 miles between each of them, and the limited compensation associated with any award, there was only a single bidder, AIS. The fact that only a single bid for quality assurance for those five sites was received under those circumstances is not surprising. Further, the cost of providing this service under USAC RPF #05 was at the same cost per site as USAC RFP#02. If there had been any insider knowledge or unfair competition or desire to circumvent the purposes of the competitive bidding process, then the AIS bid could have come in higher

for these additional sites than those in USAC RFP #02. The fact is that these additional site services were provided at the same cost-effective level. (Art Spies memo, June 21, 2012 showing same cost for addition of four sites as original bid).

4 As the USAC auditors note, IRHTP received only one bid for USAC RFP#04, which was for recurring connectivity service or circuit fees, at each participating and eligible rural health care provider location. This bid was from the Iowa Communications Network (ICN), a fiber optic network owned, managed and operated by the State of Iowa by the Iowa Telecommunications and Technology Commission (ITTC). The bid was to provide IRHTP member rural hospitals with Ethernet connectivity of up to 1GB to all 88 points listed on the RFP using “existing link-segments that emanate from the HCP’s owned Alcatel-Lucent 7210 edge switch along the constructed hospital owned fiber link or a leased “IRU” to a point currently located in an ICN Point of Presence.” (USAC RFP#04). While theoretically it would have been possible for potential communications service providers serving different communities within Iowa to collaborate and join together and bid to provide connectivity service to these 88 points located all throughout the state, the fact is that only one entity, the publicly owned Iowa Communications Network, had built and already was operating a statewide publicly owned fiber optic network. ICN’s legal charter permits it to provide connectivity only to authorized users under the Iowa Code: these authorized users include schools, hospitals, state and federal government, National Guard armories, and libraries. ICN’s rates for this service are published and known to any service provider or potential service provider in Iowa. These facts were not highlighted and apparently not considered by the USAC auditors and these facts are consistent with what occurred when IRHTP bid the contract for connectivity for 88 participating rural hospitals throughout the state; namely that ICN was uniquely in the best position to provide this service, not because of anything IRHTP did or did not do with respect to competitive bidding, but because of its state charter, published rates and its unmatched fiber network reach. Further, ICN was already providing these circuits to 53 participating hospitals as of May 2012 without program support for the circuits, making ICN the obvious party to seek to continue to provide and expand that service. No other entity responded to the RFP, apparently because no other entity or group of entities believed themselves to be in a position to provide rural broadband connections where the IRHTP specified they were needed for participating rural hospitals throughout Iowa at a rate lower than the published rate that ICN offered in its bid response. Attributing culpability to IRHTP for the lack of competitive bidders for RFP #04 when IRHTP had nothing whatsoever to do with ICN’s unique status and market position in Iowa would be entirely arbitrary.

IRHTP has demonstrated that no employee of ICN was involved in drafting, reviewing or evaluating RFP#04. The fact is that IRHTP did not have the technical ability within its project management staff to draft RFP#04. Recognizing that, IRHTP turned to Tony

Crandell of AIS to do the initial drafting of that RFP. Art Spies of IHA on behalf of the IRHTP reviewed the draft and the Steering Committee approved awarding the bid to the ICN. (See minutes from May 29, 2012 Steering Committee meeting). It is not contested that IRHTP, in its Form 465 to USAC, disclosed the fact that Tony Crandell of AIS had assisted in drafting the RFP. It is also a fact that USAC did not at the time or at any time afterwards question or investigate the disclosure as potentially problematic.

The Federal Communications Commission has not prohibited stated owned and operated systems from offering highly publicly beneficial broadband services, although Iowa is apparently one of the few states that has built out a statewide facility for the public safety and health benefits it can confer on the citizens of the state. By law, there is a state agency charged with running the ICN, and that state agency publishes the rates for service for this purpose. Those rates are the rates ICN provided to IRHTP in responding to RFP#04 and those rates would have been known in advance by any other potential bidder for circuit connectivity services. The ICN, as an agency of the state, was simply following its legal charter in providing an RFP response to IRHTP. The ICN plainly is not a typical commercial “vendor.” To the extent that there was any commercial vendor interested and available to provide comparable circuit connectivity services at 88 different sites throughout the state of Iowa, it or they could have responded to the RFP. ICN was the only provider who responded. To mechanically apply broad brush “rules” and infer some competitive advantage was conferred on ICN by IRHTP’s use of Tony Crandell of AIS as a limited purpose consultant for technical assistance on this single RFP is simply unfounded speculation that ignores the unique non commercial nature of the ICN and the high likelihood it would be the only bidder to provide Ethernet connectivity to its backbone network at 88 different locations throughout the state. Whatever “inside” knowledge one might surmise ICN had about IRHTP’s project would have come through its earlier work with IRHTP documentation for the FCC Pilot program, not through information theoretically provided by Tony Crandell. Further, ICN uniquely knew the technical requirements of its own infrastructure, and that use of the backbone infrastructure of ICN was expressly approved by the FCC in its grant of the Pilot program application. Tony Crandell was a part time hourly project management consultant to ICN with duties unrelated to the IRHTP and Mr. Crandell was not an employee of ICN. Mr. Crandell’s company AIS has other clients. Tony Crandell also performed what IRHTP viewed to be an entirely unrelated one time technical project for IRHTP in drafting RFP#04 at IRHTP’s direction and under its supervision.

5. There were no contracts not subject to FCC competitive bidding processes and there were no special arrangements or specific or even general understandings with IRHTP or AIS or ICN as to how the RFPs that the USAC auditors reviewed were structured, what pricing would be preferred, or as to any other matter in the subject RFPs whatsoever. Neither AIS nor ICN personnel participated in the preparation of the RFPs

that they were awarded, and neither reviewed or assessed their own or other party's bids. IRHTTP did not discourage any potential bidders on any RFP, nor did it divulge additional information to any potential RFP bidder. How the USAC auditors can find under the circumstances that a competitive bidding advantage was conferred on any party, when IRHTTP followed the FCC rules and created a firewall it believed in good faith was sufficient is not explained. As noted above, if there was a vendor that would come into the circuit fee RFP#04 bidding process with any potential advantage, it would be the ICN. But that would only be because the ICN was sufficiently built out so as to have a fiber optic network point of presence in each county in the entire state of Iowa and ICN had published rates that other potential bidders could review and conclude on their own as to whether they stood any reasonable chance of prevailing in a competitive bidding situation in which the FCC has directed that cost efficiency is to be the most heavily weighted factor in an award assessment. As a practical matter, the ICN "market" advantage certainly would affect whether other entities determine it would be worthwhile to compete against the state for this contract. But that is not any reason to determine that IRHTTP failed to follow the FCC's competitive bidding rules.

The USAC auditors create undue inferences from the fact that ICN's engagement with IRHTTP in its pilot program application having to do with its statewide backbone operations and in some unrelated competitive bidding assistance for other RFPs conferred unfair competitive bidding advantages on ICN. However, the USAC auditors failed to consider the unique nature of the state owned ICN. ICN was and is the only entity that has built out broadband fiber to all 99 counties in Iowa. While no entity was prevented or impeded from providing a competitive bid for circuit fee services, the reasonable inference from the fact that only ICN bid is not because it had some unfair insider network design or other informational advantage that chilled potential competition in bidding. Rather, it was uniquely situated to provide the Ethernet connectivity the rural Iowa hospitals banded together to seek as IRHTTP. USAC Management should not adopt the inference that IRHTTP tampered with the circuit fees bidding process; IRHTTP did not. Certainly prior to seeking any recoupment from IRHTTP of the funds paid in support of the contracts, USAC should be required to do far more than merely offer an inference when there are other far more likely explanations for the lack of bidders for last mile circuit fee connectivity contract. There is no evidence of bid rigging, manipulation, or fraud or abuse. Only if they could be established would there be any possible grounds for seeking any recoupment.

6. Tony Crandell of AIS and Dave Swanson of ICN each have extensive knowledge and experience with utilizing the Iowa Communications Network to provide broadband connections and services to authorized entities throughout the state. Each person possessed this knowledge well before implementation of the FCC's Rural Health Pilot Program or IRHTTP's bidding processes to participate in the Pilot Program. Simply

because these individuals assisted IRHTP at points along the way with parts of the project that did not involve them in a bidding vendor capacity does not prove that they had any special knowledge of IRHTP's plans or that any purported special knowledge of IRHTP's plans skewed competitive bidding in any way. IRHTP's plan was contained in its FCC Pilot program application, it was a matter of public record any potential bidder could have consulted. IRHTP has at all times been transparent with USAC in disclosing its relationships with everyone involved in the program in any way. USAC Management is asked to consider all and not selective aspects of these circumstances when reviewing these audit findings.

IRHTP's other comments in response to the USAC auditor findings:

- As described in the attached affidavit, IRHTP had a firewall to prevent potential vendors from participating in the development of RFPs, the review of bids, and making the various awards. While the USAC auditors suggest that the firewall IRHTP used was inadequate to prevent tainting of the competitive bidding process, all the auditors can point to as purported proof of their assertion is a lack of competitive bids, a situation that can readily and more obviously be explained by the nature of the ICN statewide, state owned network itself, not anything IRHTP might purportedly have done to suppress or skew potential competition.
- At all the times in question IRHTP had procedures in place to prevent any unfair advantage to any potential bidder, including AIS and ICN. The ICN and AIS personnel also were aware of the prohibition from including potential bidders from the RFP drafting and review process from the beginning of the project due to their experience in public bidding. As a state-owned entity, ICN itself is also subject to competitive bidding requirements for its projects, so it would not have expected to play a different role in this case. This is reflected in documentation provided to USAC and the USAC internal auditors. (See disclosure materials provided).
- As required by USAC, for each RFP, IRHTP disclosed those individuals and entities that participated in the development of each RFP, those persons or companies involved in the bid review process, and those responsible for making any award determination. Through each of the competitive bidding processes and the FCC Form 466 award process, no USAC reviewer ever raised issues regarding supposed inappropriate service provider involvement in any part of the competitive bidding process. As USAC auditors note, the whole point of the FCC disclosure requirement is to allow for USAC review of any potentially improper influences prior to the award of funding. IRHTP should have some reasonable right to rely upon USAC to timely notify it of any perceived concerns so that they could be handled in a less draconian fashion than seeking after the fact recoupment when the case for unfair competitive bidding has yet to be made as

opposed to merely being asserted and relying solely on unproven inferences. To attempt to recoup funding after the fact, USAC would have to prove its case rather than rely on unproven inferences as well as demonstrate that the FCC's rules and published requirements plainly prohibited the fully disclosed relationships discussed in the USAC audit findings.

- IRHTP's application for FCC Rural Health Care Pilot Program funding plainly and prominently indicated the project was a joint effort of IRHTP, the ICN as statewide fiber optic backbone provider and a consortium of Iowa, Nebraska and South Dakota rural and urban hospitals. The application indicated the IRHTP network would be built using the ICN backbone network infrastructure. There was no other similar infrastructure available from any other vendor.
- Importantly, at the time of the FCC Pilot program application in May of 2007, IRHTP was not seeking circuit fee service funding; that only became possible to due to subsequent changes in the program. However, at all times IRHTP was following program requirements to seek the least cost means of providing the supported rural broadband capability to rural hospitals. Thus, the FCC and the public had a record of what IRHTP had done with ICN previously. The FCC approved the ICN relationship and network structure by making the initial pilot program award. When later there became a possibility of supported bridge funding for circuit fees, IRHTP disclosed all relationships and followed the competitive bidding rules. The USAC auditors would apparently only be satisfied if another vendor for that contract had materialized and prevailed, and that was not something IRHTP had any control over. The reasons why other vendors did not materialize are apparent and have been explained. Holding IRHTP financially responsible for the bidding results it did not preordain or control is manifestly unfair.
- Because the ICN was the entity that formed the backbone of the state fiber network, the ICN's knowledge of its network and access to that network was imperative for the success of the IRHTP pilot project. As discussed in this submission and affidavit, the IRHTP firewall as to vendors for particular follow-up RFPs was utilized throughout the RFP process. IRHTP in good faith believes that its processes prevented any improper influence or competitive advantage in any bidding process or bid award.
- The IRHTP firewall was utilized when Access Integration Specialists (AIS) was bidding on the RFPs for Quality Assurance. AIS was not involved in the development of these RFPs. AIS' role with the IRHTP was as a consultant with experience and knowledge of the technical details of the ICN and AIS' role with ICN was as an independent contractor consultant to provide program manager support on an "as-needed" hourly basis. An Internet search shows that AIS is a communications consulting firm with Anthony Crandell as its principal. Mr. Crandell has indicated his client list includes Iowa Homeland Security, Iowa National Guard, Cherokee Community School District, among others.

- All relationships between the parties were fully disclosed in all documentation provided to USAC and the FCC. IRHTP enacted protocols to ensure there was no improper influence or competitive advantage during the request, bidding, or awarding process. Bids were awarded based on the most cost-effective awards offered by providers with relevant capabilities and expertise and nothing else. USAC's audit finding comes to erroneous conclusions in its review of the information presented. IRHTP respectfully disagrees with USAC's Internal Audit finding and asks that on USAC Management review, the conclusions and recommendations be altered to reflect the facts in this case. Certainly the proposal that funds be recouped cannot stand given that there was a firewall in place. To the extent that USAC auditors believe that the FCC rules provide detailed notice as to what constitutes a sufficient firewall in this instance, IRHTP contends that that determination is arbitrary and capricious and will not survive review by the FCC.

The USAC auditor conclusions cannot and do not include any finding that the program was asked to fund excessive costs or that any vendor receiving an award that is questioned now lacked relevant experience or knowledge. Nor have the USAC auditors done anything beyond merely suggesting there could have been some prejudice to other potential bidders from what they assert was an insufficient firewall. The punitive nature of an action to recoup funds for services provided would be inequitable, particularly given that the ICN's historic and unique state role was disclosed and on the record at the FCC from the time IRHTP filed its application for pilot program funding in May 2007. USAC was well aware of ICN's unique position as a statewide state owned backbone and connectivity provider. It was also aware from reviewing and commenting on IRHTP's Sustainability Report in 2009 that IRHTP was assuming the use of ICN for network access and USAC knew that ICN had had a long term role with IRTHP starting with the FCC Pilot program. To seek full recoupment of the circuit fee discount and quality assurance discount under these circumstances, where IRHTP in good faith attempted to comply with competitive bidding rules and fully disclosed what it was doing and how it was doing it, would be inequitable.

USAC Management Response

"Insert USAC Management's response"

ATTACHMENT 5A
Affidavit of Arthur Spies

AFFIDAVIT OF ART SPIES

I, Art Spies, swear or affirm:

- I am Arthur Spies, Senior Vice President for Member Services of the Iowa Hospital Association.
- I also serve as the Iowa Rural Health Telecommunications Program (IRHTP) Project Coordinator.
- From my position as Project Coordinator, I have personal knowledge of the following facts.

Information on RFP Process for Quality Assurance Services

- RFP 00 was for a fiber build-out with a quality assurance investigation component included. When bids came in for the quality assurance component the bids were too expensive for the project. Because of the costs, none of the bids were accepted. There was recognition by IRHTP staff and the IRHTP Steering Committee that the scope of the quality assurance portion of the project would need to be changed to be feasible.
- Tony Crandell, the owner of Access Integration Services, mentioned that he might be interested in bidding on a more scaled back quality assurance RFP if IRHTP decided in the future to issue one.
- Dave Swanson works for the Iowa Communications Network (ICN) as a business development manager under the Business Services Division. The ICN is a state-owned, state-wide fiber optic network. The ICN is subject to competitive bidding procedures, so Dave Swanson is familiar with the competitive bidding requirements.
- After Tony Crandell's disclosure, Dave Swanson and I recognized that Tony Crandell would have to be excluded from any further discussion regarding any future quality assurance RFP.
- After discussions with me, Dave Swanson wrote RFP02 and I reviewed it.
- Between November 2008 when the Steering Committee rejected all bids for quality assurance and when RFP02 was issued and bids received, there was no communication between Tony Crandell and Dave Swanson or me regarding the quality assurance inspection RFP.
- When bids were received for RFP02, Tony Crandell's company AIS had submitted a bid.
- The bids were reviewed during a meeting involving Dave Swanson; Kent Freise, Outside Plant Lead, an ICN engineer; and me.
- Tony Crandell had no notice of the meeting and did not participate.
- Each participant separately scored the bids received in a scoring matrix (see email from Art Spies, 9/22/09 and attachments).
- The objective criteria for scoring the bids were included in the RFP.

- After the in-person meeting in which the bids were scored, but before the bids were approved, the Steering Committee received copies of the bids received and the scoring matrixes.
- USAC reviewed the RFP package and the objective criteria for scoring the RFP.
- USAC provides a review process for all 465 and 466 submissions that identifies deficiencies in the information provided and communicates with me in a 14 day letter if there are any required changes for approval of the required forms and documents submitted.
- USAC uploaded the RFP onto its system after the RFP was approved. (see USAC letter, July 8, 2009).
- In addition, after the bids for RFP 02 were accepted, USAC also reviewed the 466 package, but did not raise any issues or concerns regarding the process, bids received, bids awarded, or disclosures filed.
- The Steering Committee voting members voted by email on awarding the bid for RFP02 (see consolidated email responses and individual emails attached). Tony Crandell was not included in the email chain.
- Tony Crandell was excluded from the discussions leading to the crafting of RFP02, the meetings and discussions objectively scoring the bids received, and the Steering Committee's recommendation to approve an award under RFP02.
- AIS's bid was selected based on objective criteria, such as the fact that AIS could provide a lower cost, more responsive service because the services would be based out of Iowa, whereas the other bid was from a company in Illinois that would be based out of state, be less responsive, and cost more to administer.
- Later in the process, a few hospitals that had previously declined to participate program sought to be included and participation agreements on the project were completed (see e.g. emails from Jason Harrington and to Skiff Medical Center). Despite the small number of hospitals seeking to be added to the existing service, the additional service had to be competitively bid.
- There was recognition between Dave Swanson and me that Tony Crandell's company, AIS, would likely bid on the additional sites, so Tony Crandell was again excluded entirely from the RFP process.
- AIS did submit a bid for the additional sites in response to RFP05. There were no other bids received. The Steering Committee approved it. (see June 21, 2012 Memorandum of Conference Call Summary and June 21, 2012 Memorandum to FCC/USAC)
- Despite the time between the RFPs and the likelihood that few if any other companies would bid on such as small project, AIS's bid was at the same price per site as the previous AIS bid.

- If there had been any competitive advantage or abuse in the process, AIS could have decided to increase the cost of service for the additional sites or bid for the sites in a way that was adverse to the project, but it did not.

Information on RFP work on Connectivity Services.

- The initial Pilot program proposal/FCC application for IRHTP was for a capital build-out. The proposal explained that the hospitals would be connected to the state-wide Iowa Communications Network (ICN) backbone to provide broadband service/connectivity to these rural hospitals. Various service providers bid for and were awarded the capital built out contracts to connect rural hospitals to the ICN network.
- The sustainability aspect of the project was for the hospitals to access the ICN and to pay recurring circuit fees for the connections that had been built. (see Iowa Rural Health Telecommunications Program Sustainability Plan June 2009).
- These circuit fees are required so the entire network can be functional and all hospitals can communicate through the ICN fiber backbone without the delay or potential security threats posed by submitting health information through the Internet.
- Circuit fees allow the participating hospitals to utilize the entire built out through the IRHTP project.
- USAC was aware that payment of recurring circuit fees to the ICN would be necessary for the sustainability of the network as early as spring 2009 when the sustainability plan was proposed and IRHTP made clear it would seek subsidies for the circuit fees.
- USAC negotiated regarding the wording of the sustainability plan and whether the project was "public" enough for the subsidies before approving the sustainability plan. (see IRHTP Steering Committee Conference Call May 14, 2009 and email chain between Art Spies and Daniel Johnson and Barbara Sheldon from USAC).
- USAC never notified IRHTP that the ICN would not be an appropriate vendor for the circuit fees or that there would be an issue in using the ICN's approved rates set by the Iowa State statutory board.
- In February 2012, USAC sent notice that it would accept "bridge funding" proposals from Pilot Project participants to maintain support for the participants to transition them into the Primary Program/Rural Health Care support mechanism (see email to Art Spies notifying of FCC's public notice DA 12-273).
- IRHTP sought bridge funding to pay for a year of circuit (usage) fees for participating hospitals. (see Art Spies letter to Sharon Gillett).

- Despite knowledge that the ICN was currently charging circuit fees and that the sustainability of the project was based on payment of circuit fees to the ICN, IRHTP was required to competitively bid this circuit fee contract. Bridge funding occurred as a result of competitive bidding circuit fees.
- Based on the fact that the approved Pilot proposal had been for a capital build out utilizing the ICN as the backbone of the network and that the ICN circuit fees were an anticipated part of the project, it was obvious and expected that the ICN would be among the potential bidders on the RFP.
- Because the ICN was likely to bid on RFP04, Dave Swanson of ICN and any other ICN employee was excluded from the development of the RFP. Tony Crandell drafted RFP04 with review and oversight by Art Spies.
- I disclosed Tony Crandell's assistance with drafting RFP04 to USAC. (see April 19, 2012 Memorandum Disclosures).
- Based on his extensive knowledge and experience working with the ICN technology, ICN has from time to time used Tony Crandell as an independent contractor for project management on an hourly basis.
- Tony Crandell's duties have been under the authority of the Operations and Engineering division of the ICN. He makes reports to and bills for services to a separate division of the ICN than Dave Swanson.
- Tony Crandell's extensive knowledge of the technology already in use in the IRHTP project and his general familiarity with the requirements of the competitive bidding process were why IRHTP choose to utilize his services as a consultant to assist with the circuit connectivity RFP process. It was necessary for IRHTP staff to have access to technical knowledge of the ICN technology to be able to draft the technical specifications for the competitive bidding RFP to rely on the ICN backbone structure for providing circuit connectivity and to effectively review the bids received.
- There are very few individuals within the state that could provide consultation on the necessary technical issues.
- I can attest that I did not discuss any aspect of the connectivity RFP at any point before the award of the contract to ICN with Dave Swanson or anyone else at ICN.
- RFP04 was drafted to reflect the requirements for the network to function as proposed by the IRHTP project and the previous build-out and nothing more.
- Dave Swanson was not included in the IRHTP meeting scoring the bid based on the public RFP criteria.

- The ICN did bid on providing recurring broadband circuit fee service it was already providing to the hospitals connected to the network. Its bid was consistent with the publicly available rates set by the ICN's statutory body, the Iowa Telecommunications and Technology Commission (ITTC). See <http://www.icn.iowa.gov/about-icn>. No other competitive bids were received.
- Tony Crandell and I reviewed the ICN bid and found that it met all the stated requirements for the project contained in the RFP. (see May 29, 2012 Memorandum to IRHTP Steering Committee).
- The Steering Committee reviewed and approved the ICN bid. (see May 29, 2012 Conference Call Summary)
- Because the ICN is a state entity, its circuit rates are open records.
- While the ICN was the only entity that bid on RFP04, other entities could have provided bids, if they were capable and had chosen to, with full knowledge of the ICN's stated rates and ICN's network reach. ICN gained no special insight or unfair advantage in bidding for the provision of circuit fees due to Dave Swanson's participation in previous unrelated IRHTP RFPs. As previously noted ICN already had been providing this service without the subsidiary.
- Completely apart from program bidding requirements, the ICN was likely the only fiber network in Iowa capable of providing the service that the Pilot project sought to provide to Iowa's rural hospitals. Nevertheless, recognizing for competitive bidding for discounted eligible services, the IRHTP followed FCC rules and policies in ensuring that possible vendors did not have a seat at the table in preparing, evaluating or awarding RFPs. Ironically, if there had been commercial telecommunication companies capable and/or willing to provide these services on a cost effective basis in the first place to Iowa rural communities, then there likely would not have been the need for the IRHTP to be formed to participate in the FCC's rural healthcare Pilot project.

USAC Knowledge of ICN's likely role in providing the discounted Connectivity Service.

- As stated to the USAC auditors and in the accompanying material, USAC was aware of ICN's pivotal role in providing the fiber backbone to IRHTP participating hospitals. It was a critical aspect of the Pilot program. Only later was the program modified to allow discounted service fees. USAC was aware of IRHTP's sustainability plan for circuit fees and costs in spring 2009 when the sustainability plan was filed. That plan made plain that ICN was the likely provider of connectivity (circuit fees) to its own backbone network.
- Similar to other FCC Form 465 Requests for Services, IRHTP disclosed for RFP #04 that Tony Crandell of AIS had assisted in drafting the RFP. USAC was well aware of ICN's historic relationship with IRHTP starting with the Pilot program application approved by the FCC. USAC never raised concern with ICN being awarded the bid at any time.

I SWEAR OR AFFIRM THAT THE ABOVE AND FOREGOING REPRESENTATIONS ARE TRUE AND CORRECT TO THE BEST OF MY INFORMATION, KNOWLEDGE, AND BELIEF.

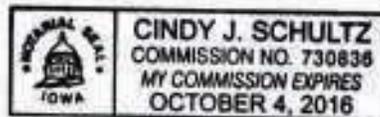
Art Spies
Art Spies, IRHTP Project Coordinator

October 3, 2014
Date

State of Iowa: County of Polk

Signed and sworn to (or affirmed) before me on 10-3-14 (date) by Art Spies
(name(s) of person(s) making statement).

Cindy Schultz
(Signature of notarial officer)



My commission expires: 10-4-16

ATTACHMENT 5B

Memoranda and Emails regarding Connectivity Services



Iowa Rural Health Telecommunications Program Sustainability Plan June 2009

The Iowa Rural Health Telecommunications Program (IRHTP) is a joint effort consisting of a consortium of 80 Iowa rural and urban hospitals, the Iowa Hospital Association (IHA) and the Iowa Communications Network (ICN).

The Iowa Hospital Association is functioning as the project coordinator and administrator for IRHTP and is acting on behalf of the 80 Iowa hospitals. The Iowa Hospital Association (IHA) is a voluntary institutional membership organization representing hospital and health system interests to business, government and consumer audiences. IHA informs and helps shape health policy; fosters new forms of health care delivery; gathers and analyzes clinical, utilization and financial data and monitors health care payment systems. Currently, all one hundred seventeen (117) short-term acute care Iowa hospitals are members of IHA. IHA is a voluntary (501-c (6)) nonprofit corporation that exists to serve the public by serving hospitals and integrated health systems. The association and its membership are bonded by a common goal – the promotion, attainment and maintenance of the health and well-being of Iowa people and communities. The mission of IHA is to represent Iowa hospitals and support them in achieving their missions and goals. IHA's vision is to be Iowa's most trusted, respected and influential leader in health policy and advocacy as well as a valued resource for information and education. The IHA works with member hospitals to improve delivery, organization and management of health care services.

The Iowa Communications Network (ICN) is a state owned common carrier providing broadband services to a statutorily limited pool of eligible users on a state of the art restricted access network. The ICN was created by Iowa statute, (Iowa Code Chapter 8D) is funded by user fees and is governed by Chapter 7 (751) of the Iowa Administrative Code. The only authorized users of the ICN are hospitals and physician clinics, along with educational entities (K-12 schools, colleges and universities), libraries, US Postal Service, and state and federal government. The ICN fiber network is a statewide network, with Points of Presence (POPS) in all 99 Iowa counties. The ICN owns and maintains many of the connections to the ICN network. ICN's statutory authorization allows the connection of Iowa hospitals to the ICN for the provision of telemedicine and health care services. Given its specific statutory mission and focus, the ICN was in a unique position to play the role of the IRHTP's technical advisor and to guide the design

and development of the RFPs so that the resulting last mile facilities can seamlessly interoperate with the ICN. There is no other backbone provider with a similar mission or scope of functionality throughout Iowa.

The FCC Rural Health Care Pilot Program will fund 85% of the cost for the fiber and electronics build-out and implementation of any 20 years indefeasible right of use (IRUs) contracts. The remaining 15% will be paid for by each participating hospital. Other users (ineligible providers) will pay 100% of the costs to connect to the IRHTP network and will pay a fair share of the core electronics costs. Once the fiber and electronics are installed, tested, documented and accepted, through an agreement between IRHTP/IHA and the ICN, the ICN will maintain, operate and manage all fiber links and transport systems. With the completion of the fiber and electronics build-out and acceptance and payment by the hospitals and the FCC, the IRHTP project using FCC Rural Health Care Pilot Program funds is complete.

With acceptance of the fiber link and transport systems IRHTP participating hospitals initial use of the broadband network is anticipated to include simple point to point connectivity. Potential applications developed and initiated by IRHTP participating hospitals and systems may include: transmission of various image files, PACS consolidation, remote radiology reads, specialty consultations (e.g. cardiology, dermatology and psychiatry), remote ICU and pharmacy monitoring (e-ICU, e-pharmacy), administrative (e.g. billing) and clinical data (e.g. EMR) transmission, various patient portals, healthcare Intranet, clinical and non-clinical education and training programs provided on a network-wide basis (distance learning) and consolidation or centralization of various back office and IT functions (remote server hosting, remote server back-up and storage, health IT service, centralized billing and accounting). Enterprise activities of hospitals in the same system will initiate similar applications but just for their system hospitals. As applications are initiated greater amounts of bandwidth will be needed and used by participating hospitals.

Through an agreement with the ICN for administration, operation and maintenance of the dedicated network, use of the network will be initiated by hospitals contracting with the ICN for broadband service. The cost of maintaining the new last mile fiber connections, network electronics, co-location fees and wavelength service fees will be covered by standardized monthly connection and bandwidth fees. Under Iowa statute, the monthly circuit fees (rates) charged by the ICN for broadband usage must cover the costs of operating and maintaining the dedicated health care network. Standardized circuit fees based on broadband usage will provide a sustainable operational model for all members of the consortium. The FCC Universal Services Rural Health Care Program may be used by IRHTP eligible rural hospitals to help pay for circuit fees. At minimum eligible rural hospitals should be able to take advantage of the 25% discount for internet support but hope that these circuit fees charged by ICN for broadband usage will be eligible for the urban/rural discount model provided for telecommunications services. Even without this

RHCP support IRHTP rural hospitals circuit fees will be paid by the hospitals themselves and do not constitute a barrier to sustainability.

There are three types of costs associated with the network which are:

- Operation and maintenance of the fiber and network,
- Future replacement of the electronics, and
- Provision of circuits.

These costs are recognized as allowable costs and will be incorporated into each hospital's payment by various third party payers (e.g. Medicare, Medicaid, commercial insurance companies and health plans) for the care provided to patients. The IRHTP program has 61 critical access hospitals that are reimbursed by Medicare at 101% of allowable costs attributable to acute inpatient, outpatient and swing bed care.

The maintenance and operation costs are based on actual experience of the ICN in maintaining fiber and electronics. The monthly maintenance fees will be adjusted annually based on actual experience of the IRHTP network. The monthly maintenance fee is estimated to be \$329 per connected user.

Funding for future replacement is achieved through depreciating the assets over their useful life and funding (saving) the reimbursed depreciation expense. The monthly equipment replacement fee is \$265. The Iowa Hospital Association will administer the equipment replacement fund on behalf of the participating hospitals and other users.

The circuit fees were developed and based on the cost incurred by the ICN to provide circuits. The fees are determined on the bandwidth used and the distance from the network core. The longer the distance from the network core the higher the fee. In January 2009, the Iowa Telecommunications and Technology Commission (ITTC), as required by Iowa statute, approved the following rate structure for any user of the IRHTP network closest to the core.

**Iowa Communications Network
January 2009**

Ethernet Circuit Fees – IRHTP Network

<u>Service B/W - Ethernet</u>	0 - 30 Meg	31 – 60 Meg	61 – 100 Meg	101 – 200 Meg	1 Gigabit
Ethernet Service	\$ 350	\$ 425	\$ 500	\$ 625	\$ 2150

Monthly fees for bandwidth, maintenance and equipment replacement will be collected from each user of the network. The table on the next page summarizes the revenue and expenses of the IRHTP network for the first ten years of operation.

Iowa Rural Health Telecommunications Program Revenue and Expense Projections

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Network Revenue										
Fiber and Electronics Maintenance	\$85,305	\$277,242	\$358,282	\$358,282	\$358,282	\$358,282	\$358,282	\$358,282	\$358,282	\$358,282
Circuit Fees	137,217	445,956	576,313	576,313	576,313	576,313	576,313	576,313	576,313	576,313
Electronics Replacement	68,340	222,105	287,028	287,028	287,028	287,028	287,028	287,028	287,028	287,028
Total Revenue	\$290,862	\$945,303	\$1,221,623							
Network Expense										
Fiber and Electronics Maintenance	\$85,305	\$277,242	\$358,282	\$358,282	\$358,282	\$358,282	\$358,282	\$358,282	\$358,282	\$358,282
Circuit Fees	137,217	445,956	576,313	576,313	576,313	576,313	576,313	576,313	576,313	576,313
Total Expense	\$222,522	\$723,198	\$934,595							
Revenue over Expense	\$68,340	\$222,105	\$287,028							

The table reflects 20 hospitals connected in 2009, 65 hospitals connected in 2010 and 84 sites in 2011.

The excess of revenue over expense each year will be the equipment replacement fund administered by the Iowa hospital Association on behalf of the participating hospitals.

IRHTP Steering Committee Conference Call

**May 14, 2009
2 – 2:45 pm
IHA Board Room**

Scott Curtis, Presiding

Present:

Scott Curtis, Steve Baumert, Martin Blind, Daryl Bouma, Jim Burkett, Rob Frieden, Fred Eastman, Joe LeValley, Kim Norby, Jennifer Durst, Art Spies, Maureen Keehnle, Dave Swanson



Revised Q A Inspection Services RFP

Art Spies summarized the proposed Outside Plant Quality Assurance Inspection Services RFP that is seeking bids for supplemental on-demand inspection services for the 66 fiber build-out sites throughout the State of Iowa and an additional nineteen (19) sites with fiber or are utilizing IRUs for access.

These quality assurance inspections services (QAIS) supplied will be supportive in the form of augmentation services to the ICN Outside Plant Section and the ICN Outside Plant Manager. The services to be provided under this RFP are for quality assurance in the form of "spot-checking", problem resolution, and site coordination and completing the link-segment checklists.

A model for bidding purposes is provided in Annex A of the RFP. All supporting costs (such as per diem and travel, communications, and administration) for the deployment of the site inspectors under this RFP must be determined and included in an all inclusive hourly rate, hereinafter referred to as the "burdened hourly rate." This "burdened hourly rate." is then applied to the cost models and submitted on Annex A- (Cost Submittal Sheet). The calculated costs will result in a "firm fixed fee" for the specified number of hours in the cost models to be accomplished over the three-year project ending Dec 2011. Following questions and discussion **it was moved and seconded to approve the revised Outside Plant Quality Assurance Inspection Services RFP. Motion Passed.**

Needed Changes to the Alcatel – Lucent Award

The award to Alcatel – Lucent of \$3,110,975 will need to be increased to reflect adding in DWDM optics that were bid but not part of the initial award, reconfiguring the network, freight and the need to fund up front the second year maintenance costs during the build out. There are several issues concerning equipment reconfiguration, the need to return try and buy equipment that won't be used and determining what level of maintenance we need that still need to be resolved and will change the actual cost of the award.

Vendor participation and Licensing Agreements

Maureen Keehnle reported in developing the contract with Alcatel – Lucent each participating hospital will need to sign a participation and licensing agreement for the network software. Hospitals will be sent the agreement/contract and the form can be returned to IHA. Other vendors may also need a participation form.

Shared Core Electronics Costs

The shared core electronics cost will increase due to fewer hospitals participating in the project, the addition of the maintenance contract for year two of the build-out and shifting of the DWDM optics equipment and freight costs to the core from the "other cost" category. Using Alcatel – Lucent figures the total shared core electronics cost is \$35,196. The fifteen percent hospital share would be \$5,280. The figures from last December were a total cost of \$27,994 and the hospital share was \$4,200. With final figures for Alcatel – Lucent still being finalized, the core cost is also pending. Another call of the steering committee will be scheduled when a final award figure and the shared core costs are known.

IRHTP Sustainability Plan

The issue delaying FCC approval of the IRHTP sustainability plan centers on circuit fee subsidization under the existing FCC Universal Service Rural Health Care Program. A monthly circuit fee will be charged by the ICN to any user of the IRHTP network that is based on the bandwidth used and distance from the core. Those further from the core will have a higher circuit fee. The difference in the fee closest to the core and the fee based on the distance from the core for each user is the basis of the subsidy for eligible rural providers.

IRHTP's sustainability plan includes a subsidy for the circuit fee. The USAC/FCC concern is that the circuit fees were developed just for the IRHTP health care users and the circuit fees are not available to the public (anyone else). Information provided to USAC/FCC on April 10, 2009 demonstrated that there are other authorized users of the ICN (e.g. K-12 schools, libraries, public and private colleges and universities, state and federal government agencies) that could have access to the backbone service and rate structure if they choose to utilize the IRHTP network. We are awaiting an answer from the FCC whether the number and type of authorized users is "public" enough to comply with the FCC Universal Service Rural Health Care Program requirements. It is hoped a positive answer will be forthcoming soon.

An alternative strategy which USAC is willing to do is to drop the circuit fee subsidy from the sustainability plan, have the sustainability plan approved and proceed with the award process.

Following discussion the consensus of the steering committee was to wait a week to see if the FCC will make a decision and if not to proceed with the alternate strategy.

The conference call ended at 2:45 pm.

Eckley, Erika

From: Spies, Arthur J.
Sent: Thursday, October 02, 2014 11:41 AM
To: Eckley, Erika
Subject: FW: Sustainability Plan
Attachments: Iowa Rural Health Telecommunications Program.doc sustainability plan april 09.doc

Art Spies

Senior VP
Iowa Hospital Association
100 East Grand Avenue, Suite 100
Des Moines, IA 50309-1800
Phone: 515/283-9314
Fax: 515/283-9366
Email: spiesa@ihaonline.org

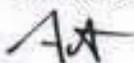
From: Spies, Arthur J.
Sent: Friday, June 26, 2009 10:38 AM
To: Daniel Johnson
Cc: Barbara Sheldon (bsheldo@rhc.universalservice.org)
Subject: RE: Sustainability Plan

Hi Daniel:

I have attached the IRHTP sustainability plan that will be part of the April – June 2009 quarterly report that will be submitted by July 30, 2009.

Please let me know if the edits on page two to the paragraph we discussed will allow IRHTP to proceed with obtaining FCLs.

Thanks for your assistance.



Art Spies
Senior Vice President
Iowa Hospital Association
100 E Grand Ave Suite 100
Des Moines, IA 50309
(515) 288-1955
spiesa@ihaonline.org

Confidentiality Statement

This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you have received this message in error, please advise the sender immediately by reply e-mail and delete this message.

From: Daniel Johnson [<mailto:djohnson@usac.org>]
Sent: Friday, June 26, 2009 10:01 AM
To: Spies, Arthur J.
Cc: Barbara Sheldon; Michelle Picou
Subject: RE: Sustainability Plan

Hi Art,

I have to be careful. I am not trying to prescribe anything we have not spoken about. Please call me to discuss the wording directly and I would appreciate a few minutes at any rate. I have been in out of the office this week so I apologize for the delay.

Below is a paragraph from your sustainability plan as it appears in the April report. I think the last two sentences is where you may want to make some changes to be more inclusive of ICN's potential role in the Primary RHC program. It may be stronger to state that: The FCC Universal Services Rural Health Care Program may be by IRHTP rural hospitals where applicable to help pay for circuit fees. At a minimum we should be able to take advantage of the 25% discount for internet support but hope that these circuit fees charged by ICN for broadband usage will be eligible for the urban/rural discount model provided for telecommunications services. Even without this RHCP support IRHTP rural hospitals circuit fees will be paid by the hospitals themselves and do not constitute a barrier to sustainability.

Through an agreement with the ICN for administration, operation and maintenance of the dedicated network, use of the network will be initiated by hospitals contracting with the ICN for broadband service. The cost of maintaining the new last mile fiber connections, network electronics, co-location fees and wavelength service fees will be covered by standardized monthly connection and bandwidth fees. Under Iowa statute, the monthly circuit fees (rates) charged by the ICN for broadband usage must cover the costs of operating and maintaining the dedicated health care network. Standardized circuit fees based on broadband usage will provide a sustainable operational model for all members of the consortium. The FCC Universal Services Rural Health Care Program may be used by eligible IRHTP rural hospitals to help pay for the circuit fees. The ICN is an eligible vendor under the FCC's Rural Healthcare program and currently receives payments from the FCC Universal Service Rural Healthcare Program.

Sincerely,
Daniel

From: Barbara Sheldon [<mailto:bsheldo@rhc.universalservice.org>]
Sent: Friday, June 26, 2009 10:14 AM
To: Daniel Johnson
Subject: FW: Sustainability Plan

Hi Daniel –

Any news re-Art's Sustainability Plan? I have 466-As for him, and as soon as the FCC gives the go-ahead for the FY straddle w/forms, I can start inputting them and working towards issuing an FCL.

Thanks,

Barbara

From: Spies, Arthur J. [<mailto:SPIESA@ihaonline.org>]
Sent: Wednesday, June 24, 2009 2:27 PM
To: bsheldo@rhc.universalservice.org
Subject: RE: Sustainability Plan

I am still waiting on the email that Daniel promised once he took a look at the sustainability plan in the latest quarterly report....

Art Spies
Senior Vice President
Iowa Hospital Association
100 E Grand Ave Suite 100
Des Moines, IA 50309
(515) 288-1955
spiesa@ihaonline.org

Confidentiality Statement

This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you have received this message in error, please advise the sender immediately by reply e-mail and delete this message.

From: Barbara Sheldon [<mailto:bsheldo@rhc.universalservice.org>]
Sent: Wednesday, June 24, 2009 1:20 PM
To: Spies, Arthur J.
Subject: Sustainability Plan

Hi Art –

What is the status of your revised Sustainability Plan? Any more communications with Daniel?

Thanks

Kind regards,

Barbara

Rural Health Care Pilot Program

Voice: 973-581-7571

Fax: 973-599-6518

Email: bsheldo@rhc.universalservice.org

Spies, Arthur J.

From: USAC Rural Health Care Pilot Program <rhc-donotreply@list.universalservice.org>
Sent: Tuesday, February 28, 2012 12:47 PM
To: Spies, Arthur J.
Subject: FCC Notice on Pilot Program "Bridge Funding"



February 28, 2012

FCC Seeks Comment on Pilot Program "Bridge Funding"

The FCC is seeking comments on potential "bridge funding" for Pilot Program Projects that are expected to exhaust all committed funds before or during Funding Year 2012 (July 1, 2012 to June 30, 2013). Comments are due April 18 and reply comments are due May 3.

The FCC's public notice ([DA 12-273](#)), released February 27, said that the bridge funding would maintain support for qualifying Pilot Program participants, on an interim basis, during FY 2012 to provide time to establish a process to transition them into the Primary Program/Rural Health Care support mechanism.

[A letter filed by USAC](#) with the FCC February 17, 2012 estimates that 484 individual health care providers and 14 Pilot Projects will exhaust all funding* before or during FY 2012. These 14 Pilot Projects that would be eligible for the "bridge funding" will be notified individually about the Public Notice.

* "Exhaust all funding" means having invoiced all available funds. Projects that will have received or requested all available funds to be committed before June 30, 2012 are not included in the 14 projects that have exhausted (i.e. invoiced) all available funds.

Please do not reply to this email directly, as it was sent from an unaffiliated mailbox

© 1997-2012, Universal Service Administrative Company. All Rights Reserved



September 29, 2014

Sharon Gillett, Chief
Wireline Competition Bureau
Federal Communications Commission
445 12th St SW
Washington, DC 20054

RE: WC Docket No. 02-60
DA 12-273

Good Morning:

The Iowa Rural Health Telecommunications Program (IRHTP) is now in the process of committing remaining award funds by June 30, 2012. The last RFP will competitively bid MRC Circuit Usage Fees. Unfortunately, very little of the original award to IRHTP will be left and we will need approximately \$54,800 to pay for one month of usage fees.

In DA 12-273, the Wireline Competition Bureau (Bureau) seeks comment on whether to fund Rural Health Care Pilot Program (Pilot Program) participants who will exhaust funding allocated to them before or during funding year 2012 (July 1, 2012-June 30, 2013). This funding would maintain support for qualifying Pilot Program participants, on an interim basis, during the 2012 funding year to provide time to establish a process to transition them into the permanent Rural Health Care support mechanism (RHC support mechanism). IRHTP supports the proposed use of remaining uncommitted Rural Health Care Pilot Program funds to support the transition of qualified Pilot Program participants to the primary program.

The Iowa Rural Health Telecommunications Program is interested in and respectfully requests funding from remaining uncommitted Pilot Program funds to at a minimum pay for one year of usage fees (\$657,800). This will assist IRHTP participating eligible hospitals transition to and take advantage of the primary program rate subsidy.

Regards:

A handwritten signature in black ink that reads 'Art Spies'.

Art Spies
IRHTP Project Coordinator



MEMORANDUM

DATE: April 19, 2012
TO: Barbara Sheldon
FROM: Art Spies, IRHTP Project Coordinator
SUBJECT: Disclosures

Tony Crandell, Principal Associate, Access Integration Specialists developed and I reviewed RFP 12-005 Meshed Ethernet Bandwidth and Connectivity. No other parties participated in the development or review of the RFP.

Per Camelia Rogers on April 19, 2012, any double dipping concerns will be addressed at the 466 Award level.



MEMORANDUM

DATE: May 29, 2012
TO: IRHTP Steering Committee
FROM: Art Spies, IRHTP Project Coordinator
SUBJECT: Evaluation Scoring IRHTP RFP 12-005 Meshed Ethernet Bandwidth and Connectivity Proposal

The 465 competitive bidding package for the IRHTP RFP 10-001 was filed and posted on April 27, 2012. The RFP requested bids to provide pricing and connectivity to integrate the sites listed in the IRHTP network by providing up to 1 Gb/s megabits of high speed Ethernet access, to a secure, dedicated, and financially sound network.

IRHTP received **one** bid proposal by the May 25, 2012 deadline from the Iowa Communications Network.

An evaluation team including Tony Crandell (Principal Associate Access Integration Specialists and IRHTP Project Manager) and Art Spies (IRHTP Project Coordinator) reviewed and scored the proposal using the criteria from the RFP. The proposal met all mandatory requirements. The average score for the reviewers is noted below.

**Iowa Rural Health Telecommunications Program
Proposal Scoring Table
RFP 12-005 Meshed Ethernet Bandwidth and Connectivity**

Criterion	Iowa Communications Network
Project Experience 10 points	10
Cost 50 points	50
Grasp of Project 20 points	20
Vendor Capabilities 10 points	10
Invoicing and Audit 5 points	5
Credibility 5 points	5
Total possible 100 points	100

Based on the above evaluation and our existing agreement to operate and maintain the IRHTP network with the ICN, I recommend awarding the Meshed Ethernet Bandwidth and Connectivity contract to the Iowa Communications Network.



MEMORANDUM

DATE: May 29, 2012
TO: IRHTP Steering Committee
FROM: Art Spies, IRHTP Project Coordinator
SUBJECT: Evaluation Scoring IRHTP RFP 12-005 Meshed Ethernet Bandwidth and Connectivity Proposal

The 465 competitive bidding package for the IRHTP RFP 10-001 was filed and posted on April 27, 2012. The RFP requested bids to provide pricing and connectivity to integrate the sites listed in the IRHTP network by providing up to 1 Gb/s megabits of high speed Ethernet access, to a secure, dedicated, and financially sound network.

IRHTP received **one** bid proposal by the May 25, 2012 deadline from the Iowa Communications Network.

An evaluation team including Tony Crandell (Principal Associate Access Integration Specialists and IRHTP Project Manager) and Art Spies (IRHTP Project Coordinator) reviewed and scored the proposal using the criteria from the RFP. The proposal met all mandatory requirements. The average score for the reviewers is noted below.

**Iowa Rural Health Telecommunications Program
Proposal Scoring Table
RFP 12-005 Meshed Ethernet Bandwidth and Connectivity**

Criterion	Iowa Communications Network
Project Experience 10 points	10
Cost 50 points	50
Grasp of Project 20 points	20
Vendor Capabilities 10 points	10
Invoicing and Audit 5 points	5
Credibility 5 points	5
Total possible 100 points	100

Based on the above evaluation and our existing agreement to operate and maintain the IRHTP network with the ICN, I recommend awarding the Meshed Ethernet Bandwidth and Connectivity contract to the Iowa Communications Network.



MEMORANDUM

DATE: May 29, 2012
TO: IRHTP Steering Committee
FROM: Art Spies, Project Coordinator
SUBJECT: May 29, 2012 Conference Call Summary

Present: Scott Curtis, Mike Myer, Daryl Bouma, Dave Hickman, Dave Swanson, Jim Burkett, Dean Hiles for Rob Frieden, Steve Baumert, Art Spies

The meeting was called to order at 2:02 pm by Scott Curtis.

IRHTP RFP 12-005 Meshed Ethernet Bandwidth and Connectivity:

Mr. Spies referred the committee to the Evaluation and Scoring IRHTP RFP 12-005 Meshed Ethernet Bandwidth and Connectivity memo noting only one proposal from the ICN was received by the May 25, 2012 deadline. The proposal was reviewed by Art Spies and Tony Crandell. The proposal was complete and met all of the mandatory requirements. The total cost for one month's circuit fees should not exceed \$58,050. Following discussion, based on the evaluation and IRHTP's existing agreement with the ICN to operate and maintain the IRHTP network, *it was moved and seconded to award the contract to the Iowa Communications Network. Motion passed.*

Project Status:

- Mr. Spies noted all FCC funds of \$373,079 must be committed by June 30, 2012.
- Six hospitals remain to be built out (Nevada, Belmond, Clarion, Dyersville, Albia and Decorah).
- There are 58 connected hospitals as well as Iowa Radiology, Radiology Consultants of Iowa and IHA.
- The last RFP for fiber at Iowa Falls and Omaha, QA inspections at 5 sites and electronics is due Monday June 4, 2012. The next steering committee call will occur after June 4.

There being no further business the meeting was adjourned at 2:15 pm.

ATTACHMENT 5C

Memoranda and Emails regarding Quality Assurance

Spies, Arthur J.

9/22/09

To: ~~Art Spies~~; Daryl Bouma; ~~Dave Lingren~~; ~~David Hickman~~; David Swanson; Donald Patterson; ~~Fred Eastman~~; ~~Jim Burkett~~; ~~Joe LeValley~~; Kim Norby; Kirk Norris; ~~Lee Carmen~~; ~~Martin Blind~~; ~~Mike Myers~~; Mike Trachta; Randy Haskins; ~~Robert Frieden~~; ~~Scott Curtis~~; ~~Steven Baumert~~

Subject: IRHTP QA Inspection Services Contract Award

Attachments: memo 9 15 09 proposal evaluation scoring and recommendation.doc; Executive Summary.doc; adesta.doc; WORK PLAN.doc; adesta.doc; Annex A - Cost Submittal Sheet.pdf; adesta.pdf; 2009-09-16 (1).pdf

ya - 9

NO - Abstain/ vote 4
PASSED



Good Morning;

Attached is a memo with the scoring of the two proposals received in response to the Quality Assurance Inspection Services RFP as well as my recommendation. Also attached are the cost submittal sheet, the executive summary and work plan for Adesta and Access Integration Specialists proposals.

Please take a few minutes to review the memo and supporting documents from each bid and respond to this email by Friday September 18, 2009 indicating approval or disapproval to award the QA Inspection Services contract to Access Integration Specialists.

Thank you for your quick response.

Art Spies
 Senior Vice President, Member Services
spiesa@ihaonline.org

100 E. Grand Ave | Suite 100 | Des Moines, IA 50309-1835 | p: 515.288.1955 | f: 515.283.9366 | www.ihaonline.org

Confidentiality Statement

This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you have received this message in error, please advise the sender immediately by reply e-mail and delete this message.



MEMORANDUM

DATE: September 16, 2009
TO: IRHTP Steering Committee
FROM: Art Spies, IRHTP Project Coordinator
SUBJECT: Evaluation Scoring QA Inspection Proposals

The Quality Assurance Inspection Service RFP has been rebid through the USAC/FCC competitive bidding process which closed August 6. Two bids were received from Adesta and Access Integration Specialists. An evaluation team including Dave Swanson (ICN), Kent Frease (ICN outside plant) and Art Spies reviewed each proposal and scored each proposal using the criteria from the RFP and included in the following table. The average of the three scores is noted below.

**Iowa Rural Health Telecommunications Program
Evaluation Scoring Table
RFP 09-002 Outside Plant Quality Assurance Inspection Services**

Criterion	Adesta	Access Integration Specialists
Project Experience 15 points	15	13.7
Cost 40 points	35.3	40
Grasp of Project 25 points	25	25
Vendor Capabilities 15 points	14.3	14
Invoicing and Audit 5 points	4.3	5
Total possible 100 points	94	97.7

Based on the above evaluation, I recommend awarding the QA Inspection Services contract to Access Integration Specialists.

**ANNEX A
COST SUBMITTAL SHEET
REP 09-002**

Costing Model One – Sixty Six (66) Constructed Sites

Coordination meetings, problem resolution and resolution of administrative issues on site. 8 hours

Site Construction Quality Assurance Spot-Checking 8 hours

Completion of Final Link-Segment Checklist with contractor and the HCP representative. (May require dedicated travel) 8 hours

Re-inspection for release of retamage and the completion of the final site checklist (May require dedicated travel) 8 hours

Total Hours per constructed site: 32 hours

Cost Calculation

Sixty six (66) sites times (x) 32 hours times (x) the burdened hourly rate of \$ 75.00 equals (=) a Total Three-Year Firm Fixed Cost of \$158,400.00

Costing Model Two – Nineteen (19) On-Net Sites

Completion of Modified Final Link-Segment Checklist with contractor and the HCP representative. 8 hours

Cost Calculation

Nineteen (19) sites times (x) 8 hours times (x) the burdened hourly rate of \$ 75.00 equals (=) a Total Three-Year Firm Fixed Cost of \$ 11,400.00

**Total three year firm Fixed Cost (Cost Calculation One + Cost Calculation Two)
\$ 169,800.00 (This is the evaluated cost)**

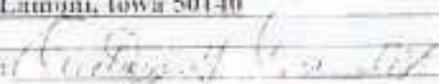
Bid responses containing only an hourly rate "plus expenses" will not be considered by the IRITP.

The undersigned submits the total of \$ 169,800.00 as our Total Three-Year Firm Fixed Costs for Quality Assurance Inspection Services.

Name of Vendor: Access Integration Specialists

Address: 501 North Walnut Street, Lamoni, Iowa 50140

By: Anthony Gene Crandell

Vendor's Authorized Agent Signature: 

Note: The Vendor's authorized agent must sign this sheet.

Sheet One of One Sheet

Attachment 2
Executive Summary
IRITP RFP 09-002

Access Integrations Specialists (AIS) is prepared to accomplish all tasks as stated and required in RFP 09-002. AIS understands and agrees with all of the requirements as stated in the RFP and proposed contract.

AIS is first and foremost a Project Management firm retaining highly skilled and experienced telecom infrastructure site inspectors. These individuals are being assembled for this specific project and are dedicated solely to its timely accomplishment. Anthony Crandell, the principal associate of AIS, brings a wealth of telecom project management experience to this project and has demonstrated his ability to lead the team. Each of the Site Inspectors retained for this project has performed these very same duties in their own individual companies and will bring almost 150 years of combined synergy to the project. Each proposed site inspector has previously performed these duties independently as principals within their own companies or for previous employers and do not need any training or preparation, but are reorganizing under one project manager to coordinate and manage their response. Each site inspector is experienced and qualified to the extent that, should it be necessary for any reason, could assume the role of the principal or primary Quality Assurance Project Manager and continue the project without interruption. The proposed site management team, as individuals are accustomed to operating independently and need only the oversight of a Project Manager to coordinate the schedule and assignments. Each team member has vast experience in working with both the contractor and the customer.

AIS, as the project manager, will assign individuals to specific IRITP projects in the field and will pre-coordinate the interface with the HCP institution or agency and the contractor, to ensure that, when all parties assemble for the actual work, there is no delay in identifying what unique circumstances are specific to the project or the proper points of contact. The site inspectors are used to working with contractors in a manner that will not obstruct progress or interfere with the workload, but rather they make themselves available to observe the work practices and are an immediate connection between the crew on the ground and the IRITP project coordinator. The exception would be if the Site Inspector observes and unsafe practice or condition.

AIS will maintain a presence in Des Moines and will be available to the IRITP Project coordinator for weekly updates and progress reports and any other time upon notification.

Attachment 3
Work Plan
IRHTP REP 09-002

Pre-construction. The IRHTP Project Coordinator will notify AIS and the authorized contractor of a particular site that an HCP desires to begin construction of the respective link-segment connecting the HCP to the backbone network.

AIS will assign a Site Inspector from the pool of available personnel. The Site Inspector and the AIS Project Manager will review the proposed route as submitted by the contractor to the ICN Outside Plant Manager. The ICN Outside Plant Manager will provide an IRHTP approved construction drawing to the Site Inspector and will brief him on any peculiar aspects of the route.

The Site Inspector will then travel to the site and meet with the designated HCP representative to inspect the entry to the HCP's property and will physically review the internal route through the building to the location of the Fiber FDP. The Site Inspector will photograph any particular nuances that appear along the route.

The Site Inspector will then call the Contractor and mutually agree upon a Contractor's Point Of Contact that is a member of the construction crew assigned to this particular site. The Site Inspector will arrange with this Point Of Contact a mutually agreeable time to meet on the route and discuss the construction plan. The Site Inspector and the Contractor's Point Of Contact will exchange notification information such as cell phone or pager telephone numbers. The Site Inspector will physically walk the outside route according photographically any nuances and indications of potential problems such as broken pavement, erosion, or any other condition that exists prior to the contractor's work being performed at that location.

During construction. From that point on, the Site Inspector will spot-check the progress of the construction to ensure that it is proceeding in accordance with the construction plan. In the event that changes to the plan are necessary, the Site Inspector will report the circumstances to the project manager who will in turn coordinate with the ICN Outside plant manager and the IRHTP project coordinator.

When the Contractor begins the construction on the HCP's property, the Site Inspector will act as the HCP's interface to the construction crew to ensure that hospital operations are not affected by the construction activity. The Site Inspector will meet daily with the HCP representative when the Contractor is on site to ensure that construction is progressing in a manner that is satisfactory to the HCP.

The Site Inspector will keep the ICN Outside Plant Manager posted as to the estimated time that the Contractor will be ready to make entry into the ICN's cable vault. This will ensure that ICN personnel are on site before the contractor enters the vault.

The Site Inspector will keep a daily log detailing the work completed on each link-segment that he is assigned. These reports will be consolidated weekly and will be presented each week at a meeting between the IRHTP Project Coordinator and AIS.

The Site Inspector will ensure that all red line changes to the construction drawing are recorded and forwarded to the ICN Outside Plant Manager for inclusion in the as-built drawings.

The Site Inspector will act as the on-site IRHTP safety officer to ensure that no unsafe conditions are allowed to persist.

The Site Inspector will review the contractor's plan for restoration and will ensure that it is satisfactory to all parties.

Post-construction Inspection. When the Contractor indicates that he is ready for final inspection, the Site Inspector will coordinate a meeting between the contractor's representative and the HCP's representative to complete the IRHTP acceptance checklist. The Site Inspector will keep detailed notes of those meetings and will be prepared to brief the Project Manager and/or the IRHTP Project Coordinator whenever an issue arises. When there is mutual agreement of all parties, the Site Inspector will have the HCP and the OSP contractor sign the checklist.

The Site Inspector will then again physically walk the route photographically recording the contractor's restoration work.

Documentation of Project Hours. AIS will certify to the IRHTP project coordinator that all reported project hours assigned to a link-segment were used and will provide substantiating documentation.

Deviations: AIS is not aware of any need to deviate from any of the requirements as published in the RFP.

ANNEX A
COST SUBMITTAL SHEET
RFP 09-002

Costing Model One – Sixty Six (66) Constructed Sites

Coordination meetings, problem resolution
and resolution of administrative issues on site. 8 hours

Site Construction Quality Assurance Spot-Checking 8 hours

Completion of Final Link-Segment Checklist with contractor
and the HCP representative. (May require dedicated travel) 8 hours

Re-inspection for release of retainage and the completion of
The final site checklist
(May require dedicated travel) 8 hours

Total Hours per constructed site 32 hours

Cost Calculation

Sixty six (66) sites times (x) 32 hours times (x) the burdened hourly rate
of \$_____ equals (=) a Total Three-Year Firm Fixed Cost of \$_____

Costing Model Two – Nineteen (16) On-Net Sites

Completion of Modified Final Link-Segment Checklist with contractor
and the HCP representative. 8 hours

Cost Calculation

Nineteen (19) sites times (x) 8 hours times (x) the burdened hourly rate
of \$_____ equals (=) a Total Three-Year Firm Fixed Cost of \$_____

Total three year firm Fixed Cost (Cost Calculation One + Cost Calculation Two)
\$_____ (This is the evaluated cost)

Bid responses containing only an hourly rate “plus expenses” will not be considered by
the IRITP.

The undersigned submits the total of \$_____ as our Total Three-Year Firm Fixed Costs
for Quality Assurance Inspection Services:

Name of Vendor: _____

Address: _____

By: _____

Vendor's Authorized Agent Signature: _____

Note: The Vendor's authorized agent must sign this sheet. Sheet One of One Sheet

Executive Summary (Reference RFP, Section 3.10, Page 16)

Adesta, LLC (Adesta) presents our qualifications to supply supplemental on-demand quality assurance inspection services to the Iowa Rural Health Telecommunications Program (IRHTP), in response to its Notice to Vendors of Request for Proposal Solicitation No: 09-002.

Adesta is a systems integrator that brings innovative, flexible, and cost-efficient thinking to the design, construction, and maintenance of stand-alone or integrated communication networks and electronic security systems. For nearly two (2) decades, we have offered commercial, industrial, and governmental clients an efficient single point of contact for all their project issues. Adesta has deployed over 2 million fiber miles in more than 150 metropolitan and rural areas, and completed over 1000 electronic security systems in the United States, Europe, Asia, Central America, and the Middle East. Throughout this time, we have developed and maintained strict programs to ensure the highest level of quality and safety standards for all projects. We look forward to the opportunity to provide the Iowa Rural Health Telecommunications Program access to our experienced site inspection services.

Adesta understands the services requested will be on an on-demand basis to supplement services of the ICN Outside Plant Manager (ICNOMP). We have an established project team to manage this project in Romeoville, IL. This project team has full authority, responsibility, and resources to conduct and complete the project efficiently. The project team and senior management monitor progress by collecting and disseminating information with reports, meetings, and inspections. We have selected appropriately qualified personnel from our Romeoville office to provide these site inspection services.

Each or all of the IRHTP's 82 sites will receive Adesta's same attention to detail. Whether spot-checking multiple sites or focusing in on one, the Adesta Site Inspector (SI) will act as the participating Health Care Provider's (HCP) construction representative.

Open lines of communication will be established with the designated representative of each HCP. All activities will be coordinated with the representative to ensure that contractor activities do not interfere with hospital operations. Each SI will provide oversight for all activities taking place on the HCP's property.

Adesta SIs will monitor all construction activity on a daily basis as required by the IRHTP. Working closely with the ICNOMP, the SI shall supervise the construction efforts when entries are performed within new or existing fiber infrastructure, monitor the

1.0 WORK PLAN (Reference RFP, Section 3.11, Page 16)

1.1 Level of Oversight

It is understood and agreed upon by Adesta that a minimum of 48 hours notice will be given by the ICN Outside Plant Manager (ICNOSPM) prior to beginning work at any site. Upon notice, Adesta will provide a pre-approved Site Inspector (SI) at that location and notify the ICNOSPM who is assigned.

Before any construction activities take place, the SI will become familiar with the link-segment by driving or walking the route. All pre-existing conditions within and adjacent to the staked route will be noted on the SI's construction drawings and photographed with a digital camera.

Open lines of communication will be established with the designated representative of each Health Care Provider (HCP). All activities will be coordinated with the representative to ensure that contractor activities do not interfere with hospital operations. Each SI will provide oversight for all activities taking place on the HCP's property.

Adesta SI's will coordinate closely with the OSP Contractor when obtaining permits and easements for each link-segment. During the pre-construction process, the Contractor will submit a list of permits and easements to the SI, who will in turn verify this list with the corresponding agencies. It is the OSP Contractor's responsibility to apply for the appropriate permits and secure land easements before construction begins.

The safety of construction crews and the traveling public is of utmost importance to Adesta. We recognize the increased risk of accidents when performing roadside work, and will do everything necessary to ensure the safety of the installation crews and the motoring public. Before any installation takes place, the SI, along with the IRHTP Project Coordinator and the OSP Contractor, will conduct a safety meeting emphasizing safety precautions and the importance of proper maintenance of traffic in accordance with the Manual on Uniform Traffic Control Devices (MUTCD).

While performing work within an HCP's property, the SI will ensure that the same precautions are implemented to protect both motorists and pedestrians in the area. The SI will verify that the proper measures to inform, redirect, and protect pedestrian traffic are implemented.

If unsafe actions are witnessed, the SI will stop work immediately and notify the IRHTP Project Coordinator about such violations. Work will not resume until all violations have been corrected. Adesta's SI's are highly trained and experienced in OSP projects, and



Rural Health Care Division Pilot Program

100 S. Jefferson Road
Whippany, NJ 07981

<http://www.usac.org/hc-pilot-program/>
Phone: 1-800-229-5476

July 8, 2009

Mr. Art Spies
Iowa Rural Health Telecommunications Program
100 E. Grand Avenue, Suite 100
Des Moines IA 50309-1835

RE: Funding Year 2009 Service Request
HCP #17226 Iowa Rural Health Telecommunications Program, RFP 02

Dear Art:

The Rural Health Care Division (RHCD) of the Universal Service Administrative Company (USAC) reviewed the Form 465 and related documents you submitted for the Rural Health Care Pilot Program, and determined that your project is eligible for posting. Your request for service was posted on the Rural Health Care Pilot Program web site on **July 8, 2009**. Your Allowable Contract Date (ACD) is **August 5, 2009**. Form 465 is the **first** step in applying for universal service support.

All requests for "new service" support must comply with the competitive bidding requirements, which require FCC Form 465 be posted for bids on the RHC Pilot Program web site for 28 days before reaching an agreement to purchase services.

RHCD will post all Form 465s and supporting scoping documents. Unless you are exempt, you must wait 28 days before determining your most cost-effective offer and selecting a vendor.

Ideally, potential bidders will contact you during the 28-day posting period, to bid on rates and conditions of providing your requested service(s). It is not necessary to wait for a bid: you may proactively contact service providers and vendors, so you are ready to complete FCC Form 466A and related documents as soon as the 28-day posting period ends.

Next Steps

- Complete FCC Form 466A and related documents.
- You must include a copy of the contract or service agreement with the service provider with the FCC Form 466A and related documentation.
- Once FCC Form 466A is complete, including the required documentation, notify your coach. Failure to include all documents will delay processing of your application.
- The last step in the process is to complete FCC Form 467. It verifies that you are receiving the approved service(s). Complete this form only after you receive a Funding Commitment Letter from RHCD-Pilot Program.

Finally, in order to ensure long term success of the rural health care networks developed with Pilot Program funds, you must provide a sustainability plan to USAC before receiving the Funding Commitment Letter. You must update your sustainability plan, as needed, in the quarterly reports. An established network that does not appear sustainable may be found in violation of program rules and could be required to repay Pilot Program funds.

Appeals

The RHCD recognizes that some participants will disagree with our decisions. **If you wish to file an appeal, your appeal must be *postmarked* no later than 60 calendar days after this Posting Notification Letter was issued, starting on the date at the top of this letter.** There are two appeal options:

- A. Write an RHCD Letter of Appeal explaining why you disagree with the Posting Notification Letter and what outcome you request, **OR**;
- B. Write an appeal directly to the Federal Communications Commission (FCC) — skipping Option A — explaining why you disagree with the RHCD's decisions. The FCC rules governing the appeals process (Part 54 of Title 47 of the Code of Federal Regulations 54.719 – 54.725 as amended January 24, 2002 by FCC Order 01-376) are available on the RHCD web site (www.rhc.universalservice.org). While you may write directly to the FCC without first presenting your appeal to the RHCD, you are encouraged to write first to the RHCD so that we have an opportunity to review your appeal and grant it, if appropriate.

Please follow these guidelines when submitting a letter of appeal to the RHCD:

- I. Write and mail your letter to:

Letter of Appeal
Rural Health Care Division of USAC - Pilot Program
2000 L Street Northwest, Suite 200
Washington, DC 20036

Phone: (800) 229-5476

2. Appeals may be submitted to the RHCD electronically, by fax or by e-mail. E-mail submissions must be submitted to RHCPilot@usac.org. The RHCD will reply to incoming e-mails to confirm receipt. E-mails can be submitted in any commonly used word processing format. Appeals to the RHCD filed by fax must be faxed to 202-776-0080. Appeals submitted by e-mail will be considered filed on a business day if they are received at any time before 12:00 a.m. (midnight), Eastern Standard Time. Similarly, fax transmissions will be considered filed on a business day if the complete transmission is received at any time before 12:00 a.m.
3. Please provide necessary contact information. List the name, address, telephone number, fax number, and e-mail address (if available) of the person who can most readily discuss this appeal with the RHCD.
4. Identify the Project Name and Project HCP Number from this letter.
5. Explain the appeal to the RHCD. Please keep your letter brief and to the point. It must identify a problem and why it is being appealed. RHCD support decisions are made by applying non-discretionary program rules to information submitted by applicants, so a letter simply stating, "We appeal the amount of support" provides no information that could lead to a different decision. Please review the information submitted, and explain precisely what alternate decision you believe RHCD should have reached using that information, within program rules. Please provide documentation to support your appeal.
6. Unless you are filing the appeal via e-mail, you must attach a photocopy of the Posting Notification Letter you are appealing.
7. The RHCD will review all letters of appeal and respond in writing within 45 days of receipt of the appeal. The response will either grant the appeal or will explain why the appeal was not granted.
8. If the participant disagrees with the RHCD's response, it may file an appeal with the FCC within 60 days of the date the RHCD issued its decision in response to the Project letter of appeal. The FCC address to which a Project may direct its appeal is:

Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-A325
Washington, DC 20554

Documents sent by Federal Express or any other express mail should use the following address:

Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive

Capitol Heights, MD 20743
(8 AM – 7 PM ET)

The FCC will not accept hand-delivered or messenger-delivered paper filings at its headquarters. They will be accepted only at the following address:

Federal Communications Commission
Office of the Secretary
236 Massachusetts Avenue, NE, Suite 110
Washington, DC 20002
(8 AM – 7 PM ET)

For security purposes, hand-delivered or messenger-delivered documents will not be accepted if they are enclosed in an envelope. Any envelopes must be disposed of before entering the building. Hand deliveries must be held together with rubber bands or fasteners.

Appeals may also be submitted to the FCC electronically, either by the Electronic Comment Filing System (ECFS) or by fax. The FCC recommends filing with the ECFS to ensure timely filing. Instructions for using ECFS can be found on the ECFS page of the FCC web site. Appeals to the FCC filed by fax must be faxed to 202-418-0187. Electronic appeals will be considered filed on a business day if they are received at any time before 12:00 a.m. (midnight), Eastern Standard Time. Fax transmissions will be considered filed on a business day if the complete transmission is received at any time before 12:00 a.m.

Please be sure to indicate Docket Nos. 02-60 on all communications with the FCC. The appeal transmission must also provide the rural health care provider (HCP) name and HCP Number from the letter(s) being appealed, plus necessary contact information including the name, address, telephone number, fax number, and e-mail address (if available) of the person filing the appeal. Unless the appeal is made electronically via ECFS, please include a copy of the USAC letter being appealed.

If you have questions or concerns, please contact the Customer Service Support Center at 1-800-229-5476, and ask for your coach. Hours of operation are 8AM to 8PM, Eastern Time, Monday through Friday.

Sincerely,

USAC, RHCD

IRHTP Steering Committee vote on QA Inspection Services Proposals

The contract award to Access Integration Specialists is acceptable from my point of view and thus approved

James A. Burkett, Jr
Director, Technology Support
Avera Health
(605) 322-6080 (vox)
(605) 322-4520 (fax)

I am fine with your recommendation. Thanks again for all your great work.

Joe LeValley

Art, Please accept this e-mail as my approval to award the QA Inspection Services Contract to Access Integration Specialist.

Sincerely,

Rob Frieden
Genesis Health System

Art,

I approve moving ahead with the proposal from Access Integration Specialists.

Many thanks for your continued great work on this effort!

Scott,

Scott Curtis [CURTISS@mercyhealth.com]

Art, I agree with your recommendation to award the QA Inspection Services contract to Access.
Thanks Steve

Baumert, Steve [Steve.Baumert@nmhs.org]

I would approve of your award decision.
Fred Eastman

Art: I agree with your recommendation.

Dave

Dave Hickman [HICKMAND@mercyhealth.com]

I approve.

Martin Blind
Information Systems Director
Virginia Gay Hospital and Clinics
509 North 9th Avenue
Vinton, Iowa 52349
319-472-6470 Office
319-472-6439 FAX

Spies, Arthur J.

From: Jim Burkett [jim.burkett@avera.org]
Sent: Wednesday, September 16, 2009 9:47 AM
To: Spies, Arthur J.
Subject: RE: IRHTP QA Inspection Services Contract Award

Art,

The contract award to Access Integration Specialists is acceptable from my point of view and thus approved.

James A. Burkett, Jr.
Director, Technology Support
Avera Health
(605) 322-6080 (vox)
(605) 322-4520 (fax)

From: Spies, Arthur J. [mailto:SPIESA@ihaonline.org]
Sent: Wednesday, 16 September, 2009 09:41
To: Spies, Arthur J.; Daryl Bouma; Dave Lingren; David Hickman; David Swanson; Patterson Don; Fred Eastman; Jim Burkett; LeValley Joe; Kim Norby; Norris, J. Kirk; Lee Carmen; Blind, Martin; Myers Michael; Trachta Mike; Randy Haskins; Robert Frieden; Curtis Scott; Baumert, Steve
Subject: IRHTP QA Inspection Services Contract Award
Importance: High

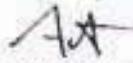


Good Morning:

Attached is a memo with the scoring of the two proposals received in response to the Quality Assurance Inspection Services RFP as well as my recommendation. Also attached are the cost submittal sheet, the executive summary and work plan for Adesta and Access Integration Specialists proposals.

Please take a few minutes to review the memo and supporting documents from each bid and respond to this email by Friday September 18, 2009 indicating approval or disapproval to award the QA Inspection Services contract to Access Integration Specialists.

Thank you for your quick response.


Art Spies

Spies, Arthur J.

From: LeValley, Joe [jlevalley@mercydesmoines.org]
Sent: Wednesday, September 16, 2009 10:19 AM
To: Spies, Arthur J.
Subject: RE: IRHTP QA Inspection Services Contract Award

I am fine with your recommendation. Thanks again for all your great work.

Joe

From: Spies, Arthur J. [mailto:SPIESA@ihaonline.org]
Sent: Wednesday, September 16, 2009 9:41 AM
To: Spies, Arthur J.; Daryl Bouma; Dave Lingren; David Hickman; David Swanson; Patterson Don; Eastman, Fred; Jim Burkett; LeValley, Joe; Kim Norby; Norris, J. Kirk; Lee Carmen; Blind, Martin; Myers Michael; Trachta Mike; Randy Haskins; Robert Frieden; Curtis Scott; Baumert, Steve
Subject: IRHTP QA Inspection Services Contract Award
Importance: High



Good Morning:

Attached is a memo with the scoring of the two proposals received in response to the Quality Assurance Inspection Services RFP as well as my recommendation. Also attached are the cost submittal sheet, the executive summary and work plan for Adesta and Access Integration Specialists proposals.

Please take a few minutes to review the memo and supporting documents from each bid and respond to this email by Friday September 18, 2009 indicating approval or disapproval to award the QA Inspection Services contract to Access Integration Specialists.

Thank you for your quick response.

A handwritten signature in black ink, appearing to read 'Art Spies'.

Art Spies
Senior Vice President, Member Services
spiesa@ihaonline.org

Spies, Arthur J.

From: Rob Frieden [frieden@genesishealth.com]
Sent: Wednesday, September 16, 2009 11:03 AM
To: Spies, Arthur J.
Subject: Re: IRHTP QA Inspection Services Contract Award

Art, Please accept this e-mail as my approval to award the QA Inspection Services Contract to Access Integration Specialist.

Sincerely,

Rob Frieden
Genesis Health System

>>> "Spies, Arthur J." <SPIESA@ihaonline.org> 9/16/2009 9:41 AM >>>

[cid:image002.jpg@01CA36B1.CD890220][cid:image005.jpg@01CA36B1.CD890220]

Good Morning:

Attached is a memo with the scoring of the two proposals received in response to the Quality Assurance Inspection Services RFP as well as my recommendation. Also attached are the cost submittal sheet, the executive summary and work plan for Adesta and Access Integration Specialists proposals.

Please take a few minutes to review the memo and supporting documents from each bid and respond to this email by Friday September 18, 2009 indicating approval or disapproval to award the QA Inspection Services contract to Access Integration Specialists.

Thank you for your quick response.

Spies, Arthur J.

From: Scott Curtis [CURTISS@mercyhealth.com]
Sent: Wednesday, September 16, 2009 1:14 PM
To: Baumert, Steve; Blind, Martin; Bouma, Daryl; Burkett, Jim; Carmen, Lee; Patterson Don; Eastman, Fred; Frieden, Robert; Haskins, Randy; Hickman, Dave; LeValley Joe; Lingren, Dave; Myers Michael; Trachta Mike; Norby, Kim; Norris, J. Kirk; Spies, Arthur J.; Swanson, David
Subject: Re: IRHTP QA Inspection Services Contract Award
Attachments: SC Card vcf

Art,

I approve moving ahead with the proposal from Access Integration Specialists.

Many thanks for your continued great work on this effort!

Scott,

>>> "Spies, Arthur J." <SPIES.A@ihaonline.org> 09/16/09 9:41 AM >>>



Good Morning:

Attached is a memo with the scoring of the two proposals received in response to the Quality Assurance Inspection Services RFP as well as my recommendation. Also attached are the cost submittal sheet, the executive summary and work plan for Adesta and Access Integration Specialists proposals.

Please take a few minutes to review the memo and supporting documents from each bid and respond to this email by Friday September 18, 2009 indicating approval or disapproval to award the QA Inspection Services contract to Access Integration Specialists.

Thank you for your quick response.

Art Spies
Senior Vice President, Member Services
spiesar@ihaonline.org

Spies, Arthur J.

From: Baumert, Steve [Steve.Baumert@nmhs.org]
Sent: Wednesday, September 16, 2009 4:27 PM
To: Spies, Arthur J.
Subject: RE: IRHTP QA Inspection Services Contract Award

Art, I agree with your recommendation to award the QA Inspection Services contract to Access. Thanks Steve

From: Spies, Arthur J. [mailto:SPIESA@ihaonline.org]
Sent: Wednesday, September 16, 2009 9:41 AM
To: Spies, Arthur J.; Daryl Bouma; Dave Lingren; David Hickman; David Swanson; Patterson Don; Fred Eastman; Jim Burkett; LeValley Joe; Kim Norby; Norris, J. Kirk; Lee Carmen; Blind, Martin; Myers Michael; Trachta Mike; Randy Haskins; Robert Frieden; Curtis Scott; Baumert, Steve
Subject: IRHTP QA Inspection Services Contract Award
Importance: High



Good Morning:

Attached is a memo with the scoring of the two proposals received in response to the Quality Assurance Inspection Services RFP as well as my recommendation. Also attached are the cost submittal sheet, the executive summary and work plan for Adesta and Access Integration Specialists proposals.

Please take a few minutes to review the memo and supporting documents from each bid and respond to this email by Friday September 18, 2009 indicating approval or disapproval to award the QA Inspection Services contract to Access Integration Specialists.

Thank you for your quick response.

A handwritten signature in black ink that appears to be 'Art'.

Art Spies
Senior Vice President, Member Services
spiesa@ihaonline.org



Spies, Arthur J.

From: Eastman, Fred [feastman@mercydesmoines.org]
Sent: Thursday, September 17, 2009 2:08 PM
To: Spies, Arthur J.; Daryl Bouma; Dave Lingren; David Hickman; David Swanson; Patterson Don; Jim Burkett; LeValley, Joe; Kim Norby; Norris, J. Kirk; Lee Carmen; Blind, Martin; Myers Michael; Trachta Mike; Randy Haskins; Robert Frieden; Curtis Scott; Baumert, Steve
Subject: RE: IRHTP QA Inspection Services Contract Award

I would approve of your award decision.
Fred Eastman

From: Spies, Arthur J. [mailto:SPIESA@ihaonline.org]
Sent: Wednesday, September 16, 2009 9:41 AM
To: Spies, Arthur J.; Daryl Bouma; Dave Lingren; David Hickman; David Swanson; Patterson Don; Eastman, Fred; Jim Burkett; LeValley, Joe; Kim Norby; Norris, J. Kirk; Lee Carmen; Blind, Martin; Myers Michael; Trachta Mike; Randy Haskins; Robert Frieden; Curtis Scott; Baumert, Steve
Subject: IRHTP QA Inspection Services Contract Award
Importance: High



Good Morning:

Attached is a memo with the scoring of the two proposals received in response to the Quality Assurance Inspection Services RFP as well as my recommendation. Also attached are the cost submittal sheet, the executive summary and work plan for Adesta and Access Integration Specialists proposals.

Please take a few minutes to review the memo and supporting documents from each bid and respond to this email by Friday September 18, 2009 indicating approval or disapproval to award the QA Inspection Services contract to Access Integration Specialists.

Thank you for your quick response.

Art Spies
Senior Vice President, Member Services
spiesa@ihaonline.org

✓

Spies, Arthur J.

From: Martin Blind [mblind@vghinc.com]
Sent: Thursday, September 17, 2009 3:38 PM
To: Spies, Arthur J.; 'Daryl Bouma'; 'Dave Lingren'; 'David Hickman'; 'David Swanson'; Patterson Don; 'Fred Eastman'; 'Jim Burkett'; LeValley Joe; 'Kim Norby'; Norris, J. Kirk; 'Lee Carmen'; Myers Michael; Trachta Mike; 'Randy Haskins'; 'Robert Frieden'; Curtis Scott; Baumert, Steve
Subject: RE: IRHTP QA Inspection Services Contract Award

I approve.

Martin Blind
Information Systems Director
Virginia Gay Hospital and Clinics
509 North 9th Avenue
Vinton, Iowa 52349
319.472.6470 Office
319.472.6439 FAX

Confidentiality Notice: This message and any attachments may contain confidential and privileged health information that is protected by law. The information contained herein is transmitted for the sole use of the intended recipient(s). If you are not the intended recipient or designated agent of the recipient of such information, you are hereby notified that any use, dissemination, copying, or retention of this email or the information contained herein is strictly prohibited and may subject you to penalties under federal and/or state law. If you received this email in error, please notify the sender immediately and permanently delete this email and any attachments it may contain.

From: Spies, Arthur J. [mailto:SPIESA@ihaonline.org]
Sent: Wednesday, September 16, 2009 9:41 AM
To: Spies, Arthur J.; Daryl Bouma; Dave Lingren; David Hickman; David Swanson; Patterson Don; Fred Eastman; Jim Burkett; LeValley Joe; Kim Norby; Norris, J. Kirk; Lee Carmen; Blind, Martin; Myers Michael; Trachta Mike; Randy Haskins; Robert Frieden; Curtis Scott; Baumert, Steve
Subject: IRHTP QA Inspection Services Contract Award
Importance: High



Good Morning:

Attached is a memo with the scoring of the two proposals received in response to the Quality Assurance Inspection Services RFP as well as my recommendation. Also attached are the cost submittal sheet, the executive summary and work plan for Adesta and Access Integration Specialists proposals.

Please take a few minutes to review the memo and supporting documents from each bid and respond to this email by Friday September 18, 2009 indicating approval or

✓
Spies, Arthur J.

From: Dave Hickman [HICKMAND@mercyhealth.com]
Sent: Thursday, September 17, 2009 3:26 PM
To: Kim Norby; Robert Frieden; Norris, J. Kirk; Spies, Arthur J.; Dave Lingren; David Swanson; Jim Burkett; Fred Eastman; LeValley Joe; Curtis Scott; Randy Haskins; Baumert, Steve; Daryl Bouma; Lee Carmen; Blind, Martin; Myers Michael; Trachta Mike; Patterson Don
Subject: Re: IRHTP QA Inspection Services Contract Award

Art: I agree with your recommendation. Dave

>>> "Spies, Arthur J." <SPIESA@ihaonline.org> 09/16/09 9:41 AM >>>

[cid:image002.jpg@01CA36B1.CD890220][cid:image005.jpg@01CA36B1.CD890220]

Good Morning:

Attached is a memo with the scoring of the two proposals received in response to the Quality Assurance Inspection Services RFP as well as my recommendation. Also attached are the cost submittal sheet, the executive summary and work plan for Adesta and Access Integration Specialists proposals.

Please take a few minutes to review the memo and supporting documents from each bid and respond to this email by Friday September 18, 2009 indicating approval or disapproval to award the QA Inspection Services contract to Access Integration Specialists.

Thank you for your quick response.

[cid:image009.jpg@01CA36B1.CD890220]

✓
Spies, Arthur J.

From: Carmen, Lee [lee-carmen@uiowa.edu]
Sent: Thursday, September 17, 2009 4:10 PM
To: Spies, Arthur J
Subject: IRHTP QA Inspection Services Contract Award

I approve. Lee

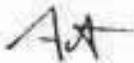
From: Spies, Arthur J. [mailto:SPIESA@ihaonline.org]
Sent: Wednesday, September 16, 2009 9:41 AM
To: Spies, Arthur J.; Daryl Bouma; Dave Lingren; David Hickman; David Swanson; Patterson Don; Fred Eastman; Jim Burkett; LeValley Joe; Kim Norby; Norris, J. Kirk; Lee Carmen; Blind, Martin; Myers Michael; Trachta Mike; Randy Haskins; Robert Frieden; Curtis Scott; Baumert, Steve
Subject: IRHTP QA Inspection Services Contract Award
Importance: High

Good Morning:

Attached is a memo with the scoring of the two proposals received in response to the Quality Assurance Inspection Services RFP as well as my recommendation. Also attached are the cost submittal sheet, the executive summary and work plan for Adesta and Access Integration Specialists proposals.

Please take a few minutes to review the memo and supporting documents from each bid and respond to this email by Friday September 18, 2009 indicating approval or disapproval to award the QA Inspection Services contract to Access Integration Specialists.

Thank you for your quick response.



Art Spies

Senior Vice President, Member Services

spiesa@ihaonline.org

100 E. Grand Ave | Suite 100 | Des Moines, IA 50309-1835 | p: 515.288.1955 | f: 515.283.9366 | www.ihaonline.org

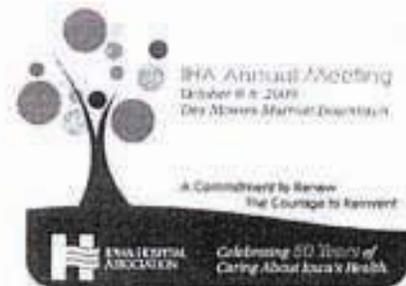
Confidentiality Statement

✓
Spies, Arthur J.

From: Mike Myers [mmyers@vmhospital.com]
Sent: Friday, September 18, 2009 6:27 AM
To: Spies, Arthur J.
Subject: RE: IRHTP QA Inspection Services Contract Award

I agree with your decision I vote yes on the selection!

From: Spies, Arthur J. [mailto:SPIESA@ihaonline.org]
Sent: Wednesday, September 16, 2009 9:41 AM
To: Spies, Arthur J.; Daryl Bouma; Dave Lingren; David Hickman; David Swanson; Patterson Don; Fred Eastman; Jim Burkett; LeValley Joe; Kim Norby; Norris, J. Kirk; Lee Carmen; Blind, Martin; Myers Michael; Trachta Mike; Randy Haskins; Robert Frieden; Curtis Scott; Baumert, Steve
Subject: IRHTP QA Inspection Services Contract Award
Importance: High



Good Morning:

Attached is a memo with the scoring of the two proposals received in response to the Quality Assurance Inspection Services RFP as well as my recommendation. Also attached are the cost submittal sheet, the executive summary and work plan for Adesta and Access Integration Specialists proposals.

Please take a few minutes to review the memo and supporting documents from each bid and respond to this email by Friday September 18, 2009 indicating approval or disapproval to award the QA Inspection Services contract to Access Integration Specialists.

Thank you for your quick response.

A handwritten signature in black ink, appearing to be 'Art Spies'.

Art Spies
Senior Vice President, Member Services
spiesa@ihaonline.org

Eckley, Erika

From: Spies, Arthur J.
Sent: Wednesday, October 01, 2014 10:45 AM
To: Eckley, Erika
Subject: FW: IRHTP

Art Spies

Senior VP
Iowa Hospital Association
100 East Grand Avenue, Suite 100
Des Moines, IA 50309-1800
Phone: 515/283-9314
Fax: 515/283-9366
Email: spiesa@ihaonline.org

From: Jason Harrington [mailto:jharrington@lakeshealth.org]
Sent: Thursday, March 11, 2010 8:49 AM
To: Spies, Arthur J.
Subject: RE: IRHTP

Art:

I appreciate it. We had something come up that recently precipitated this in attempting to push some images between Spirit Lake and Spencer. Anything you can provide by way of information would be great.

Jason

Jason C. Harrington
President and CEO
Lakes Regional Healthcare
Phone: (712) 336-8795
Fax: (712) 336-8620

From: Spies, Arthur J. [mailto:SPIESA@ihaonline.org]
Sent: Wednesday, March 10, 2010 4:51 PM
To: Jason Harrington
Subject: RE: IRHTP

Hi Jason:

The short answer is yes. We bid Spirit Lake and would only have to adjust the contractors award to add Lakes Regional Healthcare. I will have to look the final costs up and send them to you.

We will move on this as quickly as you desire.

Art Spies
Senior Vice President
Iowa Hospital Association

100 E Grand Ave Suite 100
Des Moines, IA 50309
(515) 288-1955
spiesa@ihaonline.org

Confidentiality Statement

This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you have received this message in error, please advise the sender immediately by reply e-mail and delete this message.

From: Jason Harrington [<mailto:jharrington@lakeshealth.org>]
Sent: Wednesday, March 10, 2010 3:59 PM
To: Spies, Arthur J.
Subject: IRHTP

Art:

Hope this finds you well. Wanted to check with you on the status of the IRHTP process. When I was in Spencer, we signed on to be part of the grant application and were supportive of the program. Unfortunately, Lakes Regional Healthcare passed at the opportunity before I arrived and I am wondering whether there are now any options for being a part of the program?

If not, no problem and I understand we failed to commit during that time. However, if there is an opportunity that may present itself, I'd at least like to discuss it.

Please let me know either way.

Jason

Jason C. Harrington
President and CEO
Lakes Regional Healthcare
Phone: (712) 336-8795
Fax: (712) 336-8620

Eckley, Erika

From: Spies, Arthur J.
Sent: Wednesday, October 01, 2014 10:51 AM
To: Eckley, Erika
Subject: FW: IRHTP Participant Agreement

Art Spies

Senior VP
Iowa Hospital Association
100 East Grand Avenue, Suite 100
Des Moines, IA 50309-1800
Phone: 515/283-9314
Fax: 515/283-9366
Email: spiesa@ihaonline.org

From: Spies, Arthur J.
Sent: Thursday, May 13, 2010 2:29 PM
To: jmcvey@skiffmed.com
Subject: IRHTP Participant Agreement



Hi Jim:

I received Skiff Medical Center's IRHTP participation agreement. We will begin work to add you back into the program.

Thanks,

Art Spies
Senior Vice President, Membership Services
spiesa@ihaonline.org

100 E. Grand Ave | Suite 100 | Des Moines, IA 50309-1835 | p: 515.288.1955 | f: 515.283.9366 | www.ihaonline.org

Confidentiality Statement

This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you have received this message in error, please advise the sender immediately by reply e-mail and delete this message.



MEMORANDUM

DATE: June 21, 2012
TO: IRHTP Steering Committee
FROM: Art Spies, Project Coordinator
SUBJECT: June 20, 2012 Conference Call Summary

Present: Scott Curtis, Mike Myers, Daryl Bouma, Fred Eastman, Steve Baumert, Art Spies, Dave Swanson, Tony Crandell

The meeting was called to order at 4:01 pm by Scott Curtis.

Approval of awards:

Outside Plant Dark Fiber Construction or IRU bids

The bids would provide last mile fiber optic connections from consortium hospitals to the closest appropriate ICN Point of Presence (POP). Art Spies send an email to the committee members from Dave Peters with Alegent Health. The email stated: "After much discussion and reflection regarding possible Alegent participation with IRHTP project to obtain connectivity into Omaha, we've decided to not pursue the proposed project at this time. Our concerns include cost, the availability of fiber routes in Council Bluffs, and the nature of the obligations which we feel Alegent would be expected to shoulder for connectivity within Omaha." The requirements for the fiber build in Council Bluffs/Omaha for Alegent Bergan Mercy Medical Center in Omaha have now been withdrawn. The bids for the Iowa Falls build were reviewed. *Following discussion it was moved and seconded to approve an award to Unite Private Networks LLC in the amount of \$163,163 for an IRU at Iowa Falls. Motion passed.*

Quality Assurance Inspection Services

The bid will provide quality assurance inspection services in the field to oversee the quality control of Outside Plant (OSP) vendors installing fiber optic facilities or Indefeasible Right of Use (IRU) services at Spirit Lake, Newton, Clarion, and Belmond. The build in Council Bluffs/Omaha has been withdrawn by Alegent Bergan Mercy Medical Center in Omaha. The evaluation and scoring of the bid for the remaining four sites was reviewed. *Following discussion it was moved and seconded to approve an award to Access Inspection Services for the remaining four sites for \$9,600. Motion passed.*

Network Electronics and Spare Parts

The bids proposed Course Wave Division Multiplexing/Dense Wave Division Multiplexing (CWDM/DWDM) hardware to connect multiple facilities in the Council Bluffs/Omaha area in a ring topology and various networking hardware and components as stocking spare parts to enable the IRHTP network to provide the highest network availability and uptime possible. Due to Alegent Bergan Mercy Medical Center withdrawing from the project, the requirements of chapter 5 (Course Wave Division Multiplexing/Dense Wave Division Multiplexing (CWDM/DWDM) hardware to connect multiple facilities in the Council Bluffs/Omaha area in a ring topology) have been withdrawn. Only one bid was

submitted for chapter six - spare parts. The evaluation and scoring of the bid was reviewed. The additional funds for the Council Bluffs/Des Moines hotel (\$80,400) and QA inspection services (\$2,400) will be added to the spare parts award. Following discussion it was moved and seconded to approve the award to Adeptel - Laurel for the spare parts contract in the amount of \$165,257. Motion passed.

There being no further business the meeting was adjourned at 4:30 pm.



MEMORANDUM

DATE: June 21, 2012
TO: FCC / USAC
FROM: Art Spies, Project Coordinator
SUBJECT: Evaluation, Scoring and Awards for IRHTP RFP 12-004

The 465 competitive bidding package for the IRHTP RFP 12-004 was filed and posted on May 4, 2012. The RFP requested outside plant fiber construction or IRU bids to complete dark fiber connections to two health care facilities, Quality Assurance Inspection Services (QAIS) for outside plant or IRU installations, CWDM/DWDM hardware, and spare parts for previously purchased network electronics. A bidder conference call was held on May 8, 2012 and a response to questions received was posted to the IHA website on May 14, 2012.

IRHTP received six bid proposals by the June 4, 2012 deadline as follows.

Outside Plant Dark Fiber Construction or IRU bids (3)

- Communication Innovators
- Communication Technologies, LLC
- Unite Private Networks, LLC (IRU)

Quality Assurance Inspection Services (1)

- Access Integration Specialists

Network Electronics and Spare Parts (2)

- Alcatel – Lucent (bid both)
- Walker and Associates INC (bid only CWDM/DWDM hardware)

An evaluation team including Tony Crandell (Principal Associate Access Integration Specialists), Dave Swanson (ICN) and Art Spies (IRHTP) reviewed and scored the outside plant and network electronics proposals using the criteria from the RFP. An evaluation team including Dave Swanson (ICN) and Art Spies (IRHTP) reviewed and scored the quality assurance inspection services proposal using the criteria from the RFP. A matrix with average score for each bid and recommendations follow.

The IRHTP Steering Committee met on June 20, 2012 by telephone conference call to review all of the bids submitted. Just as the conference call was beginning an email was received from Alegent Bergan Mercy Medical Center in Omaha. The email stated: "After much discussion and reflection regarding possible Alegent participation with the IRHTP project to obtain connectivity into Omaha, we've decided to not pursue the proposed project at this time." Based on the email, *the requirements for the chapter 3 fiber build in Council Bluffs /Omaha, chapter 4 for QA inspection services for the Council Bluffs/Omaha site and the chapter 5 Course Wave Division Multiplexing/Dense Wave Division Multiplexing (CWDM/DWDM) hardware to connect multiple facilities in the Council Bluffs/Omaha area in a ring topology have been withdrawn.*

Outside Plant Dark Fiber Construction or IRU bids

Provide last mile fiber optic connections from consortium hospitals to the closest appropriate ICN Point of Presence (POP). The Council Bluffs/Omaha site has been withdrawn.

Fiber Construction or IRU Site Bids

Site	Unite Private Networks, LLC	Communication Innovators	Communication Technologies
Iowa Falls	\$163,163 (IRU)	\$180,382 (constructed fiber)	\$242,428 (constructed fiber)
Alegent Mercy CB to Alegent Bergan Mercy Omaha	\$189,310 (IRU)	\$160,860 (constructed fiber)	\$192,425 (constructed fiber)

**RFP 12-004 Outside Plant Dark Fiber Construction or IRU
 Average Score**

Criterion	Unite Private Networks, LLC	Communication Innovators	Communication Technologies	Unite Private Networks, LLC	Communication Innovators	Communication Technologies
Location	Iowa Falls	Iowa Falls	Iowa Falls	Council Bluffs to Omaha	Council Bluffs to Omaha	Council Bluffs to Omaha
Project Experience 15 points	15	15	15	15	15	15
Cost 40 points	40	33.3	26.7	33.3	40	26.7
Grasp of Project 25 points	25	25	25	25	25	25
Vendor Capabilities 15 points	15	15	15	15	15	15
Invoicing and Audit 5 points	5	5	5	5	5	5
Total possible 100 points	100	93.3	86.7	93.3	100	86.7

Based on the review and score The IRHTP Steering Committee made an award to Unite Private Networks LLC in the amount of \$163,163 for an IRU at Iowa Falls.

Quality Assurance Inspection Services

Provide Quality Assurance Inspection Services in the field to oversee the quality control of Outside Plant (OSP) vendors installing fiber optic facilities or Indefeasible Right of Use (IRU) services at Spirit Lake, Newton, Clarion and Belmond. The Council Bluffs/Omaha site has been withdrawn. The bid (rate per

hour and hours) were the same as the initial bid \$75/ hour x 32 hours = \$2,400 per site for a total of \$9,600.

**RFP 12-004 Outside Plant Quality Assurance Inspection Services
 Average Score**

Criterion	Access Integration Specialists
Project Experience 15 points	15
Cost 40 points	40
Grasp of Project 25 points	25
Vendor Capabilities 15 points	15
Invoicing and Audit 5 points	5
Total possible 100 points	100

Based on receipt of one bid, the review and score the IRHTP Steering Committee made an award to Access Inspection Services for a total of \$9,600.

Network Electronics and Spare Parts

Proposes Course Wave Division Multiplexing/Dense Wave Division Multiplexing (CWDM/DWDM) hardware to connect multiple facilities in the Council Bluffs/Omaha area in a ring topology and various networking hardware and components as stocking spare parts to enable the IRHTP network to provide the highest network availability and uptime possible. **The requirements of chapter 5 (Course Wave Division Multiplexing/Dense Wave Division Multiplexing (CWDM/DWDM) hardware to connect multiple facilities in the Council Bluffs/Omaha area in a ring topology) have been withdrawn and only one bid was submitted for the spare parts.**

**RFP 12-004 Network Electronics and Spare Parts
 Average Score**

Criterion	Alcatel – Lucent USA, Inc. Network Electronics Chapter 5	Alcatel – Lucent USA, Inc. Spare Parts Chapter 6	Walker and Associates INC Network Electronics Chapter 5	Walker and Associates INC Spare Parts Chapter 6
Project Experience 15 points	*	15	*	No bid
Cost 40 points	*	40	*	No bid
Grasp of Project 25 points	*	25	*	No bid
Vendor Capabilities 15 points	*	15	*	No bid
Invoicing and Audit 5 points	*	5	*	No bid
Total possible 100 points	*	100	*	No bid

*The requirements of Chapter 5 have been withdrawn.

Based on receipt of one bid, the review and score the IRHTP Steering Committee made an award to Alcatel – Lucent for spare parts in the amount of \$165,897.

ATTACHMENT 5D
Disclosure Memoranda



MEMORANDUM

DATE: June 30, 2009

TO: Barbara Sheldon

FROM: Art Spies IRHTP Project Coordinator

SUBJECT: Use of Vendors as Consultants and Project Funding for QA Inspection Services RFP 002

The only vendor IRHTP used to develop the initial and revised Quality Assurance Inspection Services scoping documents/request for proposal (RFP) to the FCC Rural Health Care Pilot Program was the Iowa Communications Network (ICN). ICN staff is currently functioning as the project manager by developing various fiber build-out and electronics RFPs, evaluating the bids received, assist the IRHTP steering committee make the awards and will monitor the build-out, serve as a contractor contact for build-out issues and will certify the build-out and installation is complete. The ICN will not bid on the revised Quality Assurance Inspection Services RFP 002.

Following is a list of 25 IRHTP hospitals receiving FCC Rural Health Care Program funding in 2009. The IRHTP project funded by the FCC Rural Health Care Pilot Program is only for capital costs for the fiber and electronics build-out and **not** ongoing circuit fee and/or internet costs. After the IRHTP project is completed and hospitals are connected to the ICN, each hospital will have to make a decision whether to maintain what they have or switch to the ICN. At that point a change in FCC Rural Health Care program support will occur.

IRHTP Hospitals Receiving FCC Rural Health Care Program Circuit and Internet Subsidy

Hegg Memorial Health Center
Sioux Center Community Hospital & Health Center
Floyd Valley Hospital
Orange City Health Systems
Merrill Pioneer Community Hospital
Avera Holy Family Health
Osceola Community Hospital/Avera Health
Central Community Hospital
Adair County Memorial Hospital
Audubon County Memorial Hospital
Davis County Hospital

Page 3
Page
Date: 5/28/14

Madison General Hospital
Madison County Memorial Hospital
Madison County Hospital
Regional Health Services of Missouri
Missouri County Medical Center
Missouri Regional Healthcare Center
Pike Area County Hospital
Pike County Memorial Hospital
Pike County Hospital
Pike County Memorial Hospital
Pike County Health Center
Pike Regional Health Center
Pike County Memorial Hospital
Pike County Memorial Hospital



MEMORANDUM

DATE: April 11, 2011

TO: USAC/FCC

FROM: Art Spies, IRHTP Project Coordinator

SUBJECT: Evaluation, Scoring and Award for IRHTP RFP 10-001

The 465 competitive bidding package for the IRHTP RFP 10-001 was filed and posted on December 10, 2010. The RFP requested bids to provide a 20 years broadband lit service IRU between a point of presence on the IRHTP network in northwest Iowa to Avera Health and Sanford Health in Sioux Falls, South Dakota. A bidder's conference call was held on December 22, 2010. IRHTP received three bid proposals by the January 17, 2011 deadline from Long Lines, Mid-continent Communications and SDN Communications. An evaluation team including Dave Swanson (ICN), Tony Crandell (ICN consultant) and Art Spies (IRHTP) reviewed and scored each proposal using the criteria from the RFP. The signed vendor evaluation scoring matrix for each reviewer and an aggregate matrix is attached. Based on the review and score, the IRHTP steering committee on February 24, 2011 approved an award to SDN Communications. The minutes of the steering committee conference call are attached.



MEMORANDUM

DATE: April 19, 2012
TO: Barbara Sheldon
FROM: Art Spies, IRHTP Project Coordinator
SUBJECT: Disclosures

Tony Crandell, Principal Associate, Access Integration Specialists developed and I reviewed RFP 12-005 Meshed Ethernet Bandwidth and Connectivity. No other parties participated in the development or review of the RFP.

Per Camelia Rogers on April 19, 2012, any double dipping concerns will be addressed at the 466 Award level.



MEMORANDUM

DATE: April 27, 2012
TO: Barbara Sheldon
FROM: Art Spies, Project Coordinator
SUBJECT: Disclosures

Dave Swanson with the Iowa Communications Network (ICN) developed IRHTP RFP 12-004 *Outside Plant – Dark Fiber Construction or IRUs, Quality Assurance Services, CWDM/DWDM Systems and Network Electronics – Spare Parts*. The ICN will not bid on any part of the IRHTP 12-006 RFP.

ICN staff has functioned as the project manager by developing various fiber build-out, quality assurance and electronics RFPs, evaluating the bids received, assisting the IRHTP steering committee make the awards and has monitored the build-out, served as a contractor contact for build-out issues and has certified the build-out and installation is complete.



MEMORANDUM

DATE: June 7, 2012

TO: USAC/FCC

FROM: Art Spies, IRHTP Project Coordinator

SUBJECT: Evaluation, Scoring and Award for IRHTP RFP 12-005

The 465 competitive bidding package for the IRHTP RFP 12-005 was filed and posted on April 27, 2012. The RFP requested bids to provide seeks pricing and connectivity to integrate the sites listed into the IRHTP network; providing up to 1 Gb/s megabits of high speed Ethernet access, to a secure, dedicated, and financially sound network.

IRHTP received **one** bid proposal by the May 25, 2012 deadline from the Iowa Communications Network.

An evaluation team including Tony Crandell (Principal Associate Access Integration Specialists) and Art Spies (IRHTP) reviewed and scored each proposal using the criteria from the RFP. The signed vendor evaluation scoring matrix for each reviewer and an aggregate matrix are attached. Based on the review and score, the IRHTP steering committee on May 29, 2012 approved an award to the Iowa Communications Network. The minutes of the steering committee conference call are attached.

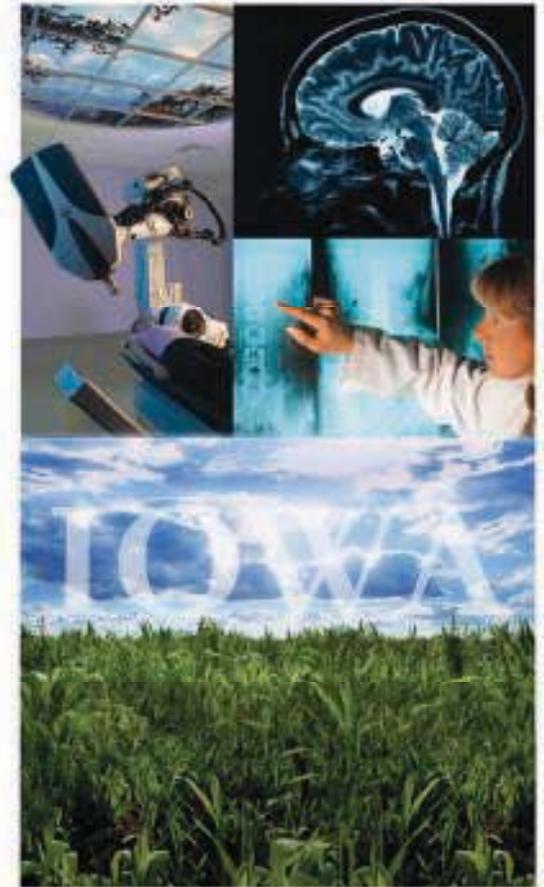
ATTACHMENT 6

**NOTICE TO VENDORS
REQUEST FOR PROPOSAL
IRHTP RFP 12-005**

**Meshed Ethernet Bandwidth and
Connectivity**

**Mr. Art Spies
Senior Vice President
Iowa Hospital Association
100 East Grand Avenue, Suite 100
Des Moines, IA 50309
spies@ihaonline.org**

**The Iowa Rural Health Telecommunications
Program (IRHTP) will be receiving sealed
bid proposals for RFP 12-005 until
3:00 p.m. CDST, May 25, 2012.**



**Healthcare
without limits™
faster
more reliable
co\$t effective**

Meshed Ethernet Bandwidth and Connectivity

THIS REQUEST FOR PROPOSAL CONSISTS OF FIVE CHAPTERS, THREE ANNEXES, AND FIVE ATTACHMENTS:

<u>CHAPTER</u>	<u>TITLE</u>
1	Administrative Issues
2	Contractual Terms
3	Technical Specifications
4	Testing Process and Procedures
5	Evaluation Process and Criteria
Annex A	Network Maps and Information
Annex B	List of HCP owned Link-Segment Locations
Annex C	List of HCP Owned Switch Locations
Attachment 1	Bid Proposal Compliance Form
Attachment 2	Authorization to Release Information
Attachment 3	Bid Proposal Submittal Form
Attachment 4	Certification Letter Format
Attachment 5	USAC Competitive Bidding Process

General Information

Iowa Rural Health Telecommunications Program

RFP 12-005

1.0 Introduction. The Iowa Rural Health Telecommunications Program (IRHTP) is a consortium of public and private hospitals seeking to solve the problem of isolation, travel, and limited resources that constrain health care delivery in rural Iowa and its surrounding region. To achieve this goal, IRHTP will leverage the expertise of the Iowa Hospital Association (IHA) as a health care collaborator, the capability of the Iowa Communications Network (ICN) in administering telecommunications services, and the Federal Communications Commission Rural Health Care Pilot Program in providing the funds to develop a statewide dedicated health care network. Previous RFPs and purchasing processes executed by IRHTP have established last-mile fiber connections or IRU Capacity Agreements to health care facilities in Iowa and South Dakota. This RFP seeks pricing and connectivity to integrate the sites listed into the IRHTP network, providing up to 100 Mbps of high-speed Ethernet access to a secure, dedicated, and financially sound network.

Specifically, the IRHTP is seeking bid proposals to provide pricing for Ethernet connectivity between consortium hospitals in increments of 3 Mbps, 6 Mbps, 10 Mbps, 20 Mbps, 50 Mbps, and 100 Mbps.

Current and Proposed System Information – Architecture. Previous outside plant RFPs were issued by the IRHTP consortium to provide a dark fiber path from consortium hospitals to an ICN Point of Presence (POP). These dark fiber paths, known hereafter as link-segments, that emanate from the HCP's owned Alcatel-Lucent 21 edge switch along the constructed hospital-owned fiber link or a leased IRU to a point currently located in a ICN Point of Presence terminating in a HCP-owned Alcatel 162. See Annex B – List of current Link segments.

Bandwidth Procurement. The Iowa Rural Health Telecommunications Program is soliciting proposals from qualified fiber optic network providers to cost out the various bandwidth circuits required to connect all of the IRHTP link-segments into a full-meshed Ethernet network ranging in increments from 3 Mbps to 100 Mbps. It is the intent of the IRHTP to establish Evergreen, automatically renewing, 2-year contracts with the vendor. The bandwidth procured will take an HCP to an end destination point requested on the IRHTP Network.

Vendor Must Reuse Existing FCC USAC funded Infrastructure. FCC USAC guidance stipulates that the successful vendor must use the FCC USAC funded infrastructure to include HCP-owned and constructed fiber IRUs and the health care provider (HCP)-owned electronics. The successful vendor may relocate the HCP-owned equipment from the ICN endpoints as desired.

Must Bid All Points. A vendor must bid Ethernet connections to all of the points listed on this RFP. Bids that are received with missing end points will not be evaluated.

Responsible Party For Payment of Accounts. The Iowa Hospital Association will be the responsible party on behalf of IRHTP and the individual HCPs to pay the vendor for the charges assessed under this RFP.



CHAPTER 1
ADMINISTRATIVE ISSUES

RFP 12-005

1.0 General. The Rural Health Care Program of the Universal Service Fund (USF) which is administered by the Universal Service Administrative Company (USAC) is a support program authorized by Congress and designed by the Federal Communications Commission (FCC) to provide reduced rates to rural health care providers (HCPs) for telecommunications services and Internet access charges related to the use of telemedicine (tele-health). The Iowa Rural Health Telecommunications Program (IRHTP) and the Iowa Hospital Association (IHA) received approval to proceed with the connection of Iowa hospitals to the Iowa Communications Network using newly constructed or existing fiber optic cable facilities. IRHTP is seeking bid proposals for meshed Ethernet bandwidth and connectivity at health care locations throughout the State of Iowa.

1.1 Notice. This project is subject to the USAC procurement rules. The IRHTP will submit a USAC Form 465 (RFP) and supporting documentation to USAC who will review the documentation and will post the RFP on the USAC website. All RFPs will be open for response and bidding for a minimum of twenty-eight (28) days after the posting. After documents are posted to the USAC website, the following process will commence.

1.2 Schedule and Submission of Proposal.

1.2.1 Questions and Answers. Bidders are invited to submit written questions and/or requests for interpretation/consideration/acceptance concerning this RFP on or before 4:00 p.m. CST Friday, **May 11, 2012**. Bidders with questions concerning this RFP may submit questions in writing via email to Art Spies at aspies@ihaonline.org. Oral questions will not be accepted and verbal communications shall not override written communications. Only written communications are binding on IRHTP. If the questions/requests for clarifications or suggestions pertain to a specific section of the RFP, the page and section numbers must be referenced. IRHTP will prepare a written response to all pertinent questions submitted by bidders and will post questions and responses on the Iowa Hospital Association web page www.ihaonline.org by the close of business on Friday, **May 11, 2012**. The IRHTP's written responses will be considered part of the RFP. If the IRHTP decides to adopt a suggestion, the IRHTP will issue an amendment to the RFP.

1.2.2 The IRHTP assumes no responsibility for verbal representations made by its consortium members and representatives unless such representations are confirmed in writing by the IRHTP and incorporated into this RFP.

1.2.3 Changes and Amendments. In the event it becomes necessary for IRHTP to amend/add to or delete any part of this RFP, the amendment will be posted on the IHA website. Bidder's bid proposal must include acknowledgment of all addenda issued by IRHTP. If the IRHTP amends the RFP after the closing date of receipt of proposals, the IRHTP may in its sole discretion allow bidders to amend their bid proposals in response to the IRHTP's amendment.

1.2.4 Receipt of Bid Proposals. Bid Proposals must be received at IHA's office no later than 3:00 p.m. CST Monday, **May 25, 2012**. **This requirement is a mandatory requirement and is not a minor deficiency subject to waiver by the IRHTP.** No bid proposals will be accepted after the date and time specified. A late bid proposal shall be returned unopened to the bidder. Additionally, no bid proposal will be accepted by telephone, electronic mail or facsimile. **The bid proposals must be mailed (with mailing in sufficient time to arrive on or before this deadline requirement) or be delivered as follows:**

Mailing Address

Iowa Hospital Association
Attn: Mr. Art Spies
1 East Grand Ave Suite 1
Des Moines, Iowa 50319

Deliver To

Iowa Hospital Association
Attn: Mr. Art Spies
1 East Grand Ave Suite 1
Des Moines, Iowa 50319

If bid proposals are delivered by mail service, express courier, delivery service or company, or in person, it shall be the sole responsibility of the Vendor submitting the proposal to insure that such delivery takes place prior to the aforementioned deadline. There shall be no waiving of the deadline.



due to missed deliveries on the part of the Vendor, Vendor's delivery staff or Vendor's choice of delivery service(s). Deliveries made directly to IHA must be placed with the IHA staff person able to accept such delivery.

1.2.5 Bid Proposal Opening Bid Proposals will be opened at 3 p.m. CST on **May 25, 2012**. The bid proposals and the evaluation documents created by the IRHTP will remain confidential until the evaluation committee has evaluated all bid proposals submitted in response to this RFP and the IRHTP has issued a notice of award. The bid proposals submitted and the evaluation documents created by the IRHTP may be available for inspection subject to FCC and USAC guidelines or other applicable law only after the selection process is complete.

1.2.5.1 Failure to comply with or supplement and all information requested to accompany bid proposals may be cause for rejection of the proposal as non-compliant.

1.2.5.2 All bid proposals shall be firm for a period of 30 days to allow the evaluation committee to fully evaluate all proposals and make an award deemed to be in the best interest of IRHTP.

1.2.5.3 By submitting a bid proposal the vendor agrees to the terms and conditions contained within this RFP.

1.3 Proposal Submission Format.

1.3.1 Bid Proposals shall be printed on 8.5 x 11 paper. The proposals should be in 3-ring binders with appropriate tabs for reference. The original bid proposal must be in a package CLEARLY MARKED **IRHTP RFP 12-005 Proposal** on the outer envelope or wrapping. This is necessary to insure that the response package is handled properly for verification against the RFP deadline. Lack of notation of the RFP number may affect the receipt timing and affect the evaluation process. Vendor should consider this item as a critical factor when submitting a response.

1.3.2 To achieve a uniform review process and the maximum degree of comparability, proposals shall be organized in the following manner:

1.3.2.1 **Title page** that includes the subject of the bid proposal, the RFP number being responded to, **12-005**, name of vendor, address, name of designated contact person, telephone number, facsimile telephone number, E-mail address for vendor's contact person, and if applicable, the cellular telephone number of contact person, and the date.

1.3.2.2 **Completed Bid Proposal Compliance Form (Attachment 1).**

1.3.2.3 **Completed Authorization to Release Information Form (Attachment 2).**

1.3.2.4 **Completed Bid Proposal Submittal Forms (Attachment 3).**

1.3.2.5 **Completed Certification Letter format (Attachment 4).**

1.3.3 Number of Copies Vendors shall submit one (1) with original blue-ink signatures and three (3) copies in addition four (4) soft copies of the bid proposal shall be provided on 4 CDs using Microsoft Word and Excel if proposal contains spreadsheets.

1.4 Clarification of Proposals and Obtaining Information. IRHTP reserves the right to contact a vendor after submission of bid proposals for the purpose of clarifying a bid proposal to ensure mutual understanding. This contact may include written questions, interviews, site visits, and a review of past performance if the vendor has provided goods or services to the IRHTP or its consortium members, USAC or the ICN or requests for corrective pages in the vendor's bid proposal. This information may be used to evaluate the vendor's bid proposal. However, the information received from the vendor shall not be considered in the evaluation of a vendor's bid proposal if the information materially alters the content of the bid proposal. IRHTP reserves the right to obtain information concerning an vendor or an proposal from any source and to consider such information in evaluating the vendor's bid proposal.

1.5 Waiver of Deficiencies. IRHTP reserves the right to waive minor deficiencies in a bid proposal if, in the judgment of IRHTP, the consortium's best interest will be served. The decision as to whether a deficiency will be waived or will require the rejection of a bid proposal will be solely within the discretion of IRHTP. There is no guarantee or assurance that a deficiency will be deemed minor and that a deficiency will be waived. Each vendor is specifically notified that failure to comply with or respond to any part of this RFP requiring a response may result in rejection of the bid proposal as not responsive.

1. Cost of Bid Proposal. IRHTP is not responsible for any costs incurred by a vendor which are related to the preparation or delivery of the bid proposal or any other activities carried out by the vendor as it relates to this RFP. The costs of preparation and delivery of the bid proposal are solely the responsibility of the vendor.

1. Bid Proposal Obligations. The contents of the bid proposal and any clarification thereto submitted by the successful vendor shall become part of the contractual obligation and incorporated by reference into the ensuing Contract.

1. Bid Proposals Property of IRHTP. Except as otherwise stated herein, all bid proposals become the property of the IRHTP and shall not be returned to the vendor unless all bid proposals are rejected. In the event all bid proposals are rejected, vendors will be asked to send prepaid shipping instruments to the IRHTP for return of the bid proposals submitted. In the event no shipping instruments are received by the IRHTP, the bid proposals will be destroyed by the IRHTP. Additionally, the evaluation documents created by the IRHTP will be destroyed in the event all bid proposals are rejected. Otherwise, at the conclusion of the selection process, the contents of all bid proposals may be placed in the public domain and be opened to inspection by interested parties subject to appropriate FCC, USAC, and federal procurement regulations.

1.9 Rejection and Disqualification of Bid Proposals.

1.1 IRHTP reserves the right to reject any and all bid proposals in whole and in part received in response to this RFP at any time prior to the execution of a written Contract. Issuance of this RFP in no way constitutes a commitment by IRHTP to award the Contract. This RFP is designed to provide vendors with the information necessary for the preparation of competitive bid proposals. This RFP process is for IRHTP's benefit and is intended to provide IRHTP with competitive information to assist in the selection of goods and services.

1.2 The IRHTP may reject a bid proposal outright and not evaluate the proposal for any one or more of the following reasons:

- 1.2.1 Failure of vendor to deliver the bid proposal by the due date and time.
- 1.2.2 Failure to include the Bid Proposal Compliance Form signed by an officer of the vendor submitting the bid proposal. Attachment 1.
- 1.2.3 Failure to include the Authorization to Release Information Form. Attachment 2.
- 1.2.4 Failure to include a completed Bid Proposal Submittal Form. Attachment 3.
- 1.2.5 The vendor states that a technical requirement cannot be met.
- 1.2.6 The vendor's response materially changes a technical requirement.
- 1.2.7 The vendor's response limits the rights of the IRHTP.
- 1.2.8 The vendor fails to respond to the IRHTP's request for information, documents, or references.
- 1.2.9 The vendor's exceptions to the contract terms and conditions described in Chapter 2 and Attachment 1, Contractual Terms and Conditions, materially change the terms and conditions of that section or the requirements of this RFP.
- 1.2.10 The vendor provides misleading or inaccurate responses.
- 1.2.11 The vendor's proposal is materially unbalanced.
- 1.2.12 The vendor cannot certify operational readiness by June 2, 2012.

1.10 Public Records and Requests for Confidentiality

1.1.1 The release of information by IRHTP to the public is subject to appropriate FCC, USAC, federal procurement regulations, and other applicable provisions of law relating to the release of records in the possession of the IRHTP. Vendors are encouraged to familiarize themselves with these provisions prior to submitting a bid proposal. All information submitted by a vendor may be treated as public information by IRHTP unless the vendor properly requests that information be treated as confidential at the time of submitting the bid proposal. **In the event the Vendor marks each page of its bid proposal as proprietary or confidential without adhering to the requirements of this Section, the IRHTP may reject the bid proposal as noncompliant.**



1.1.2 An requester for confidential treatment of information must be included in a cover letter with the vendor's bid proposal and must enumerate the specific grounds which support treatment of the material as confidential and must indicate where disclosure is not in the best interests of the public. The request must also include the name, address and telephone number of the person authorized by the vendor to respond to inquiries by IRHTP concerning the confidential status of the materials.

1.1.3 All documents submitted which contain confidential information must be marked on the outside as containing confidential information and each page upon which confidential information appears must be marked as containing confidential information. The confidential information must be clearly identifiable to the reader wherever it appears. All copies of the proposal submitted, as well as the original proposal, must be marked in this manner. **Failure to properly mark information as confidential shall relieve the IRHTP from any responsibility if the information is viewed by the public, a competitor, or is any way accidentally released.**

1.1.4 In addition to marking the material as confidential material where it appears, the vendor must submit one (1) hard copy printed of the bid proposal from which the confidential information has been excised. This hard copy of the proposal MUST be clearly marked as "Excluding Confidential Materials". In addition to a hard copy, the vendor must also include an electronic copy of the non-confidential portions of the proposal on CD-ROM using Microsoft Word and Excel as appropriate. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the document as possible. The excised version must be submitted with the cover letter and made available for public inspection. This submittal is a mandatory requirement and is not subject to waiver. Failure to mark the confidential items and to provide the required one (1) copy with confidential information excised shall be defined as allowance for the entire proposal to be treated as a public record.

1.1.5 The vendor's failure to request in the bid proposal confidential treatment of material pursuant to this Section and the relevant laws and administrative rules will be deemed by IRHTP as a waiver of any right to confidentiality which the vendor may have had.

1.11 Restrictions on Gifts and Activities. No gifts or other activities will be accepted.

1.12 Restriction on Communication. Vendors should funnel all communications through the Project Coordinator in order to receive the highest quality response from the consortium. Please refer to Chapter 2, section 1.2.2 regarding questions and answers.

1.13 Nonmaterial and Material Variances. The IRHTP reserves the right to waive or permit cure of nonmaterial variances in the bid proposal if, in the judgment of the IRHTP, it is in the IRHTP's best interest to do so. Nonmaterial variances include minor informalities that do not affect responsiveness that are merely a matter of form or format that do not change the relative standing or otherwise prejudice other vendors that do not change the meaning or scope of the RFP or that do not reflect a material change in the services. In the event the IRHTP waives or permits cure of nonmaterial variances, such waiver or cure will not modify the RFP requirements or excuse the vendor from full compliance with RFP specifications or other contract requirements if the vendor is awarded the contract. The determination of materiality is in the sole discretion of the IRHTP.

1.1 Copyrights. By submitting a bid proposal, the vendor agrees that IRHTP may copy the bid proposal for purposes of facilitating the evaluation or to respond to requests for public records. The vendor consents to such copying by submitting a proposal and warrants that such copying will not violate the rights of any third party. IRHTP will have the right to use ideas or adaptations of ideas which are presented in the proposals. In the event the vendor copyrights the bid proposal, the IRHTP may reject the bid proposal as noncompliant.

1.15 Conflict Between Terms. IRHTP reserves the right to accept or reject an exception taken by the vendor to the terms and conditions of this RFP. Substantial variations between the vendor's terms and conditions and those contained in this RFP may be grounds for rejection of the vendor's bid proposal as non-responsive and non-compliant.

1.1 Release of Claims. With the submission of a bid proposal, the vendor agrees that it will not bring a claim or have any cause of action against IRHTP or its consortium members based on any misunderstanding concerning the information provided herein or concerning IRHTP's failure, negligent or otherwise, to provide the vendor with pertinent information as intended by this RFP.

1.1 Construction of RFP with Laws and Rules. Changes in applicable laws and rules may affect the award process or the resulting Contract. Vendors are responsible for ascertaining pertinent legal

requirements and restrictions. Vendors are encouraged to visit the USAC Rural Health Care Pilot Program website <http://www.usac.org/rhc-pilot-program> and the FCC website <http://www.fcc.gov/cgb/rural/rhcp/html/orders>

1.1 RFP Copy. Copies of the RFP will be available on the USAC Rural Health Care Pilot Program web site at <http://www.usac.org/rhc-pilot-program/tools/search-postings.aspx>. In addition the RFP will also be available to vendors via the Iowa Hospital Association web site at <http://www.ihonline.org>. Click on members and groups and then click on IRHTP. Vendors may also request a copy of the RFP electronic copy by contacting the Iowa Hospital Association 515-271-5500. A copy requested will be issued via e-mail.

1.19 Downloading RFP from the Internet. The RFP Amendments and all responses to vendor questions will be posted on the Iowa Hospital Association web site at <http://www.ihonline.org>. Vendors are advised to check the IHA website periodically for amendments to this RFP as vendors will not automatically receive Amendments and responses.

1.20 Definition of Contract. The full execution of a written contract shall constitute the making of a contract for services and no vendor shall acquire any legal or equitable rights relative to the contract services until the Contract has been fully executed by the successful vendor and the IRHTP.

1.21 Award Notice and Acceptance Period. The IRHTP will send an Award Notice to all vendors submitting a timely bid proposal. Negotiation and acceptance of the contracts shall be completed with the successful vendor no later than sixty (60) days after the Award Notice. If an apparent successful vendor fails to negotiate and deliver the executed contract by that date the IRHTP may in its sole discretion cancel the award and award the contract to the next highest ranked vendor. The IRHTP reserves the right to continue negotiations after sixty (60) days if in IRHTP's sole discretion IRHTP deems it to be in the best interests of IRHTP to do so.

1.22 No Minimum Guaranteed. The IRHTP anticipates that the selected vendor will provide services as requested by the IRHTP. The IRHTP will not guarantee that a minimum compensation will be paid to the vendor or that a minimum usage of the vendor's services.

1.23 Criminal History and Background Investigation. The IRHTP reserves the right to conduct criminal history and other background investigations of the vendor, its officers, directors, shareholders, or partners and personnel retained by the vendor for the performance of the Contract.

1.2 Suspension and Debarment. IRHTP may review all vendors responding to this RFP to validate them against the FCC's Suspension and Debarment list <http://universalservice.org/sl/about/suspensions-debarments.aspx>.

Persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the Schools and Libraries Support Mechanism are subject to suspension and debarment from the program.

FCC rules provide that there are two stages to this process. First, when the FCC becomes aware that a person has been convicted of a crime or judged civilly liable for certain acts arising out of that person's participation in the program, the FCC suspends that person from activities related to the program. The FCC issues a public Notice of Suspension and of Proposed Debarment. The notice of suspension informs the suspended person or other interested party that they have 30 days to oppose the proposed debarment. The second stage of this process is the actual debarment. The FCC will, absent extraordinary circumstances, provide notice of a decision to debar within 30 days of receiving an information from the person proposed for debarment.

CHAPTER 2
CONTRACTUAL TERMS
RFP 12-005

2.1 Contractual Terms Generally.

2.1.1 The Contract which the IRHTP expects to award will be based upon the bid proposal submitted by the successful vendor awarded the Contract and this solicitation. The Contract between the IRHTP and the vendor shall be a combination of the specifications, terms and conditions of the Request for Proposal, the offer of the vendor contained in its bid proposal, written clarifications or changes made in accordance with the provisions herein, and any other terms deemed necessary by the IRHTP.

2.1.2 Vendors should plan on negotiated terms being included in any Contract awarded as a result of this RFP. All costs associated with complying with these requirements should be included in any pricing quoted by the vendor.

2.1.3 By submitting a bid proposal, each vendor acknowledges its acceptance of these specifications, terms and conditions without change, except as otherwise expressly stated in the appropriate section of the Bid Proposal Compliance Form, Attachment 1. If a vendor takes exception to a provision, it must state the reason for the exception and set forth in Attachment 1 of its bid proposal the specific Contract language it proposes to include in place of the provision. Exceptions that materially change these terms or the requirements of the RFP may be deemed non-responsive by the IRHTP in its sole discretion, resulting in possible disqualification of the bid proposal. The IRHTP reserves the right to either award a Contract without further negotiation with the successful vendor or to negotiate Contract terms with the selected vendor if the best interests of the IRHTP would be served.

2.2 Additional Cost Items Not In Contract. IRHTP is unaware of any additional Contract terms that would add cost. Notwithstanding, should any Contract items arise that would cost additional monies, those costs shall be borne by the vendor.

2.3 Additional Vendor Information. The FCC's Fourteenth Order on Reconsideration, CC Docket No. 06-45, FCC 06-256, 11/3/06, stipulated that telecommunications carriers are no longer required to be Eligible Telecommunications Carriers (ETCs) to participate in this program. All non-traditional telecommunications service providers may participate. Service providers intending on responding to this RFP must secure a Service Providers Identification Number (SPIN) from USAC. See the USAC website for details on how to secure a SPIN.

2. Bid Proposal Security - Performance Bond. Not Required.

2.5 Vendor must acquire USAC SPIN and provide on Bid Proposal Compliance Form

2. Debarment, Suspension and Other Responsibility Matters. The vendor and all of its subcontractors shall certify that the company or corporation is not presently or within the last three years debarred, suspended, proposed for suspension, declared ineligible, or excluded from covered transactions by any government agency, or has not been reported to or questioned by a consumer protection office regarding its business practices, or it or its officers or directors are not presently or within the last three years indicted for or otherwise criminally or civilly charged by a government entity for the commission of a public offense related to its business, or has not within the last three years had any government transactions terminated for cause or default, or within the last three years has been terminated from or denied extension of a contract for any of the reasons above, in addition to the vendor's failure to maintain compliance of contract specifications, or has failed to bargain or negotiate in good faith, conflicts not clearly specified or contained in the contract.

CHAPTER 3
TECHNICAL SPECIFICATIONS
RFP 12-005

MANDATOR NET OR REQUIREMENTS

3.0 Mandatory Requirements. The purpose of this Section is to identify the mandatory requirements and conditions a bid proposal **must** fulfill before an consideration will be given. Each mandatory requirement requires a positive response by providing confirmation of compliance and information describing how the vendor doesn't meet, meets or exceeds the mandatory requirement. **VENDOR MUST RESPOND TO ALL SECTIONS (AND SUB-SECTIONS) OF CHAPTER 3 TO HAVE ITS BID PROPOSAL CONSIDERED.**

- 3.1 Vendor shall provide the following general background information of vendor
- 3.2 Name, address, telephone number, fax number and e-mail address of the vendor including all dba's or assumed names or other operating names of the vendor
- 3.3 Form of business entity i.e. corporation, partnership, proprietorship, limited Liability Company
- 3.4 State of incorporation if a corporation. If a limited liability company, state of formation
- 3.5 Identify and specify the location(s) and telephone numbers of the major offices and other facilities that relate to the vendor's performance under the terms of this RFP
- 3.6 Local office addresses and phone number
- 3.7 Number of employees
- 3.8 Type of business
- 3.9 Name, address and telephone number of the vendor's representative to contact regarding all contractual and technical matters concerning this proposal
- 3.10 Name, address and telephone number of the vendor's representative to contact regarding scheduling and other arrangements
- 3.11 Identify the vendor's accounting firm
- 3.12 The successful vendor will be required to register to do business in Iowa. If already registered, provide the date of the vendor's registration to do business in Iowa
- 3.13 Vendor must provide the following legal or administrative information
 - 3.13.1 During the last five (5) years, describe any damages or penalties or anything of value traded or given up by vendor under any of its existing or past contracts as it relates to services performed that are similar to the services contemplated by this RFP and the resulting Contract. If so, indicate the reason for the penalty or exchange of property or services and the estimated amount of the cost of that incident to the vendor.
 - 3.13.2 During the last five (5) years, describe any order, judgment or decree of any Federal or State authority barring, suspending or otherwise limiting the right of the vendor to engage in any business practice or activity.

3.1 Link-Segments.

- 3.1.1 A link-segment is generally defined as the fiber optic facility beginning at the health care providers HCP Alcatel-Lucent 21 edge switch and continuing on until terminated on the Alcatel-Lucent 16.2 aggregation switch currently at a designated ICN aggregation point
- 3.1.2 Each link-segment constructed or provided as part of this project is engineered and tested for a minimum of one gigabit of throughput from the local hospital to the specified ICN aggregation point



3.2 Handoff. Methodology of the handoff will be negotiated with the successful vendor at contract signing

3.3 Vendor Requirements.

3.3.1 The vendor must submit a detailed overview of the proposed network and how the vendor proposes to implement the installation, testing, and handoff of the new service

3.3.2 The vendor must detail the process on how the HCP will accomplish an incremental change of bandwidth and the respective change in billing process

3.3.3 Vendor must fulfill all of the requirements of chapter 4 Testing Process and Procedures

3.3.4 The vendor must detail the process for issuing reimbursements for lost service

3.3.5 All installation charges resulting from the implementation of this RFP 12- 5 and all other fees and taxes or other charges other than the monthly cost per increment must be imbedded in the monthly rate. IRHTP will pay no other costs other than the costs submitted on the 12-5 Bid Submittal form

3. Local Hospital. IRHTP has designated a local on-site coordinator at each participating hospital. The on-site coordinator has designated the location of the fiber termination within the building. Any service turn-up must be coordinated with this on-site coordinator

3.5 Change Orders. The vendor must submit a firm fixed price for each site bid for each increment listed on the Bid Submittal Form. There are no funds set aside or budgeted for contingencies or change orders

3. Value Engineering. If the vendor determines that there exists an opportunity to increase the value of the network by modifying or changing the design as was depicted in the bid submission narrative, the IRHTP will consider that change even though the change may increase overall cost. The IRHTP is not bound to accept any value engineering proposals. Examples of value engineering are, but not limited to: A Innovative Bandwidth Capacity Pricing Plan

CHAPTER
TESTING PROCESS AND PROCEDURES
RFP 12-005

.0 Connections shall terminate on vendor provided equipment located at the respective HCP end points and the ICN POP s

.1 The existing IRHTP network is a combination of physical Layer 1 and 2 fiber backbone and wavelengths Layer 2/3 carrier Ethernet transport and IP MPLS switches and Layer 3 logical IP services core routers. As the first mile extension of the IRHTP network, this access network must adhere to established architectural parameters and services frameworks. In particular, to provide consistent access to the IRHTP network, access circuits must be a combination of these same elements of Layer 1 and 2 connectivity and Layer 2 transport capabilities. Without all of these elements, the access circuit will not function correctly with the IRHTP network.

The IRHTP network is configured to provide sufficient throughput and gateway routing capabilities. Ethernet traffic may enter the network at an authorized transport switch and be carried through the IRHTP network for delivery to the destination.

In addition to adequate physical space, conditioned power, environmental control, and controlled security, the HCP end points will also provide, at its expense and not a part of this RFP, an Alcatel Lucent 21 edge switch.

The transport connection itself must provide a minimum of 1 Gbps of bandwidth. Each individual HCP will order a specified amount of symmetrical Ethernet service, the desire in increments of 3 Mbps, 6 Mbps, 10 Mbps, 15 Mbps, 20 Mbps, 25 Mbps, 30 Mbps, 35 Mbps, 40 Mbps, or 45 Mbps. A transport technology chosen must be capable of passing 2.1 Gbps LAN tags through the access connections and the IRHTP network.

The customer interface from the AL 21 edge switch at the HCP end points shall be a copper cable connected to a 10/100/1000 Ethernet port with a minimum bandwidth throughput configuration of 1 Gbps.

Switching decisions at the edge switch will be made based on currently configured LANs.

.2 Test and Acceptance. Vendor will be required to coordinate all testing of circuits with the appropriate parties.

Vendors are required to fully describe their service performance level agreements in their bid submissions. These service performance agreements must minimally meet the criteria explicitly defined in the RFP requirements. Service and performance level details will be considered material criteria for awarding contracts.

As specific contracts are awarded under this program, a testing and acceptance process as outlined below will be performed by the ICN on behalf of IRHTP for each specific contract awarded based on the information provided in the proposal of the winning vendor(s).

This testing and acceptance process will be consistent with customary and normal industry procedures and practices used to validate and verify the technology used to deliver the required bandwidth and the needs of the users of the access connections.

Upon the successful verification of service performance criteria as outlined in the bid via completion of the testing and acceptance process, a formal acceptance document will be issued to the bidder by the IRHTP.

Vendors may invoice IRHTP for services as described in Attachment 3 of the RFP on a monthly basis.

If the vendor has already tested a link segment that is in operation, he need not retest said link segment.

The RFC 2544 standard, established by the Internet Engineering Task Force (IETF) standards body, is the de facto methodology that outlines the tests required to measure and prove performance criteria for carrier Ethernet networks. The standard provides an out-of-service benchmarking methodology to evaluate the



performance of network devices using throughput back-to-back packet loss and latency tests with each test validating a specific part of an SLA. This methodology defines the frame size, test duration and number of test iterations. Once completed, these tests will provide performance metrics of the Ethernet network under test.

In order to ensure that an Ethernet network is capable of supporting a variety of services such as VoIP, video, etc., the RFC 2544 test suite supports seven pre-defined frame sizes: 64, 128, 256, 512, 1024, 1518, and 1518 bytes, to simulate various traffic conditions. Each frame size will be tested.

.3 Test and Accept Documentation Process:

1. Notification of circuit availability will be sent by vendor to IRHTP test and accept resource.
2. IRHTP Ticket Number will be issued.
3. Within 3 business days, IRHTP will arrange for a circuit test date. Notification will be sent via email to vendor contact provided in RFP response.
4. After a formal notification has been sent to the IRHTP, the IRHTP test and accept technician will be dispatched to verify circuit compliance to RFC 2544 testing criteria.
5. IRHTP will have 1 business day to test and accept or deny the above test findings.
6. The vendor tester shall have two additional attempts to correct any non-compliance issues with the circuit before IRHTP will decline the circuit all together without any obligations.

Upon acceptance or denial of a circuit, the IRHTP will notify the vendor contact listed in RFP response of the results via email within 5 business days of test results.

. Service Capabilities and Configurations.

.1 Service Availability, Packet Loss and Latency. Availability shall be defined as the percentage of total time that service is operative when measured over a 3 day calendar month, 24 hour period.

Ethernet service will be considered inoperative when service is degraded to a level in which the packets are not passed between the customer side of the Layer 2 switch located at the HCP end point and the IRHTP side of the Layer 2 switch at the selected ICN POP.

.2 The end-to-end availability test standard for Ethernet service specified for the connection is 99.999%.

The response time by the vendor shall be no greater than 3 hours from notification by the network operator or the end point IT department of a service interruption.

Vendor shall provide proactive notification and update the network managers hourly on progress attempts to fix the incident. Vendor shall also provide IRHTP with an escalation contact list.

Performance is noted in terms of packet loss and latency.

Packet Loss Ratio is defined as the percentage of in-profile Ethernet frames not reliably delivered between the HCP Layer 2 edge switch to the ingress/egress point of the IRHTP Network Layer 2 switch over a given measurement interval.

.2 Packet Loss Ratio shall be no more than 0.5% when tested end to end.

Latency is defined as the average time it takes a packet to travel from the customer Layer 2 edge switch to the ingress/egress point of the IRHTP network Layer 2 switch over a given measurement interval.

.3 Latency shall be no more than 1000 microseconds when tested end to end.

These requirements will be explicitly included in the contract with the successful vendors.

.4 Regulatory Approval. Vendor acknowledges that it has all relevant local, state, and federal regulator approval for all services, features, equipment, discounts, and promotions proposed.

.5 Disaster Recovery. Vendor shall provide in their RFP response a detailed written outline of relevant infrastructure systems and contingency processes in place to provide disaster recovery capabilities for the Services offered in their bid response.

. . **Installation Intervals** Vendor shall state the installation timeline for each location where Ethernet connections are proposed. IRHTP requires that the installation interval for connectivity not exceed 3 days from contract signature. Vendors shall indicate guarantees and/or remedies provided to IRHTP if the installation intervals are exceeded. In the event a fiber optic cable must be extended into an ICN POP or HCP end point, vendor shall incorporate the estimated time required to extend fiber optic service to the vendor's location within the required 3-day period. All ICN POPs and HCP end points will provide a minimum 2-inch duct already in place to the public ROW at no charge to the vendor.

. . **Maintenance and Monitoring** Maintenance and monitoring shall be provided on a 24 x 365 basis.

. . **Network Operations Center (NOC)** Vendor shall describe in detail their NOC capabilities that will be utilized in providing support for the Ethernet connections they are bidding.

Included in this information shall be hours of operation, skill levels and responsibilities of staff, trouble ticket system, level of proactive monitoring, end user notification capabilities, and any other relevant information deemed appropriate for the analysis of the vendor's bid.

. .9 **Out of Service Credits.** Vendor agrees to credit the HCP in the amount of three times the prorated monthly charge based on hours of non-compliance down time, not to include advance notice planned outages for maintenance, for service outages calculated on a third-day month/2-hour basis.

A service outage is defined as an outage of service of thirty minutes or more for an eight-hour period.

Issuance of credit process should be described in detail by vendor in the RFP response.

. .10 **Service Level Agreements** Vendor shall include their written SLA for the service proposed. As a minimum, describe the guaranteed layer 2 circuit loss, jitter, and latency allowances within the Service Level Agreement and how that level of service explicitly complies with the specification criteria outlined in the RFP. Service and performance level details will be considered material criteria for awarding contracts.

. .11 **Scalability** IRHTP requires the ability to scale up or down the bandwidth without penalty during the entire two-year Agreement contract period. For bid evaluation purposes, the period for any changes in bandwidth, either up or down, will be in periods of not less than 3 days for each increment. The base level bandwidth, however, shall not decrease below 3 Mbps during the two-year contract period.

If the bandwidth is temporarily increased above 3 Mbps, it may be decreased back to the 3 Mbps base level within the required timeline window stated above, at the discretion of each HCP or IRHTP.

Vendor shall include in their response whether or not their implementation and billing system can accommodate this flexibility, and if so, what a Non-Recurring Charge (NRC) may apply and what the order and implementation timelines are to accommodate incremental bandwidth changes, both up and down. The vendor must be capable of billing for the incremental bandwidth changes, both up and down, over the 3 Mbps base level increment on a 3-day billing cycle.

. .12 **FAILURE TO MEET STANDARDS** Failure to meet the aforementioned testing and installation standards will result in an immediate termination of the contract.

. .13 **Vendor Support** To assure each location receives appropriate levels of service and account leadership, describe how you will support each location.

IRHTP requires an account team committed to providing quality service and prompt response at all times. Provide the roles and responsibilities of each account team member, pre and post sale, in a hierarchical format including their management staff. Phone numbers, pager numbers, fax numbers, email, and postal addresses should be included on the hierarchy for escalation purposes. Account team members should include, at a minimum, a billing representative, an order representative, a technical support representative, and a management level representative.

. .1 **Vendors Project Manager.** Vendor will assign a Project Manager to the project that will act as the Single Point of Contact for IRHTP. The Project Manager will manage the overall project ordering.



provisioning installation testing turn-up trouble-shooting and bill reconciliation Project Manager should have a minimum of 1- year experience managing projects of this type

- . .15 **Vendor agrees.** Vendor must make a positive statement agreeing to meet all of the aforementioned testing process and procedures

CHAPTER 5
EVALUATION CRITERIA
RFP 12-005

5.1 Award Process.

- 5.1.1 An evaluation committee assigned by personnel within the IRHTP will review the bid proposals. The evaluation committee will consider all information provided when making its recommendations and may consider relevant information from other sources.
- 5.1.2 The evaluation committee will make its recommendation to the IRHTP Project Coordinator indicating the committee's choice. The IRHTP Steering Committee will select the vendor to receive the award. The IRHTP Steering Committee is not bound by the evaluation committee's recommendation. All vendors submitting Bid Proposals will receive notification of the award.
- 5.1.3 All applicable contracting requirements imposed by this RFP and Iowa law shall be met by the vendor. The successful vendor must in a timely manner enter into a Contract with the IRHTP to implement the service contemplated by this RFP. Failure of a successful vendor to agree to the terms of a Contract within a timely manner may be grounds for the IRHTP to award to the next compliant vendor.

5.2 Evaluation Criteria

- 5.2.1 A Bid Proposal will not be evaluated if all of the Mandatory Requirements identified in Chapter 3 and Chapter 4 are not met and/or fulfilled.
- 5.2.2 The IRHTP may award a Contract to the most responsible vendor meeting the requirements of this RFP and which, in the sole discretion of the IRHTP, provides the best value to the project after considering price and compliance with the provisions of Chapter 3.
- 5.2.3 The IRHTP will award only one contract.

5.3 Evaluation Criteria Scoring – Total of a possible 100 points

5.3.1 Cost Breakdown (Vendor must bid all sites) 50 points

5.3.2 Vendors certified ability to provide service upon contract signing. 50 points

5.3.2.1. Overall Project Experience

IRHTP will take into consideration the number of like construction projects completed thus far by the vendor.

5.3.2.2. Grasp of the Project and Design

Contractor demonstrates a clear understanding and grasp of the project. Response is clearly written and organized.

5.3.2.3. Vendor's Capabilities

Vendor has the necessary manpower and resources to accomplish the work on schedule. Technical ability.

5.3.2.4. Credibility

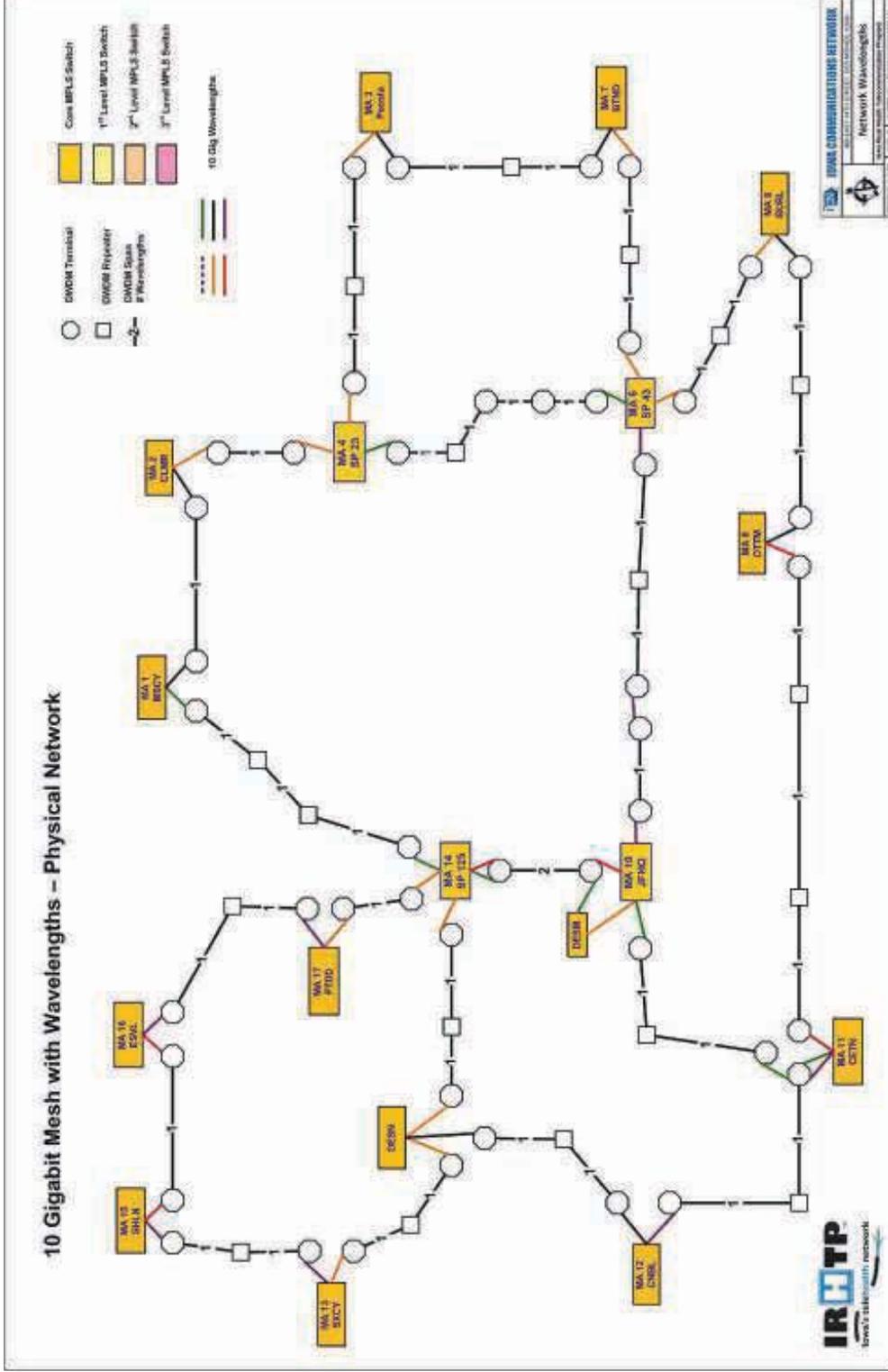
Vendor's current reputation with established organizations within the industry will be evaluated.

5.3.2.5. Vendor Agrees To:

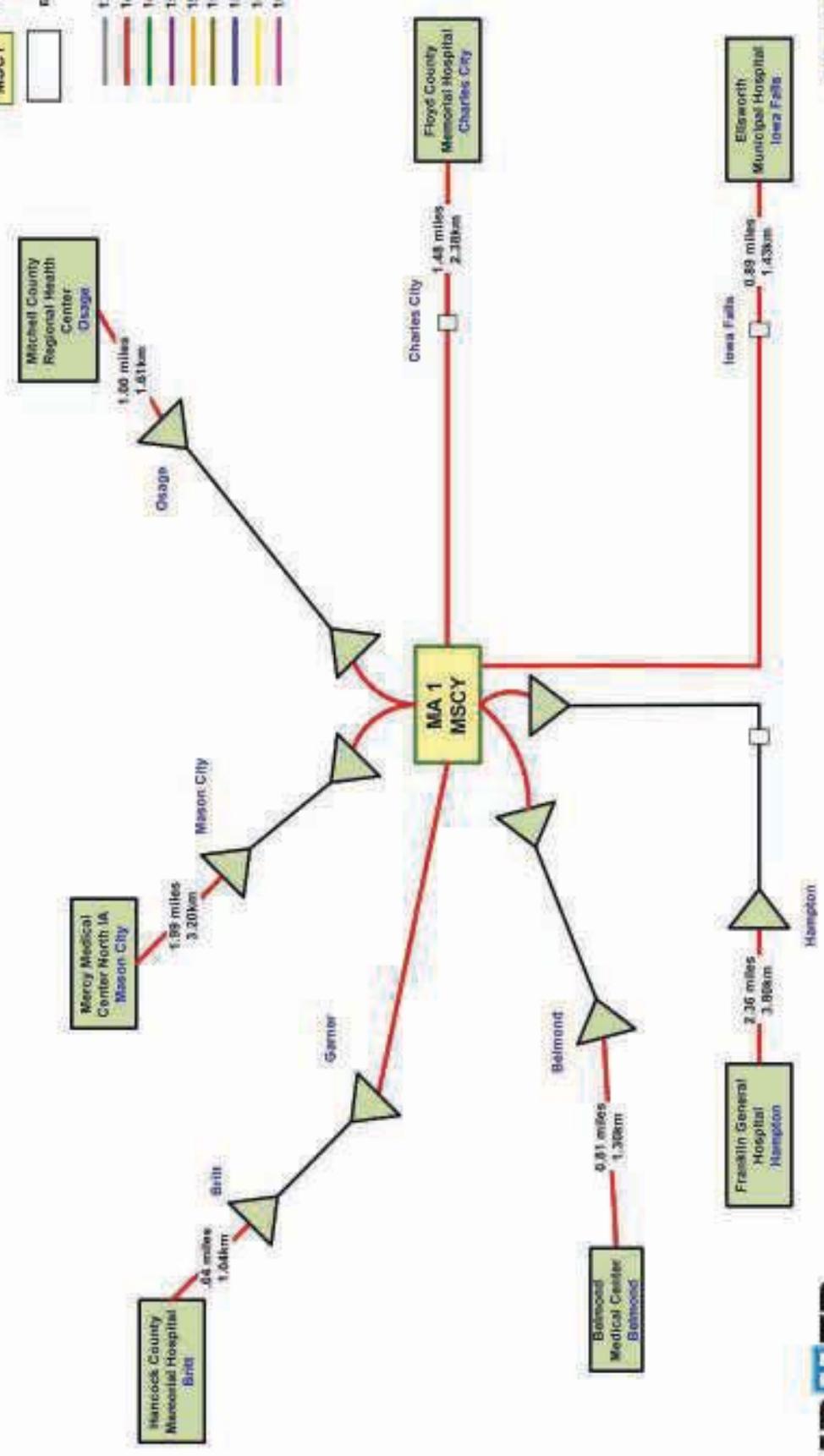
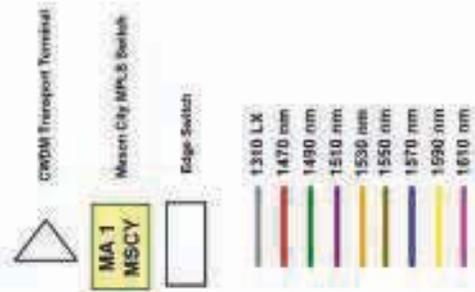
- a. Submit invoices in accordance with USAC and IRHTC requirements
- b. Proactively engage with the final audit team at no additional cost



ANNE A
 NET OR MAPS AN INFORMATION
RFP 12-005



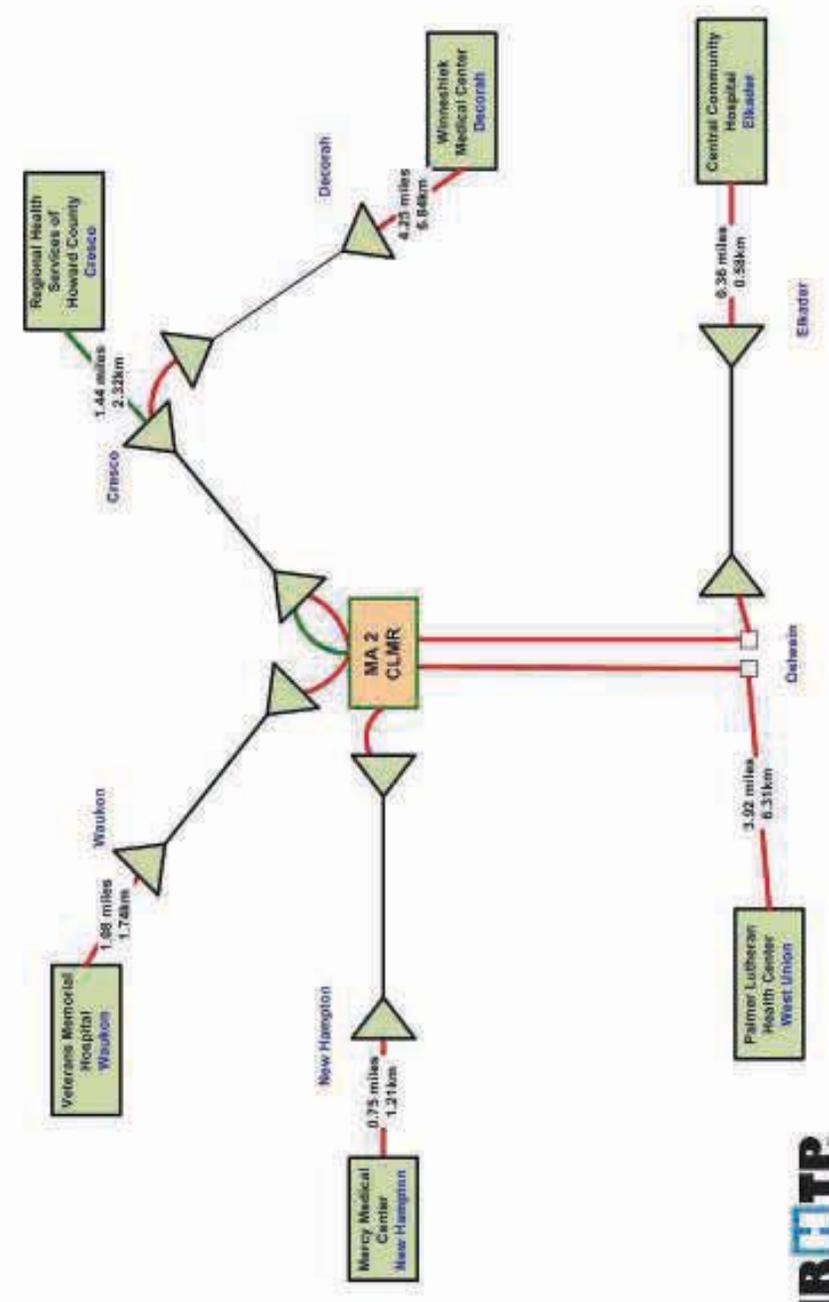
Merged Area # 1 Mason City - Physical Overview



Merged Area # 2 Calmar - Physical Overview

Legend:

- CRDM Transport Terrestrial
- MA 2 CLMR
- Calmar WPLS Switch
- Edge Switch
- 1310 LX
- 1470 nm
- 1490 nm
- 1510 nm
- 1536 nm
- 1550 nm
- 1570 nm
- 1590 nm
- 1610 nm



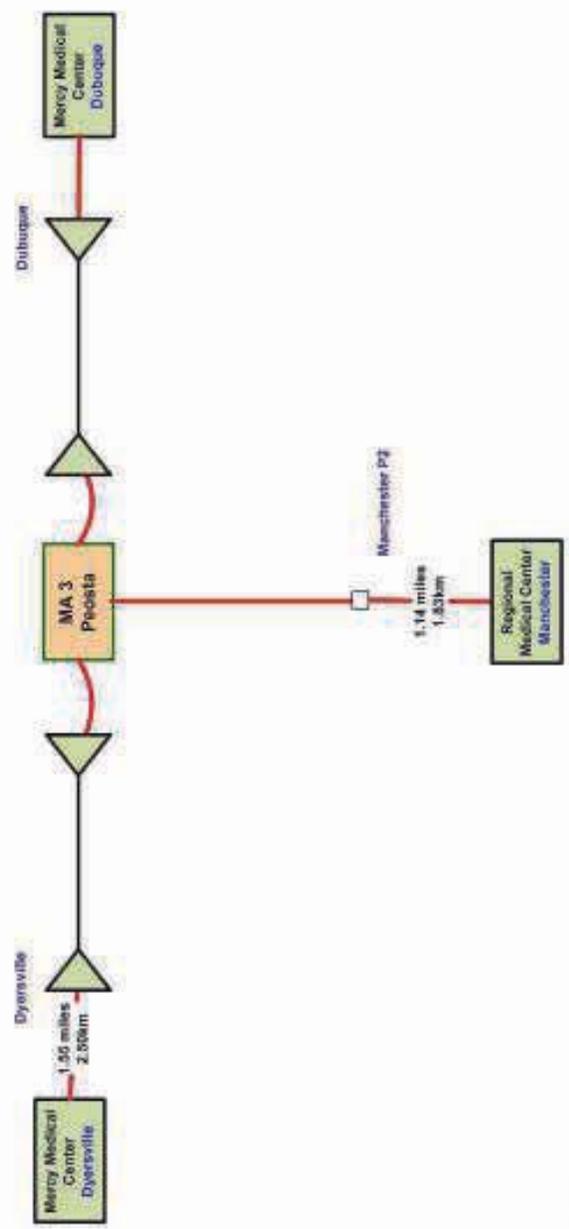
IRCTP
Iowa's telehealth network

IOWA COMMUNICATIONS NETWORK
IOWA'S TELEHEALTH NETWORK
Merged Area #2

Merged Area # 3 Peosta - Physical Overview

 OADM Transport Reroute
 MA 3 Peosta
 Peosta MPLS Switch
 Edge Switch

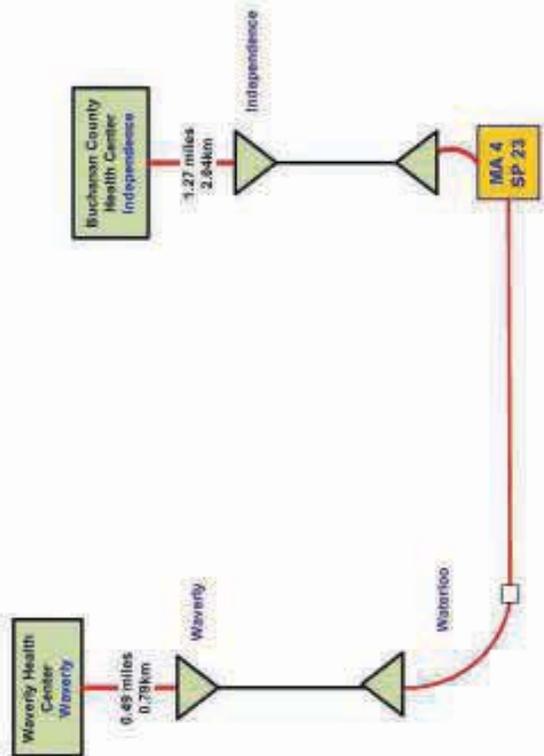
- 1310 LX
- 1470 nm
- 1490 nm
- 1510 nm
- 1530 nm
- 1550 nm
- 1570 nm
- 1590 nm
- 1610 nm



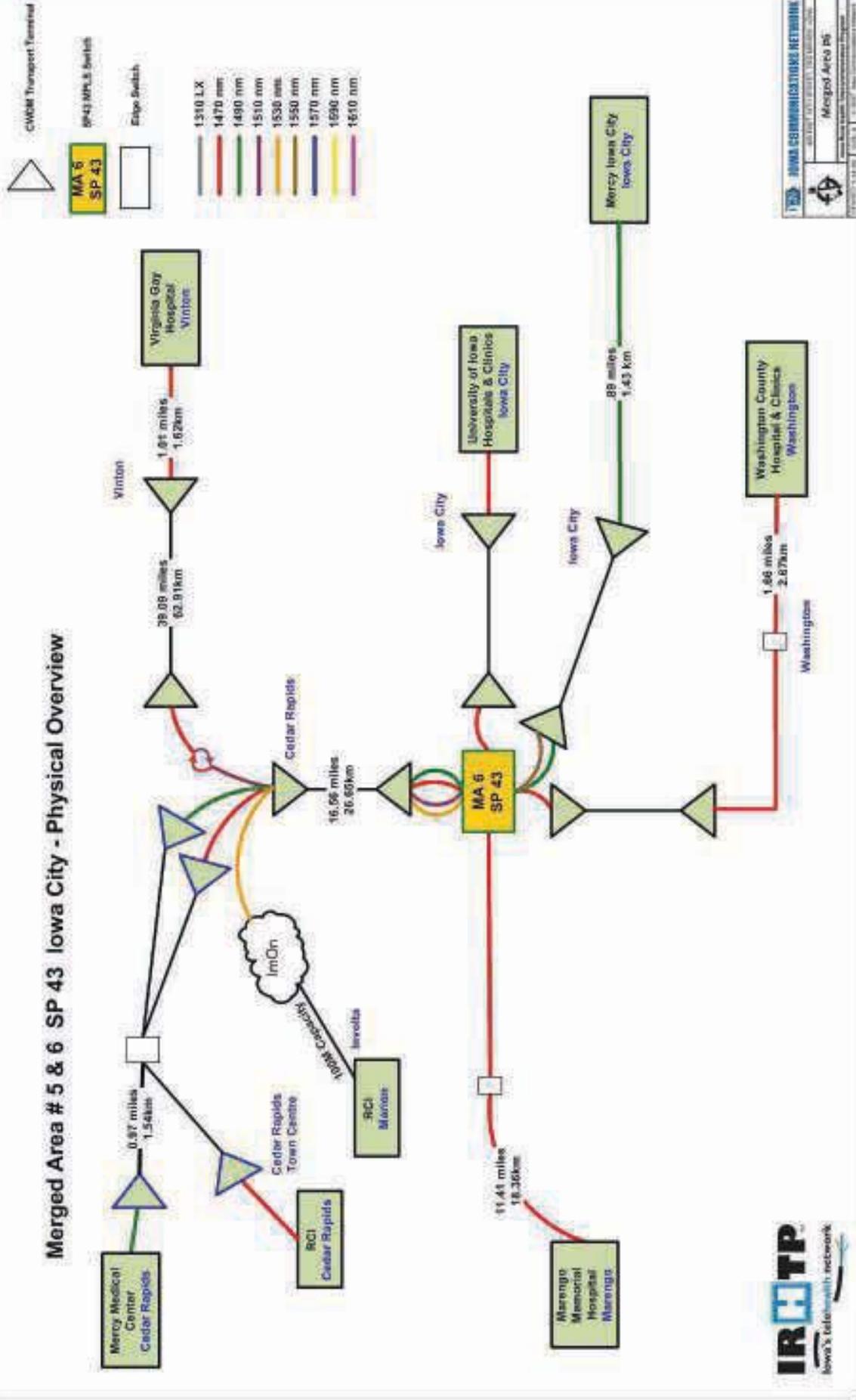
 IOWA COMMUNICATIONS NETWORK
 400 EAST 15TH STREET, DES MOINES, IA 50319
 515.281.1000 | www.iowanetwork.com

 Merged Area #3
 Iowa Communications Network
 12/15/2014 10:41 AM

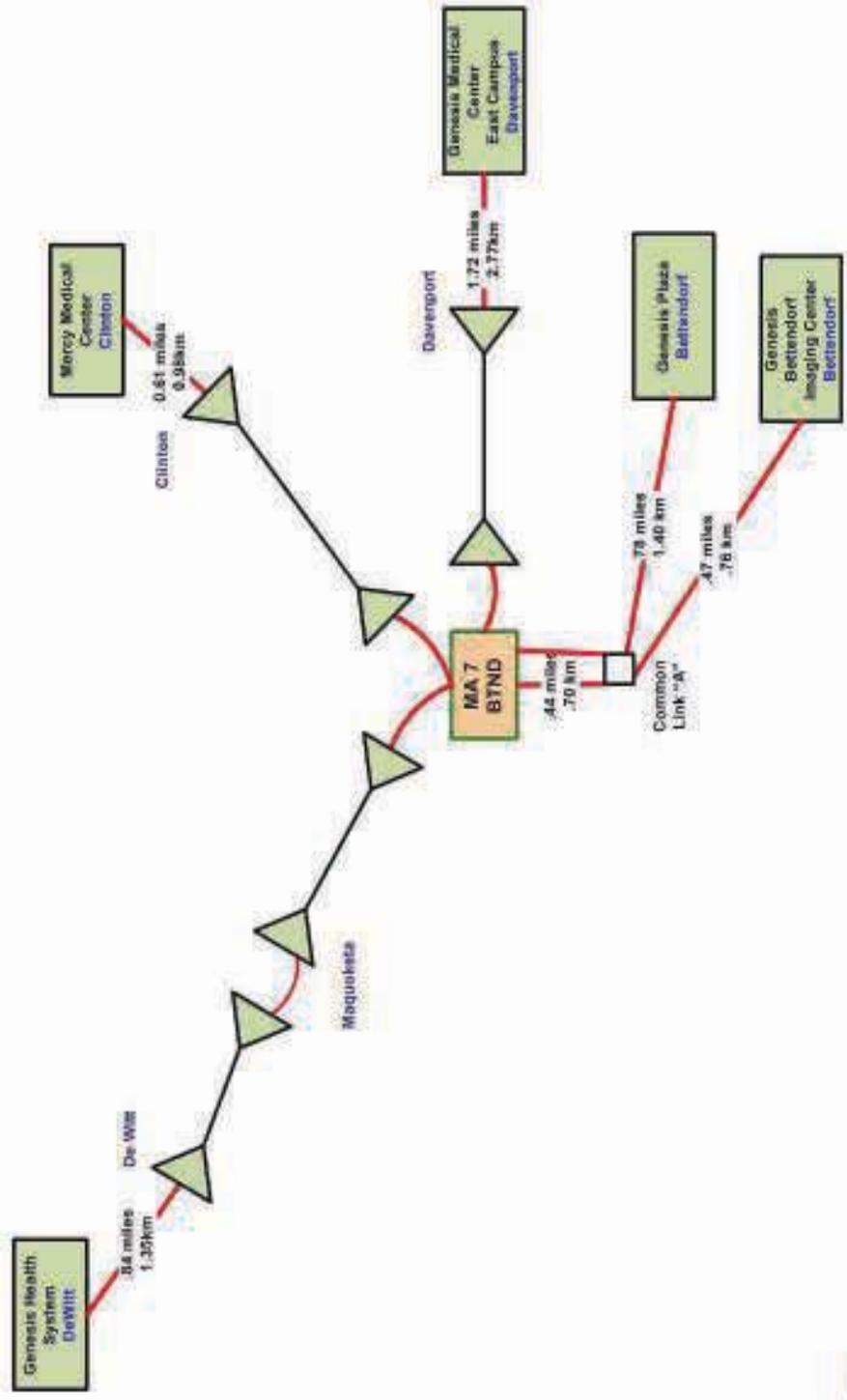
Merged Area # 4 SP 23 Independence - Physical Overview



Merged Area # 5 & 6 SP 43 Iowa City - Physical Overview



Merged Area # 7 Bettendorf - Physical Overview



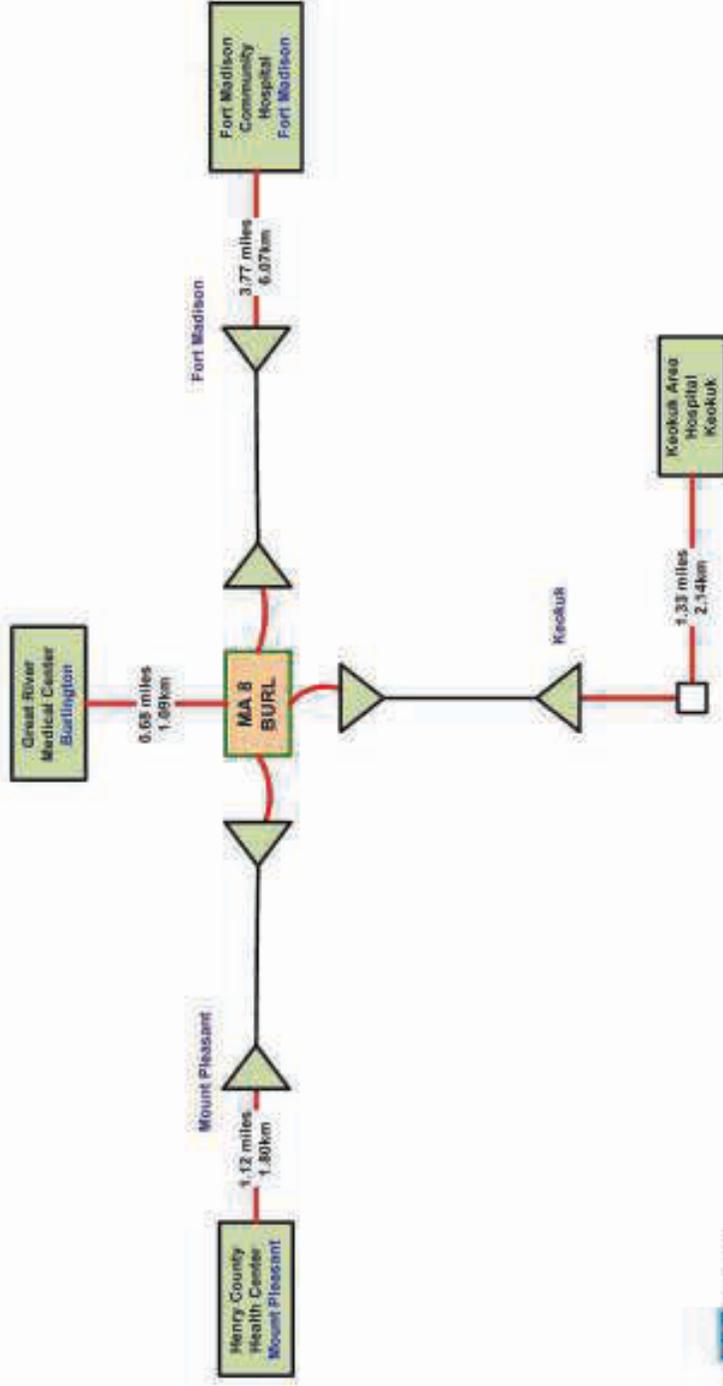
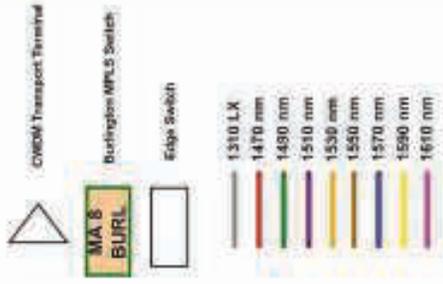
CIGM Transport Terminal
 MA 7 BTND
 Bettendorf MPLS Switch
 Edge Switch

1310 LX
 1470 nm
 1490 nm
 1510 nm
 1530 nm
 1550 nm
 1570 nm
 1590 nm
 1610 nm



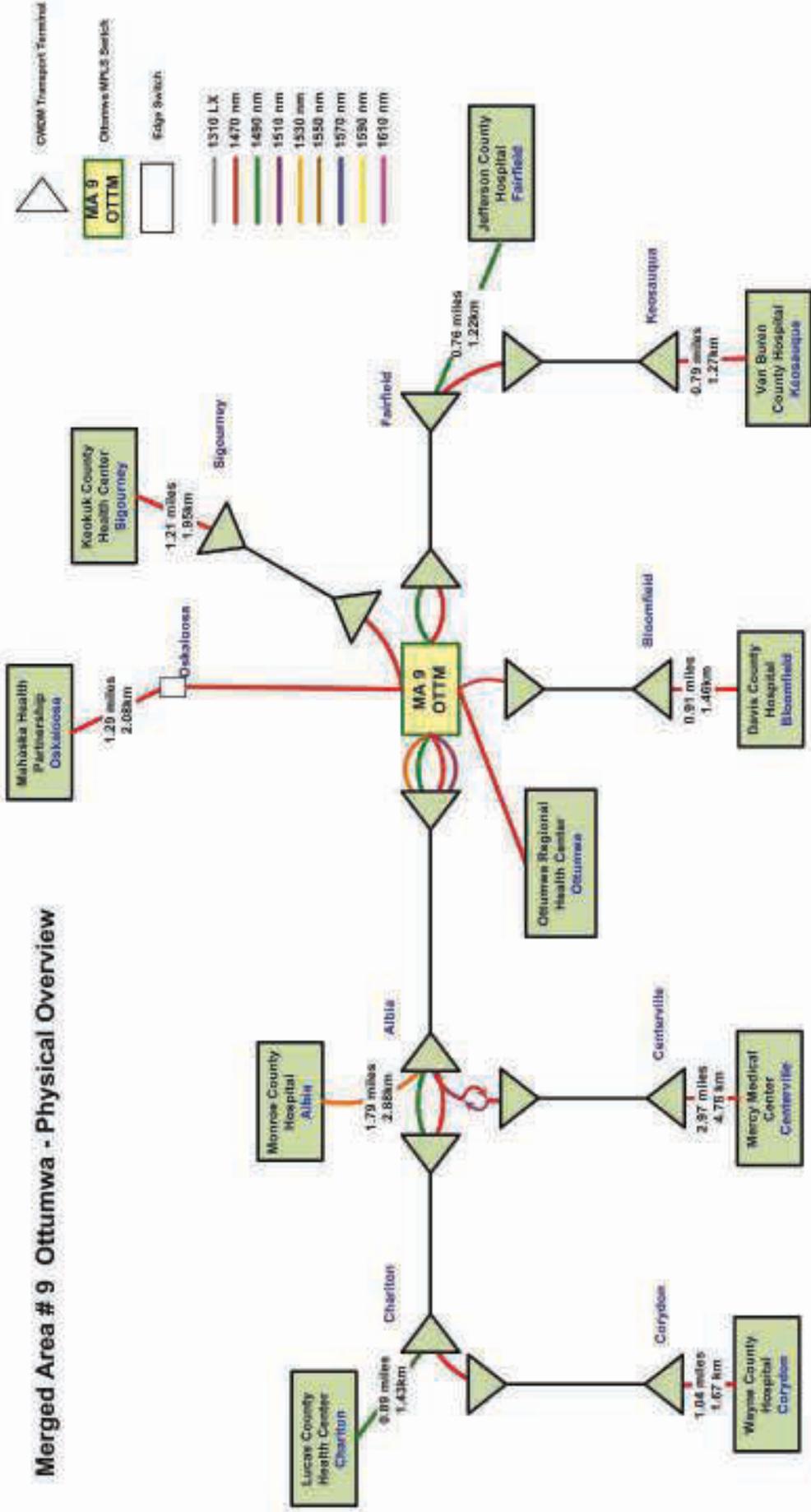
IRCTP IOWA COMMUNICATIONS NETWORK
 201001 01/10/07/2008-08
 Merged Area #7
 Iowa Telemedicine Network

Merged Area # 8 Burlington - Physical Overview



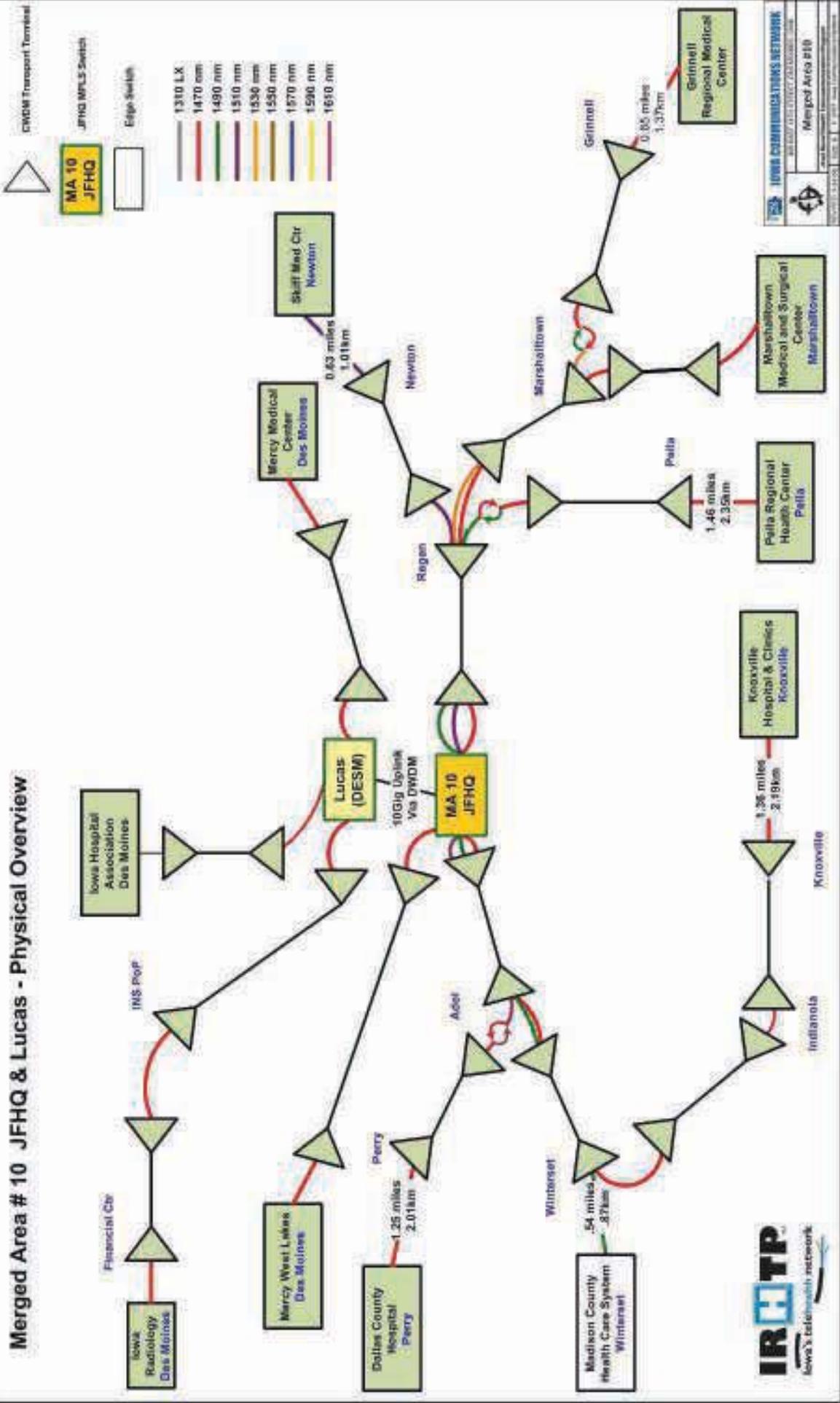
IRCTP IOWA COMMUNICATIONS NETWORK
 400 EAST 17TH STREET, DES MOINES, IOWA
 50319-0001
 Merged Area #8

Merged Area # 9 Ottumwa - Physical Overview

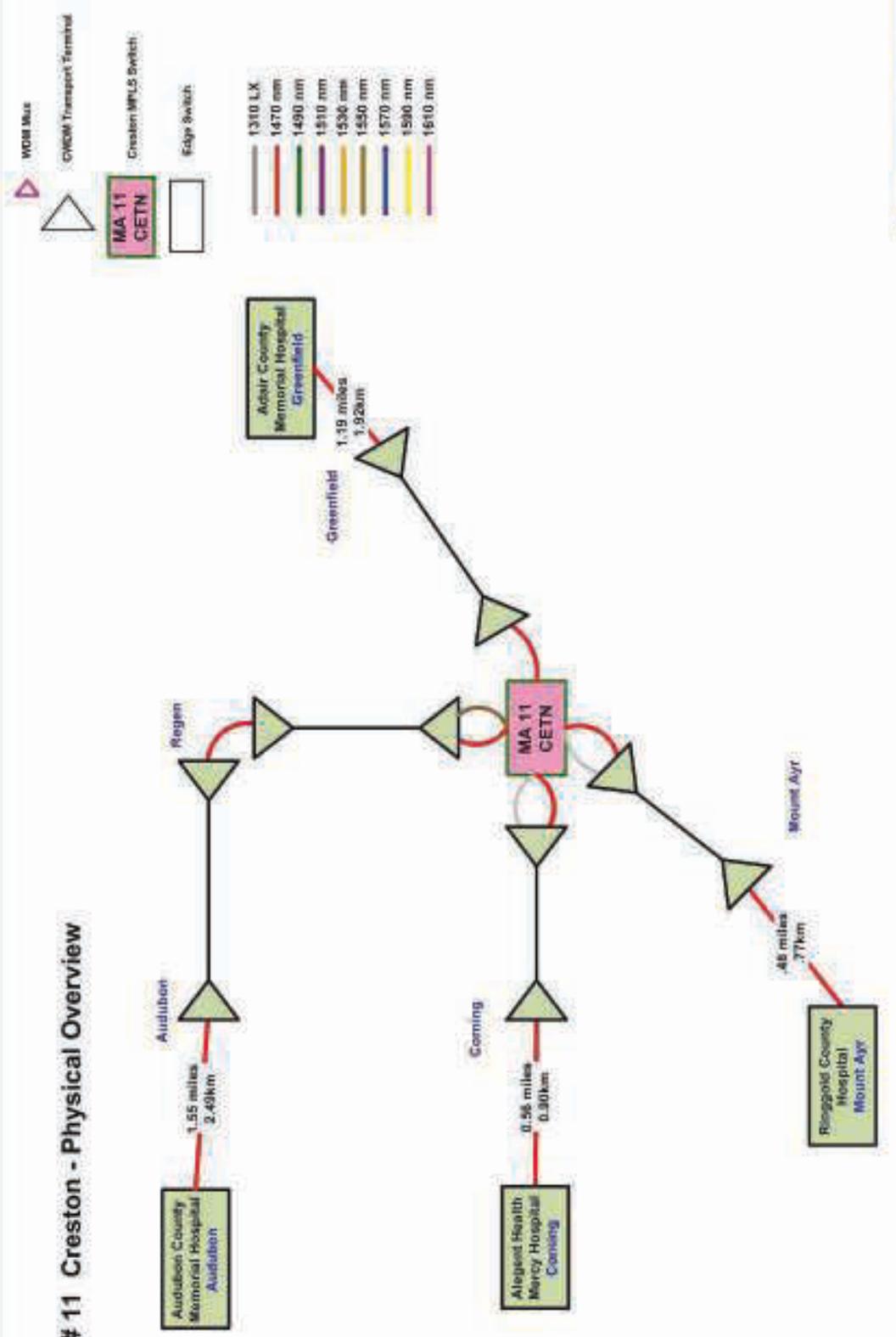


IROTP COMMUNICATIONS NETWORK
 400 WEST 117th STREET, DES MOINES, IA 50319
 Phone: 515.281.1234 | Fax: 515.281.1235
 Email: info@irotp.org | www.irotp.org

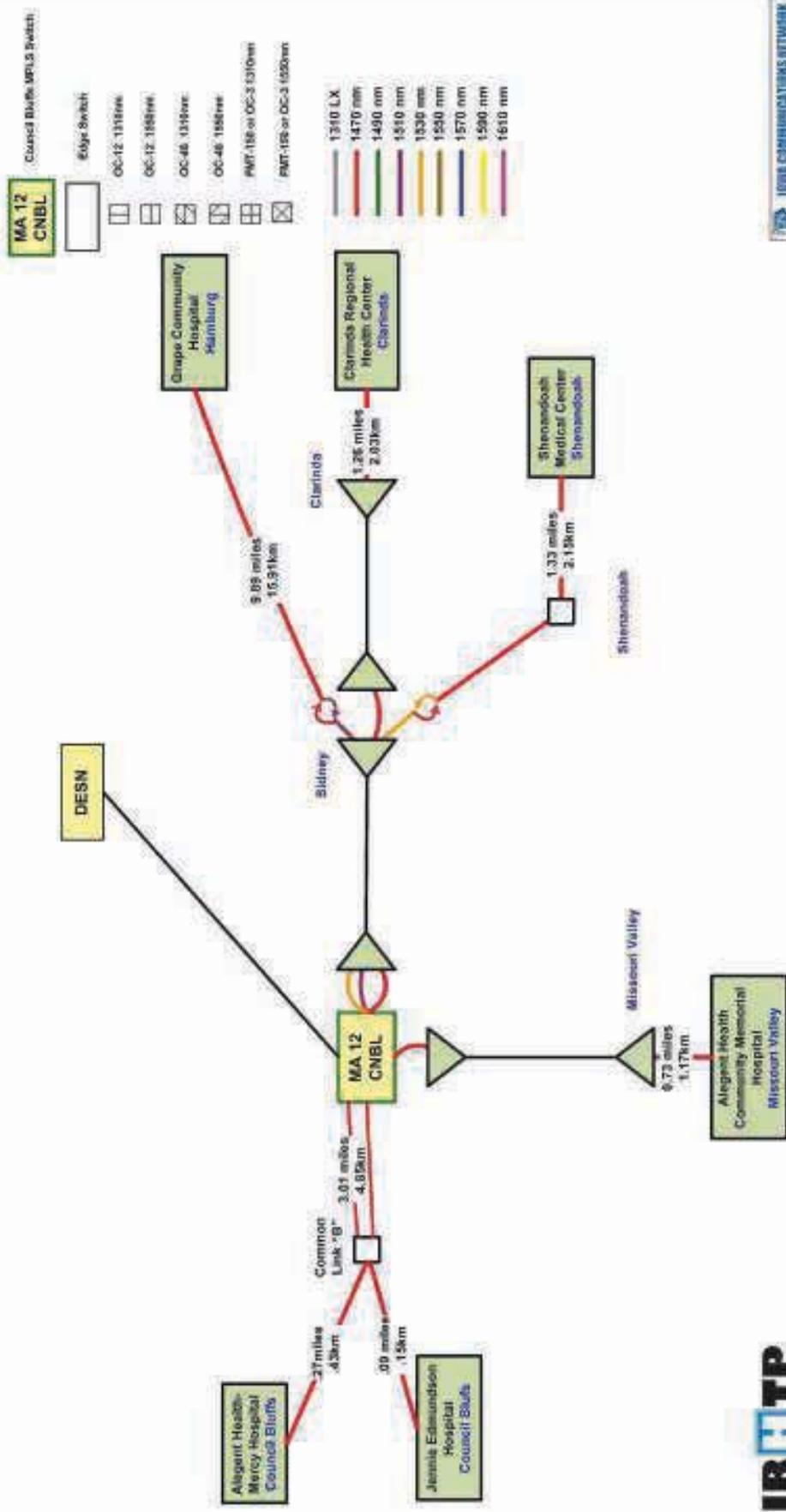
Merged Area # 10 JFHQ & Lucas - Physical Overview



Merged Area # 11 Creston - Physical Overview

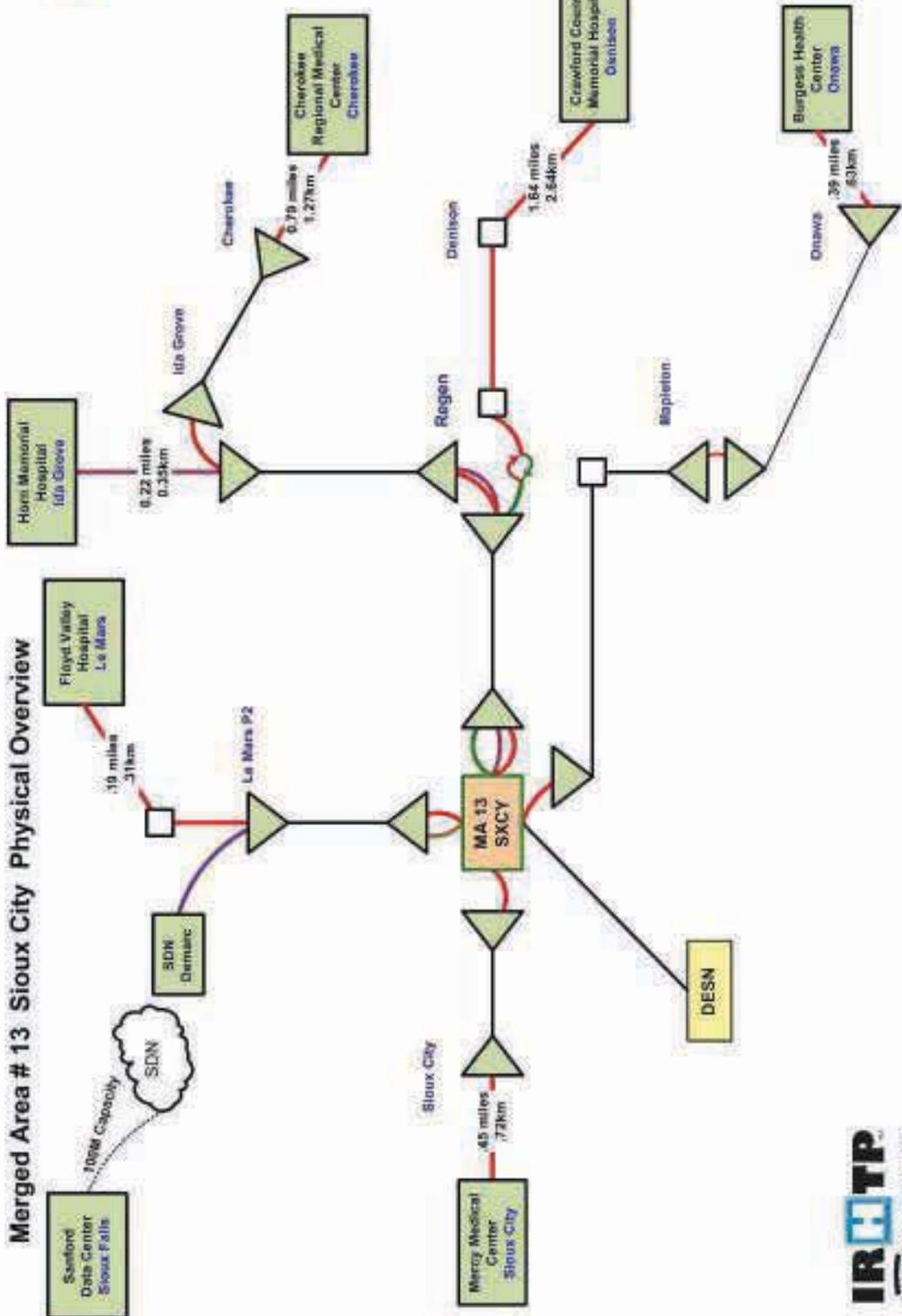


Merged Area # 12 Council Bluffs - Physical Overview



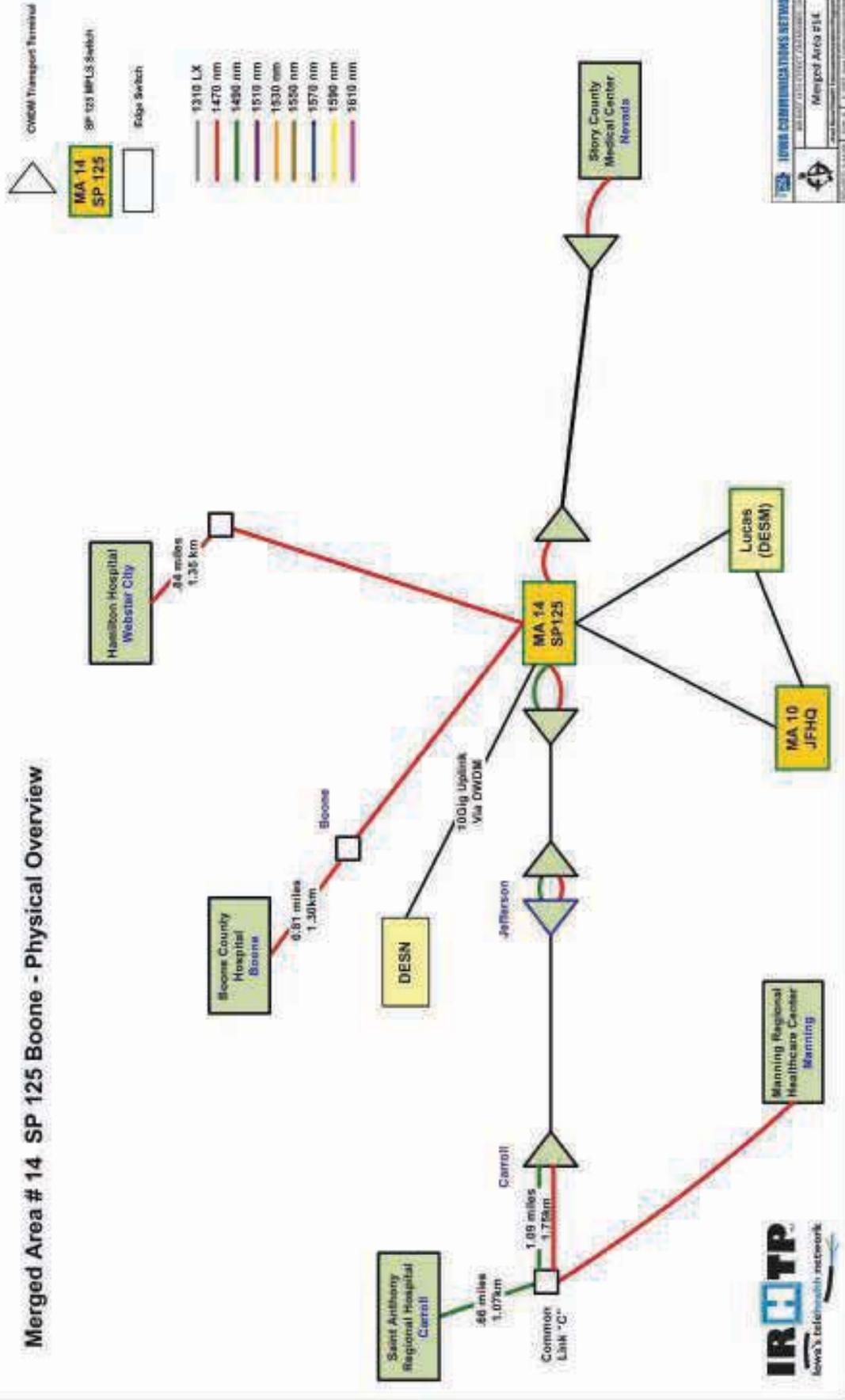
IRCTP COMMUNICATIONS NETWORK
 1000 EAST 10TH AVENUE, SUITE 100
 MORGANVILLE, MO 64458
 Phone: 816.333.1111
 Fax: 816.333.1112
 Email: info@irctp.com
 Website: www.irctp.com

Merged Area # 13 Sioux City Physical Overview

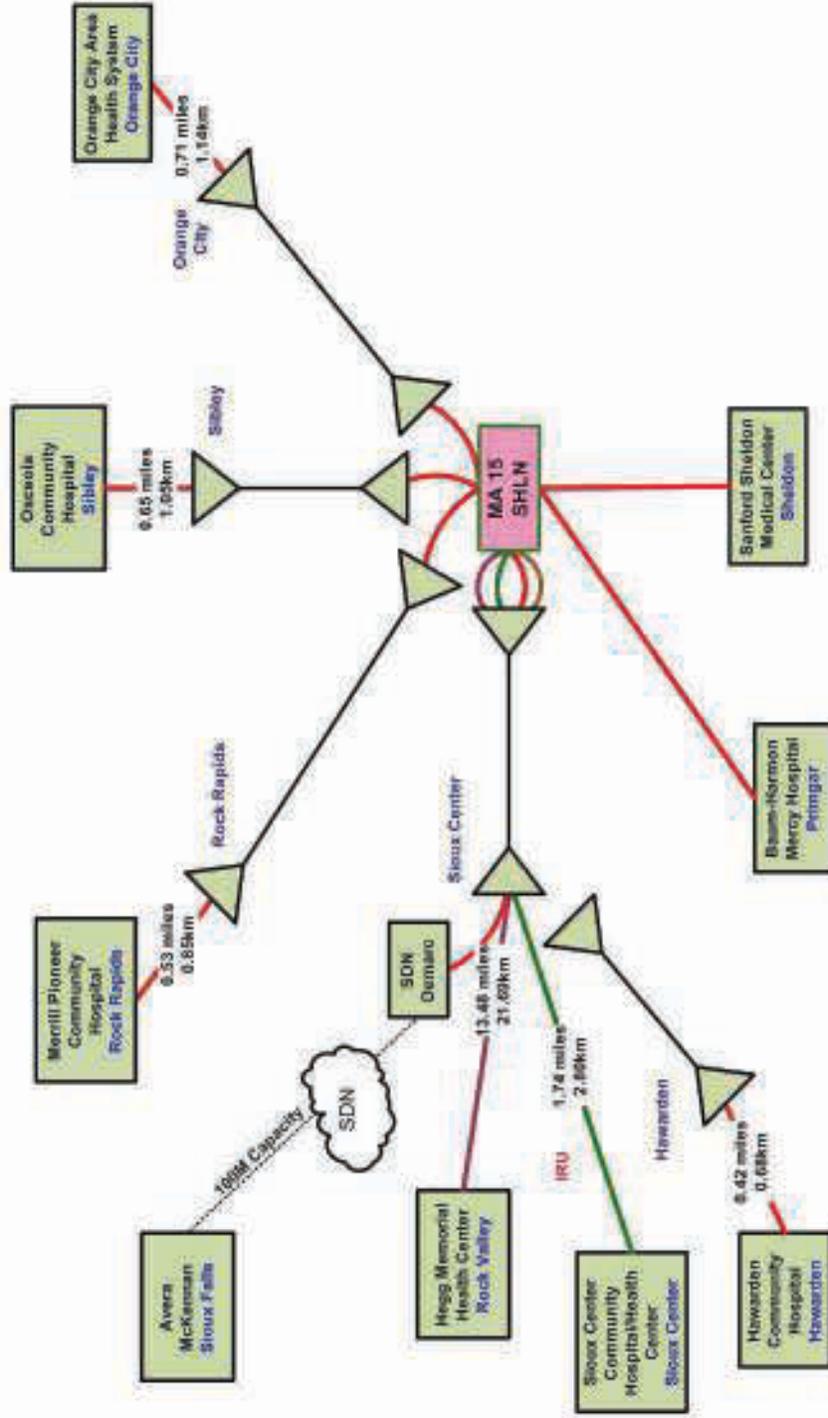
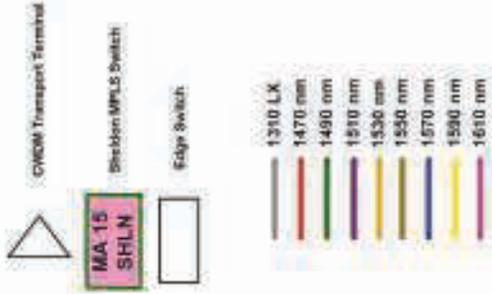


IRCTP IOWA COMMUNICATIONS NETWORK
 502 EAST GILBERT STREET, SUITE 200
 WEST DES MOINES, IOWA 50319
 Phone: 515.281.1100
 Fax: 515.281.1101
 Email: info@irctp.org
 Website: www.irctp.org

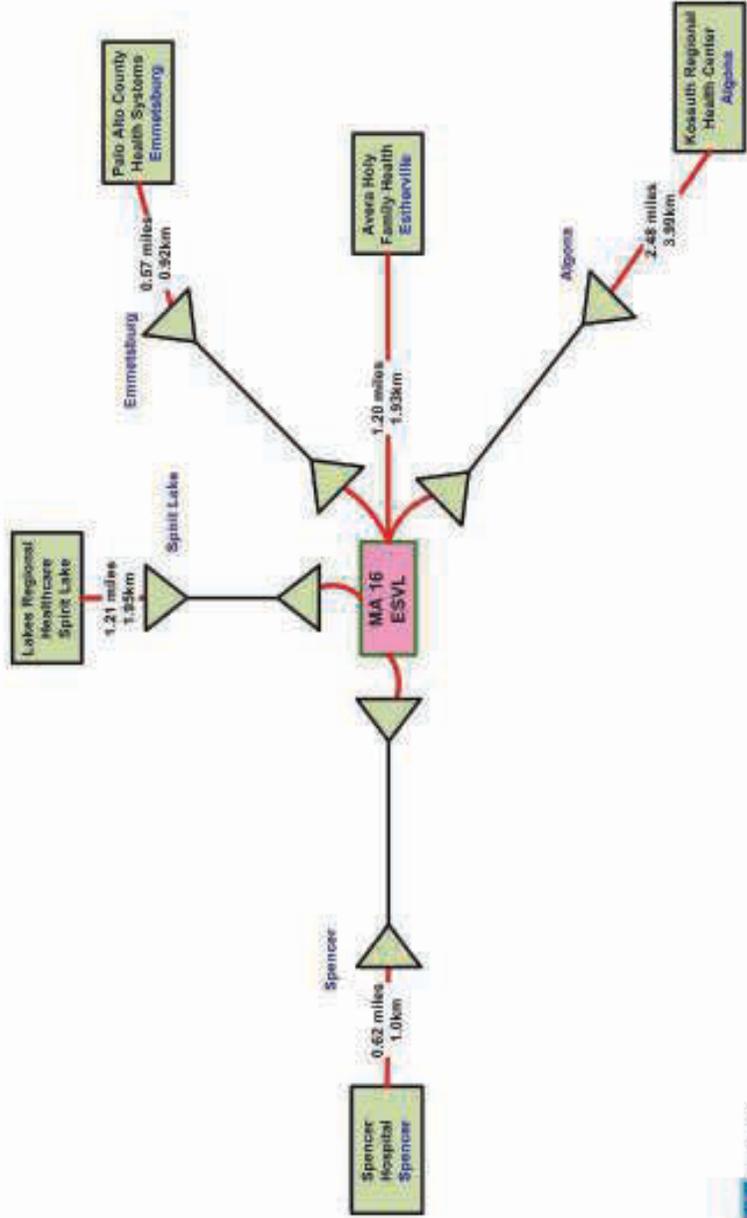
Merged Area # 14 SP 125 Boone - Physical Overview



Merged Area # 15 Sheldon - Physical Overview



Merged Area # 16 Estherville Physical Overview

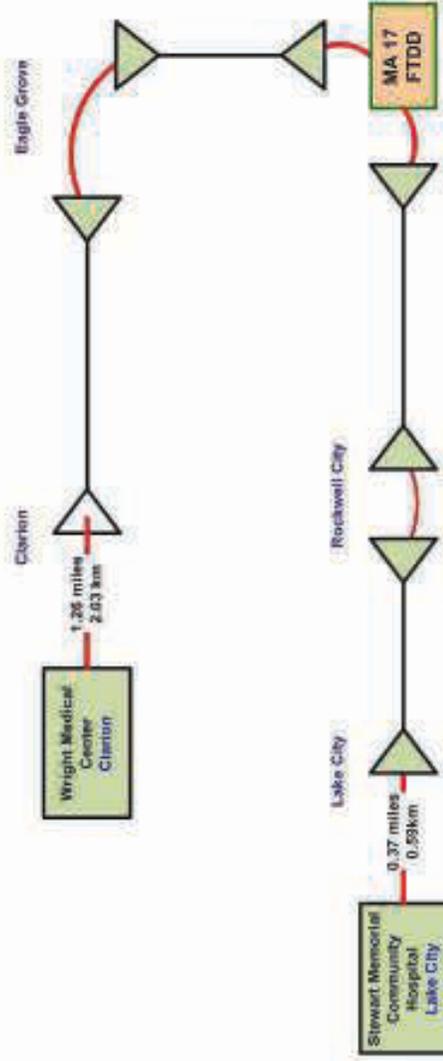


OWM Transport Terminal
 Estherville MPLS Switch
 Edge Switch
 1516 LX
 1470 nm
 1490 nm
 1510 nm
 1530 nm
 1550 nm
 1570 nm
 1590 nm
 1610 nm



IOWA COMMUNICATIONS NETWORK
 400 EAST UNIVERSITY AVENUE, SUITE 200
 ESTHERVILLE, IOWA 50521
 Merged Area #16
 1-800-333-3333 | 515-333-3333 | www.iowacommunications.com

Merged Area # 17 Fort Dodge - Physical Overview



CWDM Transport Terminal

 MA 17 FTDD

 Port Design MPLS Switch

 Edge Switch

 1310 nm

 1470 nm

 1490 nm

 1510 nm

 1530 nm

 1550 nm

 1570 nm

 1590 nm

 1610 nm



IRCTP IOWA COMMUNICATIONS NETWORK

 100 EAST 17th STREET, DES MOINES, IA 50319

 Merged Area #17

 2014.03.20 10:00 AM

ANNE B LIST OF HCPO NED LIN -SEGMENTS AND THEIR LOCATIONS

RFP 12- 5

SID	HCP	HCP Address	Distance	Distance	Aggregation Point Address
1.1	Mitchell County Regional Health Center	616 N. 8th St, Osage, IA 50461	1.0 mi	1.61 km	Osage Community High School 820 Sawyer Drive, Osage, Iowa
1.2	Floyd County Medical Center	800 11th St., Charles City IA 50616	1.48 mi	2.38 km	Northern Iowa Area CC, 200 Harwood Drive, Charles City, Iowa
1.3	Ellsworth Municipal Hospital	110 Rocksylvania Ave, Iowa Falls, IA 50126	.89 mi	1.43 km	Ellsworth Comm. College 1100 College Avenue, Iowa Falls, Iowa
1.4	Franklin General Hospital	1720 Central AveE., Hampton, IA 50441	2.36 mi	3.80 km	Hampton-Dumont HS 101 12th Ave NW, Hampton, Iowa
1.5	Belmond Medical Center	403 1st St SE, Belmond, IA 50421	.81 m i	1.30 km	Belmond-Klemme HS, 411 10 th Ave NE, Belmond, IA 50421
1.6	Hancock County Memorial Hospital	532 1st St NW, Britt, IA 50423	.64 mi	1.04 km	West Hancock HS 420 9th St SW Britt, Iowa
1.7	Mercy Medical Center-N. Iowa- East Campus	1000 4th St SW, Mason City, IA 50401.	1.99 mi	3.20 km	NIACC, 500 College Drive, Mason City, IA
2.1	Regional Health Services of Howard County	235 8th Ave W., Cresco, IA 52136	1.44 mi	2.32 km	Howard Winneshiek HS 1000 Schroder Dr., Cresco, Iowa
2.2	Winneshiek Medical Center	901 Montgomery St., Decorah, IA 53101	4.25 mi	6.84 km	Luther College 700 College Drive, Decorah Iowa
2.3	Central Community Hospital	901 Davidson St. NW, Elkader, IA 52043	.36 mi	.58 km	AEA 1 - 1400 2nd St NW Elkader, Iowa
2.4	Palmer Lutheran Health Center, Inc.	112 Jefferson St., West Union, IA 52175	3.92 mi	6.31 km	Splice Point B110-4 West of West Union Iowa
2.5	Mercy Medical Center - New Hampton	308 N Maple Ave., New Hampton, IA 50659	.75 mi	1.21 km	New Hampton High School 710 West Main New Hampton
2.6	Veterans Memorial Hospital	40 1st Ave. SE, Waukon, IA 52172	1.08 mi	1.74 km	Waukon High School 10589 3rd St. NW, Waukon, IA
3.1	Mercy Medical Center-Dubuque	250 Mercy Dr., Dubuque, IA 52001	.8 mi	1.29 km	NE Iowa Comm College, 10250 Sundown Rd., Peosta, IA

SID	HCP	HCP Address	Distance	Aggregation Point Address
3.2	Regional Medical Center	709 W. Main St., #359, Manchester, IA 52057	1.14 mi	West Delaware HS 701 New Street Manchester, Iowa
3.3	Mercy Medical Center - Dyersville	1111 3rd St.SW, Dyersville, IA 52040	1.55 mi	Beckman HS 1325 9th St SE Dyersville, Iowa
4.1	Waverly Health Center	312 9th St SW, Waverly, IA 50677	0.49 mi	Waverly Shell Rock HS 1405 4th Ave. Waverly, Iowa
4.2	Buchanan County Health Center	1600 1st St E., Independence, IA, 50644	1.27 mi	Independence HS 1207 1st St West Independence, Iowa
5.1	Virginia Gay Hospital	502 N 9th Ave., Vinton, IA 52349	1.01 mi	Kirkwood Learning Center 111 West 3rd St Vinton, Iowa
5.2	Mercy Medical Center-Cedar Rapids	701 10th St. SE, Cedar Rapids, IA 52403	.97 mi	Splice point 43, west of Iowa City on I-80
6.1	University of Iowa Hospitals & Clinics	200 Hawkins Dr., Iowa City, IA 52242	0 mi	Splice point 43, west of Iowa City on I-80
6.2	Mercy Iowa City	500 E. Market St., Iowa City, IA 52245	.89 mi	Splice point 43, west of Iowa City on I-80
6.3	Washington County Hospital	400 E. Polk St., Washington, IA 52353	1.66 mi	Iowa National Guard Armory 501 Highway 1 S Washington, Iowa
6.4	Marengo Memorial Hospital	300 W. May St., Marengo, IA 52301	11.41 mi	Williamsburg Public Library 214 West State St Williamsburg, IA
7.1	Mercy Medical Center-Clinton	1410 N 4th St., Clinton, IA 52732	.61 mi	Eastern Iowa Community College, Belmont Road, Bettendorf, Iowa
7.3	Genesis Health System	1227 E. Rusholme St., Davenport, IA 52803	1.72 mi	Eastern Iowa Community College, Belmont Road, Bettendorf, Iowa
7.4	Genesis Plaza	2535 Maplecrest Rd., Bettendorf, IA, 52722	.78 mi	Eastern Iowa Community College, Belmont Road, Bettendorf, Iowa
7.5	Genesis-Bettendorf Imaging Center	4017 Devils Glen Rd., Bettendorf, IA 52722	.47 mi	Eastern Iowa Community College, Belmont Road, Bettendorf, Iowa
7.7	Genesis Health System - DeWitt	1118 11th St., DeWitt, IA, 52742	.84 mi	DeWitt High School 331 East 8th Street. DeWitt, Iowa
8.1	Great River Medical Ctr	1221 S. Gear Ave, W. Burlington, IA 52655	.68 mi	Southeastern IA Comm. College, 1500 Agency Rd., W. Burlington, IA

SID	HCP	HCP Address	Distance	Aggregation Point Address
8.2	Fort Madison Community Hospital	5445 Ave. O #174, Fort Madison, IA 52627	3.77 mi	Fort Madison High School 2001 Avenue B Fort Madison, Iowa
8.3	Keokuk Area Hospital	1600 Morgan St., Keokuk, IA 52632	1.33 mi	Iowa National Guard Armory 170 Boulevard Road Keokuk, Iowa
8.4	Henry County Health Center	407 S. White St., Mt Pleasant, IA 52641	1.12 mi	Iowa Wesleyan College 601 North Main St Mount Pleasant, Iowa
9.1	Mahaska Health Partnership	1229 C Ave. East, Oskaloosa, IA 52577	1.29 mi	Indian Hills Comm. College 525 Grandview Ave. Ottumwa, Iowa
9.2	Keokuk County Health Center	23019 Highway 149, Sigourney, IA 52591	1.21 mi	Sigourney High School 907 East Pleasant Valley Sigourney, Iowa
9.3	Jefferson County Hospital	400 Highland St., Fairfield, IA 52556	.75 mi	Fairfield High school 403 S 20th Street Fairfield, Iowa
9.4	Van Buren County Hospital	304 Franklin St., Keosauqua, IA 52565	.79 mi	Van Buren Community HS 405 4th Street Keosauqua, Iowa
9.5	Davis County Hospital	509 N. Madison, Bloomfield, IA 52537	.91 mi	Old Davis County High School 900 East North Street Bloomfield, Iowa
9.7	Mercy Medical Center -Centerville	19898 St., St Josephs Dr. Centerville, IA 52544	2.92 mi	Centerville High School 600 CHS Drive Centerville, Iowa
9.8	Wayne County Hospital	417 S. East Street, Corydon, IA 50060	1.04 mi	Wayne County High School 102 North DeKalb St., Corydon, Iowa
9.9	Lucas County Hospital	1200 N 7th St, Chariton, IA 50049	.89 mi	Chariton High School 140 East Albia Road, Chariton, Iowa
9.9	Monroe County Hospital	6580 165th St, Albia, IA 52531	1.79 mi	Albia, High School 503 B Avenue East, Albia Iowa
10.1	Mercy Medical Center-Des Moines	1111 6th Ave, Des Moines, IA 50309	.51 mi	Lucas State Office Building, Des Moines, IA 50319
10.2	Skiff Medical Center Newton	204 N. 4th Ave. E, Newton, IA	.63 mi	DMACC Newton Campus 600 North 2nd Ave. Newton, Iowa
10.3	Marshalltown Medical and Surgical Center	Three S. 4th Ave, Marshalltown, IA 50158	.4 mi	JFHQ, Camp Dodge, Johnston, IA

SID	HCP	HCP Address	Distance	Aggregation Point Address
10.4	Pella Regional Health Center	404 Jefferson St. Pella, IA 50219	1.46 mi	Central College 812 University St Pella Iowa
10.5	Knoxville Hospital & Clinics	1002 S. Lincoln St. Knoxville, IA 50138	1.36 mi	Veterans Hospital 1515 West Pleasant Knoxville Iowa
10.6	Madison County Health Care System	300 W. Hutchings St. Winterset, IA 50273	.54 mi	Winterset High School 624 Husky Drive Knoxville, Iowa
10.7	Mercy Medical Center, West Lakes	1601 60th St. West Des Moines, IA 50266	0 mi	JFHQ, Camp Dodge, Johnston, IA
10.9	Dallas County Hospital	610 10th St. Perry, IA 50220	1.25 mi	Perry High School 1102 Willis Avenue Perry, Iowa
11.1	Adair County Memorial Hospital	609 SE Kent, Greenfield, IA 50849	1.19 mi	Nodaway Valley High School 410 Northwest 2nd Street Greenfield, Iowa
11.3	Ringgold County Hospital	504 N. Cleveland, Mt. Ayr, IA 50854	.48 mi	Mt Ayr High School 1001 East Columbus Street Mt Ayr Iowa
11.4	Alegent Health Mercy Hospital - Corning	603 Rosary Drive, Corning, IA 50841	.56 mi	Corning High School 905 8th St. Corning , Iowa
11.6	Audubon County Memorial Hospital	515 Pacific St, Audubon, IA 50025	1.55 mi	Audubon High School 800 3rd Ave. Audubon, Iowa
12.1	Grape Community Hospital	2959 US Hwy 275, Hamburg, IA 51640	9.89 mi	Sidney High School 2754 Knox Road Sidney, Iowa
12.2	Clarinda Regional Health Center	823 S. 17th St., Clarinda, IA 51632	1.26 mi	Iowa Western Community College 923 East Washington Clarinda, Iowa
12.3	Shenandoah Medical Center	300 Pershing Ave., Shenandoah, IA 51601	1.33 mi	Iowa National Guard Armory 601 Ferguson Road Shenandoah, Iowa
12.4	Alegent Health Community Memorial Hospital	631 North 8th St., Missouri Valley, IA 51555	.73 mi	Missouri Valley High School 605 Lincoln Way Missouri Valley, Iowa
12.5	Jennie Edmondson Hospital	933 E. Pierce St., #2C, Council Bluffs, IA 51503	.09 mi	Iowa Western Comm. College, 2700 College Rd., Council Bluffs, IA
12.6	Alegent Health Mercy Hospital - Council Bluffs	800 Mercy Drive Council Bluffs, IA 51503	.73 mi	Iowa Western Comm. College, 2700 College Rd., Council Bluffs, IA

SID	HCP	HCP Address	Distance	Aggregation Point Address
13.1	Horn Memorial Hospital	701 E. 2nd St, Ida Grove, IA 51445	.22 mi	Iowa Western Community College 900 Montgomery Drive Ida Grove, Iowa
13.2	Cherokee Regional Health Center	300 Sioux Valley Dr., Cherokee, IA 51012	.79 mi	Cherokee High School 600 West Bluff Street Cherokee, Iowa
13.3	Crawford County Memorial Hospital	2020 1st Ave S., Denison, IA 51442	1.64 mi	Iowa Western Tech Comm. College 11 North 5th St Denison, Iowa
13.4	Burgess Health Center	1600 Diamond St., Onawa, IA, 51040	.39 mi	West Monona High School 1314 15th Street Onawa, Iowa
13.5	Mercy Medical Center-Sioux City	801 5th St., Sioux City, IA 51101	.45 mi	Western Iowa Tech Comm. College 4647 Stone Ave., Sioux City, IA
13.6	Floyd Valley Hospital	714 Lincoln St NE, Hwy 3 East, LeMars, IA 51031	.19 mi	Gehlen Catholic High School 709 Plymouth St NE LeMars, Iowa
14.1	Story County Medical Center	630 6th St., Nevada, IA 50201	10.6 mi	Via Maintenance Splice MS-1107
14.2	Manning Regional Healthcare Center	410 Main St., Manning, IA 51455	1.09 mi	DMACC Carroll Campus 906 North Grant Road Carroll, Iowa
14.3	St. Anthony Regional Hospital	311 S. Clark St., Carroll, IA 51401	.66 mi	DMACC Carroll Campus 906 North Grant Road Carroll, Iowa
14.4	Boone County Hospital	1015 Union St., Boone, IA 50036	.81 mi	DMACC Boone Campus 1125 Hancock Drive Boone, Iowa
15.1	Osceola Community Hospital, Inc.	9th Ave N., Sibley, IA 51249	.65 mi	Sibley-Ocheyedan Schools 120 11th Ave. NE Sibley, Iowa
15.2	Orange City Area Health System	1000 Lincoln Circle SE, Orange City, IA 51041	.71 mi	Northwestern College 101 7th St SW Orange City, Iowa
15.3	Baum-Harmon Mercy Hospital	255 N. Welch Ave., Pringhar, IA.,51245	0 mi	Northwest Iowa Community College 603 West Park Street Sheldon, IA
15.4	Sanford Sheldon Medical Center	118 N. 7th Ave, Sheldon, Ia 51201	1.93 mi	Iowa National Guard Armory 920 Western Avenue, Sheldon, Iowa
15.5	Hawarden Community Hospital	1111 11th st., Hawarden, IA 51023	.42 mi	Hawarden Library 803 10th Street Hawarden, Iowa

	HCP	HCP Address	Distance	Aggregation Point Address
15.6	Sioux Center Community Hospital/Health Center	605 S. Main Ave., Sioux Center, IA 51250	1.74 mi	AEA 4 Highway 18 North, Rock Valley, Iowa
15.7	Hegg Memorial Health Center	1202 21st. Ave., Rock Valley, IA 51247	13.48 mi	AEA 4 Highway 18 North, Rock Valley, Iowa
15.8	Sanford Hospital-Rock Rapids	801 Greene St., Rock Rapids, IA 51246	.53 mi	Rock Valley High School 1712 20th Ave. Rock Valley, Iowa
15.9	Avera McKennan Hospital	2920 West 10 th Street Sioux Falls, SD	0 mi	Northwest Iowa Community College, 603 West Park Street, Sheldon, Iowa
15.92	Sanford Health	101 st Street Sioux Falls, S	0 mi	Western Iowa Tech Comm. College 4647 Stone Ave, Sioux City, Iowa
16.1	Lakes Regional Health Care	2301 Hwy 71, Spirit Lake, IA	1.21mi	Spirit Lake High School 2701 Hill Avenue, Spirit Lake, Iowa
16.2	Palo Alto County Health System	3201 1st St., Emmetsburg, IA 50536	.57 mi	Iowa Lakes Comm. College 3200 College Drive, Emmetsburg, Iowa
16.3	Avera Holy Family Health	826 N. 8th St., Estherville, IA 51334	1.20 mi	Iowa Lakes Comm. College 300 South 18th Street Estherville, Iowa
16.4	Kossuth Regional Health Center	1515 S. Phillips St., Algona, IA 50511	2.48 mi	Iowa Lakes Comm. College 2111 Highway 169 N, Algona, Iowa
16.5	Spencer Hospital	1200 1st Ave. E., Spencer, IA 51301	.62 mi	Iowa Lakes Comm. College 1900 Grand Avenue, Spencer, Iowa
17.1	Van Diest Medical Center	2350 Hospital Drive Webster City, IA 50595	.84 mi	Link Splice 125 East of Boone, Iowa
17.2	Stewart Memorial Community Hospital	1301 W. Main St., Lake City, IA 51449	.37 mi	Southern Cal Comm. High School 709 West Main St., Lake City, Iowa
17.3	Wright Medical Center	1316 S. Main St., Clarion, IA	1.26 mi	Clarion Goldfield Middle School 300 3rd Ave NE Clarion, Iowa

ANNEX C - LIST of HCP OWNED SWITCHES AND LOCATIONS

RFP 12-005

SID	HCP	HCP Address	Aggregation Point Address	IMPLS Switch Location
1.1	Mitchell County Regional Health Center	616 N. 8th St, Osage, IA 50461	Osage Community High School 820 Sawyer Drive Osage, Iowa	North Iowa Area Comm College, 500 College Drive Mason City, Iowa
1.2	Floyd County Medical Center	800 11th St., Charles City IA 50616	Northern Iowa Area CC 200 Harwood Drive Charles City, Iowa	North Iowa Area Comm College, 500 College Drive Mason City, Iowa
1.3	Ellsworth Municipal Hospital	110 Rocksylvania Ave, Iowa Falls, IA 50126	Ellsworth Comm College 1100 College Avenue Iowa Falls, Iowa	North Iowa Area Comm College, 500 College Drive Mason City, Iowa
1.4	Franklin General Hospital	1720 Central Ave E., Hampton, IA 50441	Hampton-Dumont HS 101 12th Ave NW Hampton, Iowa	North Iowa Area Comm College, 500 College Drive Mason City, Iowa
1.5	Belmond Medical Center	403 1st St SE, Belmond, IA 50421	Belmond-Klemme HS 411 10 th Ave NE, Belmond, IA 50421	North Iowa Area Comm College, 500 College Drive Mason City, Iowa
1.6	Hancock County Memorial Hospital	532 1st St NW, Britt, IA 50423	West Hancock HS 420 9th St SW Britt, Iowa	North Iowa Area Comm College, 500 College Drive Mason City, Iowa
1.7	Mercy Medical Center-N. Iowa-East Campus	1000 4th St SW, Mason City, IA 50401.	North East Iowa Community College 1625 Iowa 150 Calmar, Iowa	North East Iowa Community College 1625 Iowa 150 Calmar, Iowa
2.1	Regional Health Services of Howard County	235 8th Ave W., Cresco, IA 52136	Howard Winneshiek HS 1000 Schroder Dr. Cresco, Iowa	North East Iowa Community College 1625 Iowa 150 Calmar, Iowa
2.2	Winneshiek Medical Center	901 Montgomery St., Decorah, IA 53101	Luther College 700 College Drive Decorah Iowa	North East Iowa Community College 1625 Iowa 150 Calmar, Iowa
2.3	Central Community Hospital	901 Davidson St. NW, Elkader, IA 52043	AEA 1 - 1400 2nd St NW Elkader, Iowa	North East Iowa Community College 1625 Iowa 150 Calmar, Iowa
2.4	Palmer Lutheran Health Center, Inc.	112 Jefferson St., West Union, IA 52175	Splice Point B110-4 West of West Union Iowa	North East Iowa Community College 1625 Iowa 150 Calmar, Iowa

SID	HCP	HCP Address	Aggregation Point Address	MPLS Switch Location
2.5	Mercy Medical Center - New Hampton	308 N Maple Ave., New Hampton, IA 50659	New Hampton High School, 710 West Main, New Hampton, IA	North East Iowa Community College 1625 Iowa 150 Calmar, Iowa
2.6	Veterans Memorial Hospital	40 1st Ave. SE, Waukon, IA 52172	Waukon High School 10589 3rd St. NW, Waukon, IA	North East Iowa Community College 1625 Iowa 150 Calmar, Iowa
3.1	Mercy Medical Center-Dubuque	250 Mercy Dr., Dubuque, IA 52001	North East Iowa Community College 10250 Sundown Road Peosta, Iowa	North East Iowa Community College 10250 Sundown Road Peosta, Iowa
3.2	Regional Medical Center	709 W. Main St., #359, Manchester, IA 52057	West Delaware HS 701 New Street Manchester, Iowa	North East Iowa Community College 10250 Sundown Road Peosta, Iowa
3.3	Mercy Medical Center - Dyersville	1111 3rd St.SW, Dyersville, IA 52040	Beckman HS 1325 9th St SE Dyersville, Iowa	North East Iowa Community College 10250 Sundown Road Peosta, Iowa
4.1	Waverly Health Center	312 9th St SW, Waverly, IA 50677	Waverly Shell Rock HS 1405 4th Ave. Waverly, Iowa	Splice Point 23 near Waterloo, Iowa
4.2	Buchanan County Health Center	1600 1st St E., Independence, IA, 50644	Independence HS 1207 1st St West Independence, Iowa	Splice Point 23 near Waterloo, Iowa
5.1	Virginia Gay Hospital	502 N 9th Ave., Vinton, IA 52349	Kirkwood Learning Center 111 West 3rd St Vinton, Iowa	Kirkwood College 6301 Kirkwood Blvd SW Cedar Rapids, Iowa
5.2	Mercy Medical Center-Cedar Rapids	701 10th St. SE, Cedar Rapids, IA 52403	Splice Point 43 West of Iowa City on I- 80	Splice Point 43 West of Iowa City on I-80
6.1	University of Iowa Hospitals & Clinics	200 Hawkins Dr., Iowa City, IA 52242	Iowa State University, IA	Splice Point 43 West of Iowa City on I-80
6.2	Mercy Iowa City	500 E. Market St., Iowa City, IA 52245	Iowa State University, IA	Splice Point 43 West of Iowa City on I-80
6.3	Washington County Hospital	400 E. Polk St., Washington, IA 52353	Iowa National Guard Armory 501 Highway 1 S Washington, Iowa	Splice Point 43 West of Iowa City on I-80
6.4	Marengo Memorial Hospital	300 W. May St., Marengo, IA 52301	Williamsburg Public Library 214 West State St Williamsburg, IA	Splice Point 43 West of Iowa City on I-80
7.1	Mercy Medical Center-Clinton	1410 N 4th St., Clinton, IA 52732	Eastern Iowa Comm. College, 1000 Lincoln Blvd, Clinton, IA	Eastern Iowa Community College, 500 Belmont Road, Bettendorf, Iowa
7.3	Genesis Health System	1227 E. Rusholme St., Davenport, IA 52803	St. Ambrose Univ., 518 W. Locust St. Davenport, IA	Eastern Iowa Community College, 500 Belmont Road, Bettendorf, Iowa
7.4	Genesis Plaza	2535 Maplecrest Rd., Bettendorf, IA, 52722	Eastern Iowa Community College 500 Belmont Road Bettendorf Iowa	Eastern Iowa Community College, 500 Belmont Road, Bettendorf Iowa

SID	HCP	HCP Address	Aggregation Point Address	MPLS Switch Location
7.5	Genesis-Bettendorf Imaging Center	4017 Devils Glen Rd., Bettendorf, IA 52722	Eastern Iowa Community College 500 Belmont Road Bettendorf Iowa	Eastern Iowa Community College 500 Belmont Road Bettendorf Iowa
7.7	Genesis Health System - DeWitt	1118 11th St., DeWitt, IA, 52742	DeWitt High School 331 East 8th Street. DeWitt, Iowa	Eastern Iowa Community College 500 Belmont Road Bettendorf Iowa
8.1	Great River Medical Center	1221 S. Gear Ave, W. Burlington, IA 52655	South Eastern Iowa Community College 1500 Agency Road West Burlington, IA	South Eastern Iowa Community College 1500 Agency Road West Burlington, IA
8.2	Fort Madison Community Hospital	5445 Ave. O #174, Fort Madison, IA 52627	Fort Madison High School 2001 Avenue B Fort Madison, Iowa	South Eastern Iowa Community College 1500 Agency Road West Burlington, IA
8.3	Keokuk Area Hospital	1600 Morgan St., Keokuk, IA 52632	Iowa National Guard Armory 170 Boulevard Road Keokuk, Iowa	South Eastern Iowa Community College 1500 Agency Road West Burlington, IA
8.4	Henry County Health Center	407 S. White St., Mt Pleasant, IA 52641	Iowa Wesleyan College 601 North Main St Mount Pleasant, Iowa	South Eastern Iowa Community College 1500 Agency Road West Burlington, IA
9.1	Mahaska Health Partnership	1229 C Ave. East, Oskaloosa, IA 52577	Indian Hills Comm. College 525 Grandview Ave. Ottumwa, Iowa	Indian Hills Comm. College, 525 Grandview Ave., Ottumwa, Iowa
9.2	Keokuk County Health Center	23019 Highway 149, Sigourney, IA 52591	Sigourney High School 907 East Pleasant Valley Sigourney, Iowa	Indian Hills Comm. College, 525 Grandview Ave., Ottumwa, Iowa
9.3	Jefferson County Hospital	400 Highland St., Fairfield, IA 52556	Fairfield High school 403 S 20th Street Fairfield, Iowa	Indian Hills Comm. College, 525 Grandview Ave., Ottumwa, Iowa
9.4	Van Buren County Hospital	304 Franklin St., Keosauqua, IA 52565	Van Buren Community HS 405 4th Street Keosauqua, Iowa	Indian Hills Comm. College 525 Grandview Ave. Ottumwa, Iowa
9.5	Davis County Hospital	509 N. Madison, Bloomfield, IA 52537	Old Davis County High School 900 East North Street Bloomfield, Iowa	Indian Hills Comm. College 525 Grandview Ave. Ottumwa, Iowa
9.7	Mercy Medical Center -Centerville	19898 St., St Josephs Dr., Centerville, IA 52544	Centerville High School 600 CHS Drive Centerville, Iowa	Indian Hills Comm. College 525 Grandview Ave. Ottumwa, Iowa
9.8	Wayne County Hospital	417 S. East Street, Corydon, IA 50060	Wayne County High School 102 North DeKalb St., Corydon, Iowa	Indian Hills Comm. College 525 Grandview Ave. Ottumwa, Iowa
9.9	Lucas County Hospital	1200 N 7th St, Chariton, IA 50049	Chariton High School 140 East Albia Road, Chariton, Iowa	Indian Hills Comm. College 525 Grandview Ave. Ottumwa, Iowa
9.9	Monroe County Hospital	6580 165th St, Albia, IA 52531	Albia, High School 503 B Avenue East, Albia Iowa	Indian Hills Comm. College 525 Grandview Ave. Ottumwa, Iowa

SID	HCP	HCP Address	Aggregation Point Address	MPLS Switch Location
10.1	Mercy Medical Center-Des Moines	1111 6th Ave, Des Moines, IA 50309	Lucas State Office Bldg Des Moines, Iowa 50319	Lucas State Office Bldg Des Moines, Iowa 50319
10.2	Skiff Medical Center Newton	204 N. 4th Ave. E, Newton, IA	DMACC Newton Campus 600 North 2nd Ave. Newton, Iowa	JFHQ, Camp Dodge, Johnston, Iowa 50131
10.3	Marshalltown Medical and Surgical Center	Three S. 4th Ave, Marshalltown, IA 50158	JFHQ Johnston IA or Lucas State Office Bldg Des Moines, Iowa	JFHQ, Camp Dodge, Johnston, Iowa 50131
10.4	Pella Regional Health Center	404 Jefferson St., Pella, IA 50219	Central College 812 University St Pella Iowa	JFHQ, Camp Dodge, Johnston, Iowa 50131
10.5	Knoxville Hospital & Clinics	1002 S. Lincoln St., Knoxville, IA 50138	Veterans Hospital 1515 West Pleasant Knoxville Iowa	JFHQ, Camp Dodge, Johnston, Iowa 50131
10.6	Madison County Health Care System	300 W. Hutchings St., Winterset, IA 50273	Winterset High School 624 Husky Drive Knoxville, Iowa	JFHQ, Camp Dodge, Johnston, Iowa 50131
10.7	Mercy Medical Center, West Lakes	1601 60th St, West Des Moines, IA 50266	JFHQ Johnston IA or Lucas State Office Bldg Des Moines, Iowa	JFHQ, Camp Dodge, Johnston, Iowa 50131
10.9	Dallas County Hospital	610 10th St., Perry, IA 50220	Perry High School 1102 Willis Avenue Perry, Iowa	JFHQ, Camp Dodge, Johnston, Iowa 50131
11.1	Adair County Memorial Hospital	609 SE Kent, Greenfield, IA 50849	Nodaway Valley High School 410 Northwest 2nd Street Greenfield, Iowa	Southwestern Community College, 2520 College Drive, Creston, Iowa
11.3	Ringgold County Hospital	504 N. Cleveland, Mt. Ayr, IA 50854	Mt Ayr High School 1001 East Columbus Street Mt Ayr Iowa	Southwestern Community College, 2520 College Drive, Creston, Iowa
11.4	Alegent Health Mercy Hospital - Corning	603 Rosary Drive, Corning, IA 50841	Corning High School 905 8th St. Corning, Iowa	Southwestern Community College, 2520 College Drive, Creston, Iowa
11.6	Audubon County Memorial Hospital	515 Pacific St, Audubon, IA 50025	Audubon High School 800 3rd Ave. Audubon, Iowa	Southwestern Community College, 2520 College Drive, Creston, Iowa
12.1	Grape Community Hospital	2959 US Hwy 275, Hamburg, IA 51640	Sidney High School 2754 Knox Road Sidney, Iowa	Iowa Western Community College, 2700 College Road, Council Bluffs, Iowa
12.2	Clarinda Regional Health Center	823 S. 17th St., Clarinda, IA 51632	Iowa Western Community College 923 East Washington Clarinda, Iowa	Iowa Western Community College, 2700 College Road, Council Bluffs, Iowa
12.3	Shenandoah Medical Center	300 Pershing Ave., Shenandoah, IA 51601	Iowa National Guard Armory, 601 Ferguson Road, Shenandoah, Iowa	Iowa Western Community College, 2700 College Road, Council Bluffs, Iowa

SID	HCP	HCP Address	Aggregation Point Address	MPLS Switch Location
12.4	Alegent Health Community Memorial Hospital	631 North 8th St., Missouri Valley, IA 51555	Missouri Valley High School 605 Lincoln Way Missouri Valley, Iowa	Iowa Western Community College, 2700 College Road Council Bluffs, Iowa
12.5	Jennie Edmondson Hospital	933 E. Pierce St., #2C, Council Bluffs, IA 51503	Iowa Western Community College 2700 College Road Council Bluffs, IA	Iowa Western Community College, 2700 College Road Council Bluffs, Iowa
12.6	Alegent Health Mercy Hospital - Council Bluffs	800 Mercy Drive Council Bluffs, IA 51503	Iowa Western Community College 2700 College Road Council Bluffs, IA	Iowa Western Community College, 2700 College Road Council Bluffs, Iowa
13.1	Horn Memorial Hospital	701 E. 2nd St, Ida Grove, IA 51445	Iowa Western Community College 900 Montgomery Drive Ida Grove, IA	Western Iowa Tech Comm. College, 4647 Stone Ave, Sioux City, Iowa
13.2	Cherokee Regional Health Center	300 Sioux Valley Dr., Cherokee, IA 51012	Cherokee High School 600 West Bluff Street Cherokee, Iowa	Western Iowa Tech Comm. College, 4647 Stone Ave, Sioux City, Iowa
13.3	Crawford County Memorial Hospital	2020 1st Ave S., Denison, IA 51442	Iowa Western Tech Comm. College 11 North 5th St Denison, Iowa	Western Iowa Tech Comm. College 4647 Stone Ave, Sioux City, Iowa
13.4	Burgess Health Center	1600 Diamond St., Onawa, IA, 51040	West Monona High School 1314 15th Street Onawa, Iowa	Western Iowa Tech Comm. College 4647 Stone Ave, Sioux City, Iowa
13.5	Mercy Medical Center-Sioux City	801 5th St., Sioux City, IA 51101	Western Iowa Tech Comm. College 4647 Stone Ave, Sioux City, Iowa	Western Iowa Tech Comm. College 4647 Stone Ave Sioux City, Iowa
13.6	Floyd Valley Hospital	714 Lincoln St NE, Hwy 3 East, LeMars, IA 51031	Gehlen Catholic High School 709 Plymouth St NE, LeMars, Iowa	Western Iowa Tech Comm. College 4647 Stone Ave Sioux City, Iowa
14.1	Story County Medical Center	630 6th St., Nevada, IA 50201	Via Maintenance Splice MS-1107	Splice Point 125 East of Boone, Iowa
14.2	Manning Regional Healthcare Center	410 Main St., Manning, IA 51455	DMACC Carroll Campus 906 North Grant Road Carroll, Iowa	Splice Point 125 East of Boone, Iowa
14.3	St. Anthony Regional Hospital	311 S. Clark St., Carroll, IA 51401	DMACC Carroll Campus 906 North Grant Road Carroll, Iowa	Splice Point 125 East of Boone, Iowa
14.4	Boone County Hospital	1015 Union St., Boone, IA 50036	DMACC Boone Campus 1125 Hancock Drive Boone, Iowa	Splice Point 125 East of Boone, Iowa
15.1	Osceola Community Hospital, Inc.	9th Ave N., Sibley, IA 51249	Sibley-Ocheyedan Schools 120 11th Ave. NE Sibley, Iowa	Northwest Iowa Community College 603 West Park Street Sheldon, Iowa
15.2	Orange City Area Health System	1000 Lincoln Circle SE, Orange City, IA 51041	Northwestern College 101 7th St SW Orange City, Iowa	Northwest Iowa Community College 603 West Park Street Sheldon, Iowa

SID	HCP	HCP Address	Aggregation Point Address	MPLS Switch Location
15.3	Baum-Harmon Mercy Hospital	255 N. Welch Ave., Primghar, IA.,51245	Northwest Iowa Community College 603 West Park Street Sheldon, Iowa	Northwest Iowa Community College 603 West Park Street Sheldon, Iowa
15.4	Sanford Sheldon Medical Center	118 N. 7th Ave, Sheldon, IA 51201	Iowa National Guard Armory 920 Western Avenue, Sheldon, Iowa	Northwest Iowa Community College 603 West Park Street Sheldon, Iowa
15.5	Hawarden Community Hospital	1111 11th St., Hawarden, IA 51023	Hawarden Library 803 10th Street Hawarden, Iowa	Northwest Iowa Community College 603 West Park Street Sheldon, Iowa
15.6	Sioux Center Community Hospital/Health Center	605 S. Main Ave., Sioux Center, IA 51250	AEA 4 Highway 18 North, Rock Valley, Iowa	Western Iowa Tech Comm. College 4647 Stone Ave Sioux City, Iowa
15.7	Hegg Memorial Health Center	1202 21st. Ave., Rock Valley, IA 51247	AEA 4 Highway 18 North, Rock Valley, Iowa	Northwest Iowa Community College 603 West Park Street Sheldon, Iowa
15.8	Sanford Health-Rock Rapids	801 Greene St., Rock Rapids, IA 51246	Rock Valley High School 1712 20th Ave. Rock Valley, Iowa	Western Iowa Tech Comm. College 4647 Stone Ave Sioux City, Iowa
15.9	Avera McKennan Hospital	2920 West 10 th Street Sioux Falls, SD	AEA 4 Highway 18 North, Rock Valley, Iowa	Northwest Iowa Community College 603 West Park Street Sheldon, Iowa
15.92	Sanford Health	1305 West 18 th St Sioux Falls, SD	Gehlen Catholic High School,709 Plymouth St NE LeMars, Iowa	Western Iowa Tech Comm. College 4647 Stone Ave Sioux City, Iowa
16.1	Lakes Regional Health Care	2301 Hwy 71, Spirit Lake, IA	Spirit Lake High School 2701 Hill Avenue Spirit Lake, Iowa	Iowa Lakes Comm. College 300 South 18th Street Estherville, Iowa
16.2	Palo Alto County Health System	3201 1st St., Emmetsburg, IA 50536	Iowa Lakes Comm. College 3200 College Drive Emmetsburg, Iowa	Iowa Lakes Comm. College 300 South 18th Street Estherville, Iowa
16.3	Avera Holy Family Health	826 N. 8th St., Estherville, IA 51334	Iowa Lakes Comm. College 300 South 18th Street Estherville, Iowa	Iowa Lakes Comm. College 300 South 18th Street Estherville, Iowa
16.4	Kossuth Regional Health Center	1515 S. Phillips St., Algona, IA 50511	Iowa Lakes Comm. College 2111 Highway 169 N Algona, Iowa	Iowa Lakes Comm. College 300 South 18th Street Estherville, Iowa
16.5	Spencer Hospital	1200 1st Ave. E., Spencer, IA 51301	Iowa Lakes Comm. College 1900 Grand Avenue Spencer, Iowa	Iowa Lakes Comm. College 300 South 18th Street Estherville, Iowa
17.1	Van Diest Medical Center	2350 Hospital Drive Webster City, IA 50595	Link Splice 125 East of Boone, Iowa	Iowa Central Community College 1 Triton Circle Fort Dodge, Iowa
17.2	Stewart Memorial Community Hospital	1301 W. Main St., Lake City, IA 51449	Southern Cal Comm. High School 709 West Main St Lake City, Iowa	Iowa Central Community College 1 Triton Circle Fort Dodge, Iowa

SID	HCP	HCP Address	Aggregation Point Address	MPLS Switch Location
17.3	Wright Medical Center	1316 S. Main St., Clarion, IA	Clarion Goldfield Middle School 300 3rd Ave NE Clarion, Iowa	Iowa Central Community College 1 Triton Circle, Fort Dodge, Iowa

ATTACH ENT 2

A THORIFICATION TO RELEASE INFORMATION

RFP 12-005

**ATTACH ENT
ID S ITTAL FOR**

RFP 12-005

Line #	HCP name	F	o	of	E	HCP Address	off of 0								
							30 Mbs	60 Mbs	90 Mbs	100 Mbs	200 Mbs	500 Mbs	1 Gb/s		
1	Adair County Memorial Hospital					609 SE Kent, Greenfield, IA 50849									
2	Alegent Health Community Memorial Hospital					631 North 8th St., Missouri Valley, IA 51555									
3	Alegent Health Mercy Hospital - Council Bluffs					800 Mercy Drive, Council Bluffs, IA 51503									
4	Alegent Health Mercy Hospital - Corning					603 Rosary Drive, Corning, IA 50841									
5	Audubon County Memorial Hospital					515 Pacific St, Audubon, IA 50025									
6	Avera Holy Family Health					826 N. 8th St., Estherville, IA 51334									
7	Avera McKennan					2920 West 10 th Street., Sioux Falls, SD									
8	Baum-Harmon Mercy Hospital					255 N. Welch Ave., Pringhar, IA.,51245									
9	Boone County Hospital					1015 Union St., Boone, IA 50036									
10	Buchanan County Health Center					1600 1st St. E, Independence, IA, 50644									
11	Burgess Health Center					1600 Diamond St., Onawa, IA, 51040									
12	Central Community Hospital					901 Davidson St. NW, Elkader, IA 52043									
13	Cherokee Regional Health Center					300 Sioux Valley Dr., Cherokee, IA 51012									

SIGNATURE _____ DATE _____

Line #	HCP name	HCP Address	30 Mbs	60 Mbs	90 Mbs	100 Mbs	200 Mbs	500 Mbs	1 Gb/s
14	Clarinda Regional Health Center	823 S. 17th St., Clarinda, IA 51632							
15	Crawford County Memorial Hospital	2020 1st Ave S., Denison, IA 51442							
16	Davis County Hospital	509 N. Madison, Bloomfield, IA 52537							
17	Ellsworth Municipal Hospital	110 Rocksylvania Ave, Iowa Falls, IA 50126							
18	Floyd County Medical Center	800 11th St., Charles City, IA 50616							
19	Floyd Valley Hospital	714 Lincoln St NE, Hwy 3 East, LeMars, IA 51031							
20	Fort Madison Community Hospital	5445 Ave. O #174, Fort Madison, IA 52627							
21	Franklin General Hospital	1720 Central Ave E, Hampton, IA 50441							
22	Genesis Health System	1227 E. Rusholme St., Davenport, IA 52803							
23	Genesis Health System - DeWitt	1118 11th St., DeWitt, IA, 52742							
24	Genesis Plaza	2535 Maplecrest Rd., Bettendorf, IA, 52722							
25	Genesis-Bettendorf Imaging Center	4017 Devils Glen Rd., Bettendorf, IA 52722							
26	Grape Community Hospital	2959 US Hwy 275, Hamburg, IA 51640							
27	Great River Medical Ctr	1221 S. Gear Ave, W. Burlington, IA 52655							
28	Van Diest Hospital	800 Ohio St., Webster City, IA 50595							
SIGNATURE _____		DATE _____							

Line #	HCP name	HCP Address	30 Mbs	60 Mbs	90 Mbs	100 Mbs	200 Mbs	500 Mbs	1 Gb/s
29	Hancock County Memorial Hospital.	532 1st St NW, Britt, IA 50423							
30	Hawarden Community Hospital	1111 11th st., Hawarden, IA 51023							
31	Hegg Memorial Health Center	1202 21st. Ave., Rock Valley, IA 51247							
32	Henry County Health Center	407 S. White St., Mt Pleasant, IA 52641							
33	Horn Memorial Hospital	701 E. 2nd St, Ida Grove, IA 51445							
34	Jefferson County Hospital	400 Highland St., Fairfield, IA 52556							
35	Jennie Edmundson Hospital	933 E. Pierce St., #2C, Council Bluffs, IA 51503							
36	Keokuk Area Hospital	1600 Morgan St., Keokuk, IA 52632							
37	Knoxville Hospital & Clinics	1002 S. Lincoln St., Knoxville, IA 50138							
38	Kossuth Regional Health Center	1515 S. Phillips St., Algona, IA 50511							
39	Lucas County Health Center	1200 N 7th St, Chariton, IA 50049							
40	Madison County Health Care System	300 W. Hutchings St., Winterset, IA 50273							
41	Mahaska Health Partnership	1229 C Ave. East, Oskaloosa, IA 52577							
42	Manning Regional Healthcare Center	410 Main St., Manning, IA 51455							
43	Marengo Memorial Hospital	300 W. May St., Marengo, IA 52301							

SIGNATURE _____ DATE _____

Line #	HCP name	HCP Address	30 Mbs	60 Mbs	90 Mbs	100 Mbs	200 Mbs	500 Mbs	1 Gb/s
44	Marshalltown Medical and Surgical Center	Three S. 4th Ave, Marshalltown, IA 50158							
45	Mercy Medical Center, West Lakes	1601 60th St, West Des Moines, IA 50266							
46	Mercy Iowa City	500 E. Market St., Iowa City, IA 52245							
47	Mercy Medical Center-Cedar Rapids	701 10th St. SE, Cedar Rapids, IA 52403							
48	Mercy Medical Center-Centerville	19898 St., St Josephs Dr., Centerville, IA 52544							
49	Mercy Medical Center-Clinton	1410 N 4th St., Clinton, IA 52732							
50	Mercy Medical Center-Des Moines	1111 6th Ave, Des Moines, IA 50309							
51	Mercy Medical Center-Dubuque	250 Mercy Dr., Dubuque, IA 52001							
52	Mercy Medical Center-Dyersville	1111 3rd St SW, Dyersville, IA 52040							
53	Mercy Medical Center-New Hampton	308 N Maple Ave, New Hampton, IA 50659							
54	Mercy Medical Center-N. Iowa-East Campus	1000 4th St SW, Mason City, IA 50401.							
55	Mercy Medical Center-Sioux City	801 5th St., Sioux City, IA 51101							
56	Mitchell County Regional Health Center	616 N 8th St., Osage, IA 50461							
57	Monroe County Hospital	6580 165th St, Albia, IA 52531							
58	Orange City Area Health System	1000 Lincoln Circle SE, Orange City, IA 51041							

SIGNATURE _____ DATE _____

Line #	HCP name	HCP Address	30 Mbs	60 Mbs	90 Mbs	100 Mbs	200 Mbs	500 Mbs	1 Gb/s
59	Osceola Community Hospital, Inc.	9th Ave N., Sibley, IA 51249							
60	Palmer Lutheran Health Center, Inc	112 Jefferson St., West Union, IA 52175							
61	Palo Alto County Health System	3201 1st St., Emmetsburg, IA 50536							
62	Pella Regional Health Center	404 Jefferson St., Pella, IA 50219							
63	Regional Health Services of Howard Co.	235 8th Ave W., Cresco, IA 52136							
64	Regional Medical Center	709 W. Main St., #359. Manchester, IA 52057							
65	Ringgold County Hospital	504 N. Cleveland, Mt. Ayr, IA 50854							
66	Sanford Health	1305 West 18 th St, Sioux Fall, SD							
67	Sanford Hospital-Rock Rapids	801 Greene St., Rock Rapids, IA 51246							
68	Sanford Sheldon Medical Center	118 N. 7th Ave, Sheldon, Ia 51201							
69	Shenandoah Medical Center	300 Pershing Ave., Shenandoah, IA 51601							
70	Sioux Center Community Hospital/Health Center	605 S. Main Ave., Sioux Center, IA 51250							
71	Spencer Hospital	1200 1st Ave. E., Spencer, IA 51301							
72	St. Anthony Regional Hospital	311 S. Clark St., Carroll, IA 51401							
SIGNATURE _____			DATE _____						

Line #	HCP name	HCP Address	30 Mbs	60 Mbs	90 Mbs	100 Mbs	200 Mbs	500 Mbs	1 Gb/s
73	Stewart Memorial Community Hospital	1301 W. Main St., Lake City, IA 51449							
74	Story County Medical Center	630 6th St., Nevada, IA 50201							
75	University of Iowa Hospitals & Clinics	200 Hawkins Dr., Iowa City, IA 52242							
76	Van Buren County Hospital	304 Franklin St., Keosauqua, IA 52565							
77	Veterans Memorial Hospital	40 1st Ave SE., Waukon, IA 52172							
78	Virginia Gay Hospital	502 N 9th Ave., Vinton, IA 52349							
79	Waverly Health Center	312 9th St. SW, Waverly, IA 50677							
80	Wayne County Hospital	417 S. East Street, Corydon, IA 50060							
81	Winneshiek Medical Center	901 Montgomery St., Decorah, IA 52101							
82	Dallas County Hospital	610 10th St., Perry, IA 50220							
83	Washington County Hospital	400 E. Polk St., Washington, IA 52353							
84	Lakes Regional Health Care	2301 Hwy 71, Spirit Lake, IA							
85	Skiff Medical Center	204 N. 4th Ave. E, Newton, IA							
86	Wright Medical Center	1316 S. Main St., Clarion, IA							
87	Keokuk County Health Center	1312 S. Stuart St., Sigourney, IA							
88	Belmond Medical Center	403 1st St. SE, Belmond, IA 50421							
	SIGNATURE _____		DATE _____						

ATTACH ENT
CERTIFICATION OF ENDOR
RFP 12-005

7
3

7
et. seq.

ATTACH ENT 5
SAC R RAL HEALTH CARE PILOT PRO RA PROCESS
RFP 12-005

Competitive Bidding Requirement Overview

7

7

Vendor Eligibility

- the non-ec in costs o desi n, en ine in , ate ials, and const ction o ibe acilities and othe b oadband in ast ct e
- the non-ec in costs o en ine in , nishin i.e., as delive ed o the an act e , and installin netwo e i ent
- the ec in and non-ec in costs o o e atin and aintainin the const cted netwo once the netwo is o e ational and
- ca ie - ovide d t ans ission se vices and the costs o s bsc ibin to s ch acilities and se vices.

7

7

7



rior to receiving any R C support. All vendor must complete certification that they will comply with R C rule and use funding only for the purpose intended. Multiple templates or certification is available or downloaded. Certification could be submitted to the Project Coordinator.

Support for Project

Rural Health Care Pilot Program Request

- Services requested in location.
- Participating entities.
- Project coordinates name, location, and contact information.
- Attached to SA website.
- Allowable contract rate.

Project

Attached to SA posts a [Project's Description of Services Requested & Certification Form \(Form 465\)](#) and associated supporting information, all vendors may view the information and provide bids.

The open competitive bidding process is a minimum of 28 days from the date USAC posts a Form 465 on USAC's website. During this minimum 28-day window, vendors may contact the Project Coordinator (or alternate point of contact (POC), if specified) to submit a bid for their service needs. RHCPP Participants must evaluate all bids and select the most cost-effective service or facility provider available. In selecting the most cost-effective bid, in addition to price, the FCC's [2007 Rural Health Care Pilot Program Selection Order](#) requires Participants to consider non-cost evaluation factors that include prior experience, including past performance; personnel qualifications, including technical excellence; management capability, including solicitation compliance; and environmental objectives (if appropriate). Additional discussion of the cost effective standard can be found in paragraphs 78 to 79 of the [2007 Rural Health Care Pilot Program Selection Order](#). Project Coordinators may conduct bidding rounds that exceed 28 days and may have multiple rounds of selection.

Vendors can search for requests for services on the RHCPP [Search Postings](#) page.

NOTE: Vendors or service providers participating in the competitive bid process are prohibited from assisting with or filling out a selected participants' service request (e.g., FCC Form 465 and related materials).

Sign a contract for service

Vendors may enter into a contract with Participants after the minimum 28-day posting requirement has been met.

It is the Participant's responsibility to determine the most cost-effective service and select an eligible vendor before signing a contract. **Participants that enter into an agreement before completion of the 28-day posting requirement are in violation of the FCC's competitive bidding rules for the Rural Health Care Pilot Program and will not receive support.**

In addition:



- () Vendors participating in competitive bidding process are prohibited from assisting or filling out the RHCPP Participant's Form 465 see footnote 28 of the [2007 RHCPP Selection Order](#).
- (2) Vendors must complete an RHCPP certification. This requirement is found in paragraph 9 of the [2007 RHCPP Selection Order](#). The template for this certification is available for [download](#).
- () Vendors must retain records for 5 years. This requirement is stated in footnote 277 of the [2007 RHCPP Selection Order](#).

Receive Funding Commitment Letter

When USAC has approved a request for service support (the *Internet Service Funding Request and Certification Form 466-A*, and associated attachments), USAC will send the Project Coordinator and the vendor a Funding Commitment Letter (FC).

The FC indicates that the project is eligible for the support specified in the letter contingent upon submitting a *Connection Certification Form* (Form 467).

Funding Commitment Letter Contents

The FC includes the following information

- Health Care Provider (HCP) Number, a unique five-digit code assigned to each Pilot project
- Project Name (person designated as the Project Coordinator)
- Project Name and Address of the project location supported
- Service Provider Identification Number (SPIN)
- Vendor Name
- Funding Year
- Copy of approved network cost or sheet
- List of sites where service is being provided
- Type of service agreement (e.g., contract, tariff)
- Eligible support start date first date the project can receive support based on the *Description of Services Requested & Certification Form* (Form 465)
- Support end date, last day service is eligible for support during the funding year
- Estimated months of support
- Non-recurring support amount
- Monthly recurring support amount
- Estimated total support amount
- Funding request number, a unique five-digit code assigned by USAC for each project, vendor, and service combination.
- Approved network cost or sheet items

What to Do When You Receive the FC

Vendors should validate the SPIN on the FC. This ensures that future support provided by the vendor is credited to the correct SPIN. If the SPIN is incorrect, please contact the Rural Health Care Pilot Program at -800-229-5476.

Health care provider support can only be provided after the vendor receives the Support Acknowledgement Letter from USAC.



Receive Support Acknowledgement Letter

USAC sends a Support Acknowledgement Letter to the Project Coordinator (PC) and vendor.

After receiving the *Connection Certification Form* (Form 467), USAC creates a Support Acknowledgement Letter, which is sent to the PC and vendor.

The Support Acknowledgement Letter provides a detailed report of the approved service(s) and support information.

Health Care Provider HCP Support Acknowledgement Letter Contents

The HCP Support Acknowledgement Letter includes the following information:

- Funding Year: 2007, 2008, etc.
- Pilot Project Number (Also known as a HCP Number): unique five-digit number assigned to each Pilot Project
- Funding Request Number: a unique five-digit code assigned by USAC for each Pilot Project, vendor and service combination.
- Billing Account Number: account code for a Pilot Project credited with USF support
- Pilot Project Name: name of project being supported
- Pilot Project Address: address of the project being supported
- Pilot Project Mailing Organization and Address if different than above
- Service Provider Identification Number (SPIN) – number issued by USAC to a vendor
- Vendor name: name of vendor providing service or equipment to project
- Service: type of service or equipment provided
- Support Start Date: first date HCP can receive support based on the *Description of Services Requested & Certification Form* (Form 465)
- Support End Date: last day service is eligible for support during the funding year
- Support Date: month and year for support amount
- Support Amount: support for the month (\$)
- Total: total support for the funding year (\$)

This letter verifies that a Form 467 has been received. The support is credited to the Billing Account Number shown on the Support Acknowledgement Letter. A sample [Support Acknowledgement Letter](#) is available for download.

What to Do When You Receive the Support Acknowledgement Letter

The Support Acknowledgement Letter will be sent to the PC and vendor when the *Connection Certification Form* (FCC Form 467) is processed by USAC.

Once the vendor receives the letter, it can bill the project for services completed. The entity that receives the bill and pays for the service is defined as the "billed entity."

USAC requests that vendors check the SPIN on the Support Acknowledgement Letter to make sure it is correct.

Participants should check that the service provided was actually working or installed and is being billed for the time period on the Support Acknowledgement Letter. Be sure that the Billing Account Number listed on



the letter is the same Billing Account Number attached to the service and PC location or PC mailing organization and address. This ensures support is credited to the entity paying for the service. If you are unsure whether the Billing Account Number is correct or if you find an error on the Support Acknowledgement Letter, please contact the Universal Health Care Pilot Program at 476 and do not start applying program discounts.

Send invoice to SA

Once the vendor provides the service and invoices the project, the Project Coordinator (PC) for each Pilot Project is responsible for approving invoices for the vendor's use. These invoices are based on the approved Funding Commitment Letter. The vendor then signs and returns these pre-filled invoices to USAC.

The Project Coordinator shall also confirm and demonstrate to USAC that the selected participant's percent minimum funding contribution has been provided to the service provider for each invoice. USAC also will review invoices to ensure network deployments are proceeding according to the Participants network plans.

Where and When to Send Invoice

Project Coordinators can mail or fax USAC a copy of the [HCPP Invoice](#):

Universal Service Administrative Company
Universal Health Care Program
S. Jefferson Road
Bridgewater, NJ 07007

Fax: 800-476-4764 (to the attention of the project coach)

Monthly Invoicing Cycle

Invoices received from the 1st through the 5th of the month will be processed by the 15th of the month. Invoices received from the 6th through the 31st of the month will be processed by the 15th of the following month.

Example

If an invoice is received January 1st it will be processed during the first five days of February. If an invoice is received February 1st, it will be processed by February 15th. The date the invoice is received by USAC will be used to determine when the invoice will be processed, not the date mailed by the project coordinator. Once an invoice is processed by USAC, it will take about 10 days to issue payment. If payment has not been received within 45 days of invoicing USAC, please call 800-476-4764 to be sure the invoice was received and is being processed.

Invoice Formatting

USAC has designed a sample invoice format that project coordinators and vendors may use in the HCPP. The [HCPP Invoice](#) consists of a header and individual invoice line items for each Pilot Program service credited. Support amounts are based on monthly submissions of actual incurred expenses.

Note

USAC has developed an administrative process to streamline the invoice submission and approval process. Please contact the Project Coordinator for additional information on this process.



endor Letterhead

Certification of endor

I, name of corporate officer , on behalf of

endor name (SPIN) certify and swear under the penalty of

perjury, that to the best of my knowledge, information and belief, all federal ural Health

Care Pilot Program support provided to us will be used only for eligible Pilot Program

purposes for which the support is intended, as described in the Pilot Program Order (C

ocket 6 FCC 7 4 , released November , 7), and consistent with related

FCC orders, section 4(h)()(A) of the Telecommunications Act of 4, as amended,

and Parts 4.6 et e of the FCC s rules.

(signature)

Name

Title

ate

NOTA I B :



ATTACHMENT 7

A DA Y RA D LL

I, Tony Crandell, swear or affirm:

ackground

1. My name is Anthony Crandell and I am the sole proprietor of Access Integration Specialists (AIS), which I formed in late 2006.
2. I have no criminal history and have never been charged with a crime beyond a speeding ticket.
3. I served in the National Guard from 2006 through 2006.
4. I worked in law enforcement from 2006 to 2007. I was the Chief of Police for the City of Lamoni from 2006 to 2007 and the Chief Deputy for Decatur County from 2007 to 2007.
5. I then worked for the State of Iowa as a project manager beginning in 2007 in the communications division of General Services and then for the Iowa Communications Network (ICN) under the Iowa Telecommunications and Technology Commission once it was formed in 2004.
6. This experience provided me with extensive knowledge of and experience with Iowa's broadband networks.
7. I retired from state public service in 2007 as a Senior Systems Design Engineer.
8. I then did project management work for merit resources, the Department of Homeland Security, and the Iowa National Guard. I also did FP drafting as part of my work with Homeland Security.
9. In 2006 ICN and AIS entered into a three year contract. I was contracted to

perform project management services as needed and requested by ICN as an independent contractor.

- . This included work on ICN's accounting billing system and coordinating the installation of telephone systems for the Department of Human Services.
- . From 7 to , I continued working with the Iowa National Guard on a voluntary basis as a coordinator for the state search and rescue committee and gave communications seminars for Homeland Security.

Scope of Work With Iowa Rural Health Telecommunication Program R

- . I did not assist with the application for Rural Health Care Pilot Program funding in 7.
- . After the award was made in , my technical expertise and assistance was requested and I assisted Art Spies, Project Coordinator for IHTP, with drafting and evaluating the following requests for Proposal (FPs):
 - FP (Outside Plant Fiber) (USAC FP)
 - FP (Network and Site Electronics) (USAC FP)
 - FP (Broadband Lit services) (USAC FP)
 - FP 4 (Outside Plant Fiber and Network Electronics sections only) (USAC FP)
 - FP (Enhanced Ethernet Bandwidth Connectivity) (USAC FP 4).

4. While USAC refers to me as a consultant, I did not consider myself as such because the network design was already in place. I was the drafter for the above identified FPs.
 - . In fact, Mr. Spies and the Steering Committee reviewed the FPs and had the final say on their content.
6. The bids received for the Quality Assurance Inspection Services for FP (USAC) were too expensive and therefore, no evaluations were performed.
7. AIS did not bid on this FP.
 - . I HTP determined it would have to submit another FP for Quality Assurance Inspection Services that better identified the needs of the project.
 - . I inquired whether AIS would be prohibited from bidding on a second Quality Assurance Inspection Services FP.
 - . To my understanding, Mr. Spies discussed this inquiry with the USAC coach, Barbara Sheldon, and Ms. Sheldon not see a problem with AIS bidding as long as I did not assist with the drafting of the second FP (FP).
 - . The USAC coach and Mr. Spies were fully aware of AIS's relationship with ICN and my experience and knowledge of the ICN network from my prior work experience with the state and as an independent contractor.
 - . That experience had little relevance to FP , as FP used a burdened hourly rate approach where I HTP identified the number of sites and hours of work. The bidder then simply had to provide its burdened hourly rate, which included all expenses. See FP Sections . . . , . . . , and .

(describing the burdened hourly rate requirements). See also Anne A to FP (providing a model form for all bidders to complete).

- . This approach was entirely different than the Quality Assurance Inspection Services request in FP (USAC FP), which was more of a general request that did not identify the hours or type of work required.
- 4. FP was available for review to all bidders on upon request. See FP at .
- . I did not assist with drafting FP (Quality Assurance Inspection Services) (USAC FP) nor the Quality Assurance Inspection Services section of FP (AC FP), which also used the burdened rate approach.

A S bidding

- 6. Based on the USAC coach's representation concerning the propriety of a bid from AIS on a second Quality Assurance Inspection Services FP, AIS bid on FP (USAC FP).
- 7. During this time, I continued to work with I HTP and Mr. Spies on the other FPs we were drafting and evaluating.
 - . We did not discuss FP (USAC FP) while the bidding was open.
 - . I also did not discuss FP (USAC FP) with ICN.
 - . AIS was awarded the contract F N 6 4 over one other bidder.
 - . AIS scored lower than the other bidder on project experience and vendor capabilities. It scored higher on cost and invoicing and audit compliance.

- . I had no knowledge of how my bid for FP would be considered as the bids for FP (USAC) were never evaluated and FP used a different submission calculation.
 - . Because I had bid and won the contract on FP (USAC FP), I also did not participate in drafting or evaluating the Quality Assurance Services section of FP 4 (USAC FP).
4. AIS was the only bidder for the Quality Assurance Services section of FP 4 (USAC FP).
 - . AIS bid the same price as it had for FP (USAC FP).
 6. AIS won the contract for F N 6 4 .

idding

7. In drafting FP (USAC FP), FP (USAC FP), FP (USAC FP), limited sections of FP 4 (USAC FP) (e cluding the Quality Assurance Services section), and FP (USAC FP 4), my role was to provide independent technical e pertise that adequately identified the needs of the project.
 - . In evaluating the aforementioned FPs, I objectively considered the factors outlined in each FP.
 - . I did not draft or evaluate the bids for these FPs in my capacity as an independent contractor for ICN.
- 4 . hile these FPs were pending, ICN and AIS had no conversations related to the

FPs.

- 4 . At no point did ICN attempt to influence my decision on how to draft and evaluate the FPs I was working on.
- 4 . My work as an independent contractor for ICN during this time in no way influenced my drafting or evaluation of the FPs.
- 4 . ICN's role, in providing the backbone network infrastructure, was contemplated by the application for the Pilot Program funding, which was filed by the Iowa Hospital Association (IHA) and ICN.
44. The application, like many others, requested a waiver from the competitive bidding requirements due to Iowa's unique statewide network and ICN being the obvious cost effective choice.
- 4 . The FCC denied these waiver requests reasoning that the competitive bidding process was necessary to ensure that the identified service providers were the most cost effective. *see* Pilot Program Selection Order at .
46. I HTP complied and conducted competitive bids for all FPs.
47. Unsurprisingly, ICN was the only bidder for FP (USAC FP 4).
- 4 . It was awarded F N 6 6.
- 4 . AIS did not do any work on F N 6 6 as an independent contractor.

AFFIANT FURTHER SAYTH NOT.

Anthony G. Crandell
Anthony Gene Crandell

June 29, 2015
Date

Subscribed and sworn to before me, this 29th day of June, 2015.

[Signature]
Signature of Notary



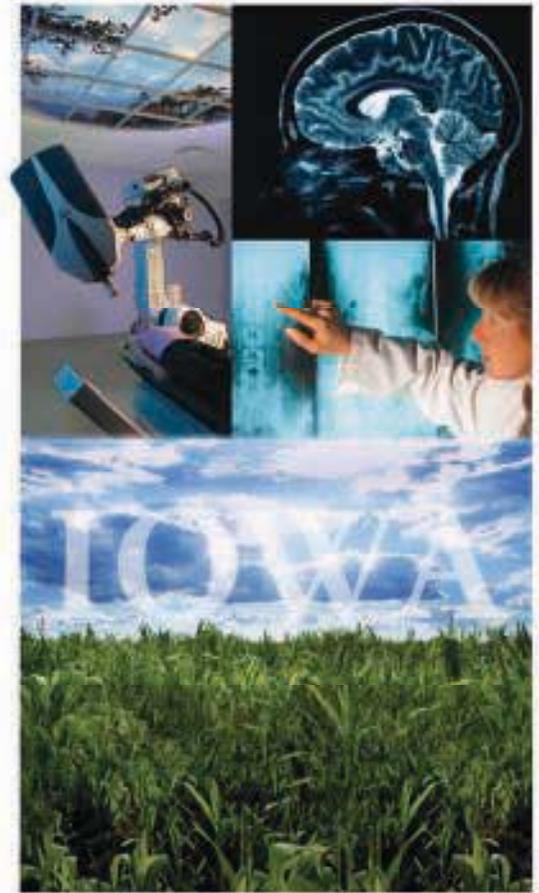
ATTACHMENT 8

**NOTICE TO VENDORS
REQUEST FOR PROPOSAL
IRHTP RFP 08-001**

**Outside Plant Fiber Optic Cable Project at
95 Health Care Locations Throughout the
State of Iowa**

**Mr. Art Spies
Senior Vice President
Iowa Hospital Association
100 East Grand Avenue, Suite 100
Des Moines, IA 50309
spies@ihaonline.org**

**The Iowa Rural Health Telecommunications
Program (IRHTP) will be receiving sealed
bid proposals for RFP 08-001 until
3:00 p.m. CDST, September 12, 2008.**



**Healthcare
without limits™
faster
more reliable
co\$t effective**

Outside Plant – Fiber Optic Cable and IRU

THIS REQUEST FOR PROPOSAL CONSISTS OF FOUR CHAPTERS, THREE ANNEXES, AND SIX ATTACHMENTS:

<u>CHAPTER</u>	<u>TITLE</u>
1	<u>Administrative Issues</u>
2	<u>Contractual Terms</u>
3	Technical Specifications <u>Part I – Outside Plant Fiber Installation</u> <u>Part II – Quality Assurance Inspection Services</u>
4	<u>Evaluation Criteria, Part I & II</u>
Annex A	<u>Site Maps and Information</u> (Detailed Site Information on a separate Compact Disc)
Annex B	<u>Detailed Outside Plant Installation Specifications</u> Parts 1-8
Annex C	<u>Link-Segment Completion Checklist</u> OSP Checklist
Attachment 1	<u>Contractual Terms and Conditions, Part I & II</u>
Attachment 2	<u>Bid Proposal Compliance Form</u>
Attachment 3	<u>Authorization to Release Information</u>
Attachment 4	<u>Bid Proposal Submittal Form, Part I & II</u>
Attachment 5	<u>Indefeasible Right of Use (IRUs), Part I</u>
Attachment 6	<u>USAC Competitive Bidding Process</u>

General Information

Iowa Rural Health Telecommunications Program

RFP 08-001

Introduction. The Iowa Rural Health Telecommunications Program (IRHTP) is a consortium of public and private hospitals seeking to solve the problem of isolation, travel, and limited resources that constrain health care delivery in rural Iowa and its surrounding region. To achieve this goal, IRHTP will leverage the expertise of the Iowa Hospital Association (IHA) as a health care collaborator, the capability of the Iowa Communications Network (ICN) in administering telecommunications services, and the Federal Communications Commission Rural Health Care Pilot Program in providing the funds to develop a statewide dedicated health care network. The goal is to use proven technology to connect approximately 95 mostly rural hospitals, with 1,000 megabits of high speed Ethernet access, to a secure, dedicated, and financially sound network.

Specifically, the IRHTP is seeking bid proposals to provide last mile fiber optic connections from consortium hospitals to the closest appropriate ICN Point of Presence (POP) to establish a statewide health care network.

Overview. This project is a “site by site” approach for infrastructure build-out for the proposed project. The contractor is responsible for all the right-of-way (ROW) procurement and the resolution of ROW issues. Infeasible Right of Use (IRUs) will be considered as an alternative to construction, but as an optional response.

Other major duties of the contractor include acquiring city and county permits, securing all outside plant materials to complete the project, submitting red-lined construction drawings per site, documenting all fiber testing, and coordinating other related issues with the consortium’s project manager. Contractor is responsible for all One-Call notifications.

The IRHTP has prioritized the build-out areas into what it considers a logical statewide workflow to meet the consortium’s needs within the time permitted. The contractor will, however, receive latitude to proceed in a fashion maximizing its ability to economically mobilize and deploy its resources for the good of IRHTP. The project plan divides work to be performed into merged areas. Seventeen merged areas are developed and represent the natural break between the access portion of the network and the aggregation/core network. The project plan assumes the contractor will start and complete several merged areas in fiscal year 2008 with the majority of the merged area outside plant work completed in FY 2009.

Installation of edge network electronics and Coarse Wave Division Multiplexing (CWDM) access systems will follow the completion, testing, and acceptance of each fiber link-segment within the merged area. The installation of core electronics is not dependant on access portions of the network being completed. It is expected the procurement, testing, and installation of the core network electronics will proceed in parallel with the installation of sites in each merged area.

RFP Organization. Vendors Please Note! Chapter 3 of this RFP is comprised of **two parts**: Part One is the technical specification for the procurement and installation of fiber optic cable facilities. Part Two is the technical specification for the Quality Assurance inspection services, overseeing and monitoring the installation of the fiber optic facilities being procured under Part I. Vendors may submit proposals for both Parts One and Two. However, a Vendor cannot be awarded both Parts. A Vendor submitting a bid for Part II, will not be awarded a contract if the Vendor has any business relationship with the Vendor awarded Part I of this RFP.

Types of Proposals. The Iowa Rural Health Telecommunications Program is soliciting proposals from qualified fiber optic network providers to furnish and install additional fiber optic cable extensions to the existing Iowa Communications Network (ICN).

Type One Proposal – One inclusive price to provide statewide end to end fiber optic cable connectivity from each of the hospital endpoints to the designated ICN Point of Presence.

Type Two Proposal – One inclusive price to provide all of the end to end fiber optic cable connectivity within each or selected merged areas. Vendor must accommodate and account for all sites within that merged area.



Type Three Proposal – A vendor may offer a “site by site” bid. IHA will consider these bids on an individual basis. However, IHA is not required to accept a “site by site” low bid when the inclusion of that bid causes the total price for a merged area to be higher than that of vendor bidding the entire merged area.

Network Procurement. The RFP process will allow the consortium to receive competitive offers for fiber facilities from independent telephone companies, local exchange carriers, cable operators, municipalities, and others. These competitive offers will be weighed against constructing a new link-segment connection from each hospital to the fiber backbone. The RFP process coupled with leveraging the State of Iowa’s current networking assets will ensure an economically reasonable statewide healthcare network. Indefeasible Right of Use (IRU) will be considered on a case-by-case basis as an alternative to the construction of some link-segment facilities.

Network Topology. The proposed network design assumes a fiber build-out from the rural healthcare providers’ (HCPs) facilities to the ICN’s closest appropriate Point of Presence (POP)

Annex A. The ICN has prepared basic route and facility documents that describe ICN POPs, potential fiber routes, and fiber access at each health care location. The compiled information is available on CD and is referred to as ANNEX A within this RFP. Vendors may request a copy of ANNEX A for purposes of assembling responses to this RFP. All requests for CDs are to be directed to Art Spies at (515) 288-1955 or spiesa@ihaonline.org.

CHAPTER 1
ADMINISTRATIVE ISSUES
RFP 08-001

1.0 General. The Rural Health Care Program of the Universal Service Fund (USF), which is administered by the Universal Service Administrative Company (USAC), is a support program authorized by Congress and designed by the Federal Communications Commission (FCC) to provide reduced rates to rural health care providers (HCPs) for telecommunications services and Internet access charges related to the use of telemedicine & tele-health. The Iowa Rural Health Telecommunications Program (IRHTP) and the Iowa Hospital Association (IHA) received approval to proceed with the connection of 95 Iowa hospitals to the Iowa Communications Network using newly constructed or existing fiber optic cable facilities. IRHTP is seeking bid proposals for an Outside Plant Fiber Optic Cable Project at 95 health care locations throughout the State of Iowa.

1.1 Notice. This project is subject to the USAC procurement rules. The IRHTP will submit a USAC Form 465, RFP, and supporting documentation to USAC who will review the documentation and will post the RFP on the USAC website. All RFPs will be open for response and bidding for a minimum of twenty eight (28) days after the posting. After documents are posted to the USAC website, the following process will commence:

1.2 Schedule and Submission of Proposal.

1.2.1 Vendors Conference. A Vendors Conference will be held on Tuesday, August 12, 2008 at 9:00 a.m. Central Daylight Saving Time (CDST), at the Iowa Hospital Association offices located at 100 East Grand Avenue, Suite 100, Des Moines, Iowa. **Vendors are encouraged to attend the vendors conference to help gain a full understanding of the project.**

1.2.2 Questions and Answers. Vendors are invited to submit written questions and/or requests for interpretation/consideration/acceptance concerning this RFP on or before 4:00 p.m. CDST, August 15, 2008. Vendors with questions concerning this RFP may submit questions in writing via email to Art Spies at spiesa@ihaonline.org. Oral questions will not be accepted, and verbal communications shall not override written communications. Only written communications are binding on IRHTP. If the questions, requests for clarifications, or suggestions pertain to a specific section of the RFP, the page and section number(s) must be referenced. IRHTP will prepare a written response to all pertinent questions submitted by Vendors and will post questions and responses on the Iowa Hospital Association web page, www.ihaonline.org by the close of business on August 19, 2008. The IRHTP's written responses will be considered part of the RFP. If the IRHTP decides to adopt a suggestion, the IRHTP will issue an amendment to the RFP.

1.2.3 The IRHTP assumes no responsibility for verbal representations made by its consortium members and representatives unless such representations are confirmed in writing by the IRHTP and incorporated into this RFP.

1.2.4 Changes and Amendments. In the event it becomes necessary for IRHTP to amend, add to or delete any part of this RFP, the amendment will be posted on the IHA website. Vendor's bid proposal must include acknowledgment of all addenda issued by IRHTP. If the IRHTP amends the RFP after the closing date of receipt of proposals, the IRHTP may, in its sole discretion, allow Vendors to amend their bid proposals in response to the IRHTP's amendment.

1.2.5 Receipt of Bid Proposals. Bid Proposals must be received at IHA's office no later than 3:00 p.m. CDST September 12, 2008. **This requirement is a mandatory requirement and is not a minor deficiency subject to waiver by the IRHTP.** No bid proposals will be accepted after the date and time specified. A late bid proposal shall be returned unopened to the Vendor. Additionally, no bid proposal will be accepted by telephone, electronic mail or facsimile. **The bid proposals must be mailed (with mailing in sufficient time to arrive on or before this deadline requirement) or be delivered as follows:**



Mailing Address:

Iowa Hospital Association
Attn: Mr. Art Spies
100 East Grand Ave. Suite 100
Des Moines, Iowa 50309

Delivery To:

Iowa Hospital Association
Attn: Mr. Art Spies
100 East Grand Ave. Suite 100
Des Moines, Iowa 50309

If bid proposals are delivered by mail service, express courier, delivery service or company, or in person, it shall be the sole responsibility of the Vendor submitting the proposal to insure that such delivery takes place prior to the aforementioned deadline. There shall be no waiving of the deadline due to missed deliveries on the part of the Vendor, Vendor's delivery staff or Vendor's choice of delivery service(s). Deliveries made directly to IHA must be placed with the IHA staff person able to accept such delivery.

1.2.6 Bid Proposal Opening. Bid Proposals will be opened at 3:00 p.m. CDST on September 12, 2008. Vendors may attend the bid opening if they wish, but no price information or any other information contained in any bid will be made public at that time. The bid proposals and the evaluation documents created by the IRHTP will remain confidential until the evaluation committee has evaluated all bid proposals submitted in response to this RFP and the IRHTP has issued a notice of award. The bid proposals submitted and the evaluation documents created by the IRHTP may be available for inspection subject to FCC and USAC guidelines or other applicable law only after the selection process is complete.

1.2.6.1 Failure to comply with or supply any and all information requested to accompany bid proposals may be cause for rejection of the proposal as non-compliant.

1.2.6.2 All bid proposals shall be firm for a period of 60 days to allow the evaluation committee to fully evaluate all proposals and make an award deemed to be in the best interest of IRHTP.

1.2.6.3 By submitting a bid proposal the Vendor agrees to the terms and conditions contained within this RFP.

1.3 Proposal Submission & Format.

1.3.1 Bid Proposals shall be printed on 8.5" x 11" paper. The proposals should be in 3-ring binders with appropriate tabs for reference. The original bid proposal must be in a package CLEARLY MARKED "**IRHTP RFP 08-001 Proposal**" on the outer envelope or wrapping. This is necessary to insure that the response package is handled properly for verification against the RFP deadline. Lack of notation of the RFP number may affect the receipt timing and affect the evaluation process. Vendor should consider this item as a critical factor when submitting a response.

1.3.2 To achieve a uniform review process and the maximum degree of comparability, proposals shall be organized in the following manner:

1.3.2.1 **Title page** that includes the subject of the bid proposal, the RFP number being responded to (**08-001**), name of Vendor, address, name of designated contact person, telephone number, facsimile telephone number, E-mail address for Vendor's contact person (and, if applicable, the cellular telephone number of contact person) and the date

1.3.2.2 **Completed Bid Proposal Compliance Form (Attachment 2).**

1.3.2.3 **Completed Authorization to Release Information Form (Attachment 3).**

1.3.2.4 **Completed Bid Proposal Submittal Forms (Attachment 4 Part I and/or Part II).**

1.3.2.5 **Completed Indefeasible Right of Use (IRU) Form (Attachment 5).**



1.3.3 Number of Copies. Vendors shall submit one (1) with original blue-ink signatures and three (3) copies; in addition four (4) soft copies of the bid proposal shall be provided on (4) CDs using Microsoft Word and Excel, if proposal contains spreadsheets.

1.4 Clarification of Proposals and Obtaining Information. IRHTP reserves the right to contact a Vendor after submission of bid proposals for the purpose of clarifying a bid proposal to ensure mutual understanding. This contact may include written questions, interviews, site visits, and a review of past performance if the Vendor has provided goods or services to the IRHTP or its consortium members, USAC, or the ICN or requests for corrective pages in the Vendor's bid proposal. This information may be used to evaluate the Vendor's bid proposal. However, the information received from the Vendor shall not be considered in the evaluation of a Vendor's bid proposal if the information materially alters the content of the bid proposal. IRHTP reserves the right to obtain information concerning any Vendor or any proposal from any source and to consider such information in evaluating the Vendor's bid proposal.

1.5 Waiver of Deficiencies. IRHTP reserves the right to waive minor deficiencies in a bid proposal if, in the judgment of IRHTP, the consortium's best interest will be served. The decision as to whether a deficiency will be waived or will require the rejection of a bid proposal will be solely within the discretion of IRHTP. There is no guarantee or assurance that any deficiency will be deemed minor and that a deficiency will be waived. Each Vendor is specifically notified that failure to comply with or respond to any part of this RFP requiring a response may result in rejection of the bid proposal as not responsive.

1.6 Cost of Bid Proposal. IRHTP is not responsible for any costs incurred by a Vendor, which are related to the preparation or delivery of the bid proposal, or any other activities carried out by the Vendor as it relates to this RFP. The costs of preparation and delivery of the bid proposal are solely the responsibility of the Vendor.

1.7 Bid Proposal Obligations. The contents of the bid proposal and any clarification thereto submitted by the successful Vendor shall become part of the contractual obligation and incorporated by reference into the ensuing Contract.

1.8 Bid Proposals Property of IRHTP. Except as otherwise stated herein, all bid proposals become the property of the IRHTP and shall not be returned to the Vendor unless all bid proposals are rejected. In the event all bid proposals are rejected, Vendors will be asked to send prepaid shipping instruments to the IRHTP for return of the bid proposals submitted. In the event no shipping instruments are received by the IRHTP, the bid proposals will be destroyed by the IRHTP. Additionally, the evaluation documents created by the IRHTP will be destroyed in the event all bid proposals are rejected. Otherwise, at the conclusion of the selection process, the contents of all bid proposals may be placed in the public domain and be opened to inspection by interested parties subject to appropriate FCC, USAC, and federal procurement regulations.

1.9 Rejection and Disqualification of Bid Proposals.

1.9.1 IRHTP reserves the right to reject any and all bid proposals, in whole and in part, received in response to this RFP at any time prior to the execution of a written Contract. Issuance of this RFP in no way constitutes a commitment by IRHTP to award the Contract. This RFP is designed to provide Vendors with the information necessary for the preparation of competitive bid proposals. This RFP process is for IRHTP's benefit and is intended to provide IRHTP with competitive information to assist in the selection of goods and services.

1.9.2 The IRHTP may reject a bid proposal outright and not evaluate the proposal for any one (1) of the following reasons:

- 1.9.2.1 Failure of Vendor to deliver the bid proposal by the due date and time.
- 1.9.2.2 Failure to include the Bid Proposal Compliance Form signed by an officer of the Vendor submitting the bid proposal (Attachment 2).
- 1.9.2.3 Failure to include the Authorization to Release Information Form (Attachment 3).
- 1.9.2.4 Failure to include a completed Bid Proposal Submittal Form (Attachment 4).
- 1.9.2.5 The Vendor states that a technical requirement cannot be met.
- 1.9.2.6 The Vendor's response materially changes a technical requirement.
- 1.9.2.7 The Vendor's response limits the rights of the IRHTP.



1.9.2.8 The Vendor fails to respond to the IRHTP's request for information, documents, or references.

1.9.2.9 The Vendor's exceptions to the contract terms and conditions described in Chapter 2 and Attachment 1 (Contractual Terms and Conditions) materially changes the terms and conditions of that section or the requirements of this RFP.

1.9.2.10 The Vendor provides misleading or inaccurate responses.

1.9.2.11 The Vendor's proposal is materially unbalanced.

1.10 Public Records and Requests for Confidentiality.

1.10.1 The release of information by IRHTP to the public is subject to appropriate FCC, USAC, federal procurement regulations, and other applicable provisions of law relating to the release of records in the possession of the IRHTP. Vendors are encouraged to familiarize themselves with these provisions prior to submitting a bid proposal. All information submitted by a Vendor may be treated as public information by IRHTP unless the Vendor properly requests that information be treated as confidential at the time of submitting the bid proposal. **In the event the Vendor marks each page of its bid proposal as proprietary or confidential without adhering to the requirements of this Section, the IRHTP may reject the bid proposal as noncompliant.**

1.10.2 Any requests for confidential treatment of information must be included in a cover letter with the Vendor's bid proposal and must enumerate the specific grounds which support treatment of the material as confidential and must indicate why disclosure is not in the best interests of the public. The request must also include the name, address and telephone number of the person authorized by the Vendor to respond to any inquiries by IRHTP concerning the confidential status of the materials.

1.10.3 Any documents submitted which contain confidential information must be marked on the outside as containing confidential information, and each page upon which confidential information appears must be marked as containing confidential information. The confidential information must be clearly identifiable to the reader wherever it appears. All copies of the proposal submitted, as well as the original proposal, must be marked in this manner. **Failure to properly mark information as confidential shall relieve the IRHTP from any responsibility if the information is viewed by the public, a competitor, or is any way accidentally released.**

1.10.4 In addition to marking the material as confidential material where it appears, the Vendor must submit one (1) hard copy (printed) of the bid proposal from which the confidential information has been excised. This hard copy of the proposal MUST be clearly marked as "Excluding Confidential Materials". In addition to a hard copy, the Vendor must also include an electronic copy of the non-confidential portions of the proposal on CD-ROM using Microsoft Word and Excel as appropriate. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the document as possible. The excised version must be submitted with the cover letter and may be made available for public inspection. This submittal is a mandatory requirement and is not subject to waiver. Failure to mark the confidential items and to provide the required one (1) copy with confidential information excised shall be defined as allowance for the entire proposal to be treated as a public record.

1.10.5 The Vendor's failure to request in the bid proposal confidential treatment of material pursuant to this Section and the relevant laws and administrative rules will be deemed by IRHTP as a waiver of any right to confidentiality which the Vendor may have had.

1.11 Restrictions on Gifts and Activities. No gifts or other activities will be accepted.

1.12 Restriction on Communication. Vendors should funnel all communications thru the Project Coordinator in order to receive the highest quality response from the consortium. Please refer to Chapter 2, section 1.2.2 regarding questions and answers.

1.13 Nonmaterial and Material Variances. The IRHTP reserves the right to waive or permit cure of nonmaterial variances in the bid proposal if, in the judgment of the IRHTP, it is in the IRHTP's best interest to do so. Nonmaterial variances include minor informalities that do not affect responsiveness; that are merely a matter of form or format; that do not change the relative standing or otherwise prejudice other Vendors; that do not change the meaning or scope of the RFP; or that do not reflect a material change in the services. In the event the IRHTP waives or permits cure of nonmaterial variances, such waiver or cure will not modify the RFP requirements or excuse the Vendor from full compliance with RFP specifications or other contract

requirements if the Vendor is awarded the contract. The determination of materiality is in the sole discretion of the IRHTP

1.14 Copyrights. By submitting a bid proposal, the Vendor agrees that IRHTP may copy the bid proposal for purposes of facilitating the evaluation or to respond to requests for public records. The Vendor consents to such copying by submitting a proposal and warrants that such copying will not violate the rights of any third party. IRHTP will have the right to use ideas or adaptations of ideas, which are presented in the proposals. In the event the Vendor copyrights the bid proposal, the IRHTP may reject the bid proposal as noncompliant.

1.15 Conflict Between Terms. IRHTP reserves the right to accept or reject any exception taken by the Vendor to the terms and conditions of this RFP. Substantial variations between the Vendor's terms and conditions and those contained in this RFP may be grounds for rejection of the Vendor's bid proposal as non-responsive and non-compliant.

1.16 Release of Claims. With the submission of a bid proposal, Vendor agrees that it will not bring any claim or have any cause of action against IRHTP or its consortium members based on any misunderstanding concerning the information provided herein or concerning IRHTP's failure, negligent or otherwise, to provide the Vendor with pertinent information as intended by this RFP.

1.17 Construction of RFP with Laws and Rules. Changes in applicable laws and rules may affect the award process or the resulting Contract. Vendors are responsible for ascertaining pertinent legal requirements and restrictions. Vendors are encouraged to visit the USAC Rural Health Care Pilot Project website: <http://www.usac.org/rhc-pilot-program> and the FCC website, <http://www.fcc.gov/cgb/rural/rhcp.html#orders>.

1.18 RFP Copy. Copies of the RFP will be available on the USAC Rural Health Care Pilot Program web site at <http://www.usac.org/rhc-pilot-program//tools/search-postings.aspx>. In addition the RFP will also be available to vendors via the Iowa Hospital Association web site at <http://www.ihaonline.org>. Vendors may also request a copy of the RFP by contacting the Iowa Hospital Association (515) 288-1955 (copy requested will be issued via e-mail).

1.19 Downloading RFP from the Internet. The RFP, Amendments, and all responses to Vendor questions will be posted on the Iowa Hospital Association web site at <http://www.ihaonline.org>. Vendors are advised to check the IHA website periodically for amendments to this RFP as Vendors will not automatically receive Amendments and responses.

1.20 Definition of Contract. The full execution of a written contract shall constitute the making of a contract for services and no Vendor shall acquire any legal or equitable rights relative to the contract services until the Contract has been fully executed by the successful Vendor and the IRHTP.

1.21 Award Notice and Acceptance Period. The IRHTP will send an "Award Notice" to all Vendors submitting a timely bid proposal. Negotiation and acceptance of the contracts shall be completed with the successful Vendor no later than sixty (60) days after the Award Notice. If an apparent successful Vendor fails to negotiate and deliver the executed contract by that date, the IRHTP may, in its sole discretion, cancel the award and award the contract to the next highest ranked Vendor. The IRHTP reserves the right to continue negotiations after sixty days if, in IRHTP's sole discretion, IRHTP deems it to be in the best interests of IRHTP to do so.

1.22 No Minimum Guaranteed. The IRHTP anticipates that the selected Vendor will provide services as requested by the IRHTP. The IRHTP will not guarantee any minimum compensation will be paid to the Vendor or any minimum usage of the Vendor's services.

1.23 Criminal History and Background Investigation. The IRHTP reserves the right to conduct criminal history and other background investigations of the Vendor, its officers, directors, shareholders, or partners and personnel retained by the Vendor for the performance of the Contract.

1.24 Suspension and Debarment. IRHTP may review all vendors responding to this RFP to validate them against the FCC's Suspension and Disbarment list <http://universalservice.org/sl/about/suspensions-debarments.aspx>,

Persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the Schools and Libraries Support Mechanism are subject to suspension and debarment from the program.



FCC rules provide that there are two stages to this process. First, when the FCC becomes aware that a person has been convicted of a crime or judged civilly liable for certain acts arising out of that person's participation in the program, the FCC suspends that person from activities related to the program. The FCC issues a public Notice of Suspension and of Proposed Debarment. The notice of suspension informs the suspended person or other interested party that they have 30 days to oppose the proposed debarment. The second stage of this process is the actual debarment. The FCC will, absent extraordinary circumstances, provide notice of a decision to debar within 90 days of receiving any information from the person proposed for debarment

CHAPTER 2
CONTRACTUAL TERMS
RFP 08-001

2.1 Contractual Terms Generally.

2.1.1 The Contract, which the IRHTP expects to award, will be based upon the bid proposal submitted by the successful Vendor (Vendor awarded the Contract) and this solicitation. The Contract between the IRHTP and the Vendor shall be a combination of the specifications, terms and conditions of the Request for Proposal, including those contained in the contract terms and conditions sample agreement identified as Attachment 1, (Contractual Terms and Conditions), the offer of the Vendor contained in its bid proposal, written clarifications or changes made in accordance with the provisions herein, and any other terms deemed necessary by the IRHTP.

2.1.2 The Contract terms contained in Attachment 1 (Contractual Terms and Conditions) are not intended to be a complete listing of all Contract terms but are provided only to enable Vendors to better evaluate the costs associated with the RFP and the potential resulting Contract. Vendors should plan on such terms being included in any Contract awarded as a result of this RFP. All costs associated with complying with these requirements should be included in any pricing quoted by the Vendor.

2.1.3 By submitting a bid proposal, each Vendor acknowledges its acceptance of these specifications, terms and conditions without change except as otherwise expressly stated in the appropriate section of the Bid Proposal Compliance Form (Attachment 2). If a Vendor takes exception to a provision, it must state the reason for the exception and set forth in Attachment 2 of its bid proposal the specific Contract language it proposes to include in place of the provision. Exceptions that materially change these terms or the requirements of the RFP may be deemed non-responsive by the IRHTP, in its sole discretion, resulting in possible disqualification of the bid proposal. The IRHTP reserves the right to either award a Contract without further negotiation with the successful Vendor or to negotiate Contract terms with the selected Vendor if the best interests of the IRHTP would be served.

2.2 Additional Cost Items Not In Contract. IRHTP is unaware of any additional Contract terms that would add cost. Notwithstanding, should any Contract items arise that would cost additional monies; those costs shall be borne by the Vendor.

2.3 Fiber Optic Cable Installation Delivery Schedule. The Fiber Optic Cable installation schedule shall be as agreed upon between the successful Vendor and the IRHTP during the contract negotiation process.

Additional Vendor Information

The FCC's Fourteenth Order on Reconsideration (CC Docket No. 96-45, FCC 99-256, 11/3/1999) stipulated that telecommunications carriers are no longer required to be Eligible Telecommunications Carriers (ETC's) to participate in this program. All non-traditional telecommunications service providers may participate. Service providers intending on responding to this RFP must secure a Service Providers Identification Number (SPIN) from USAC. See the USAC website for details on how to secure a SPIN.

2.4 Bid Proposal Security & Performance Bond. Not Required

2.5 Vendor must acquire USAC SPIN and provide on Bid Proposal Compliance Form

2.6 Debarment, Suspension and Other Responsibility Matters. The Vendor and all of its sub-contractors shall certify that the company or corporation is not presently, or within the last three years, debarred, suspended, proposed for suspension, declared ineligible, or excluded from covered transactions by any government agency; or has not been reported to or questioned by a consumer protection office regarding its business practices; or it or its officers or directors are not presently or within the last three years, indicted for or otherwise criminally or civilly charged by a government entity for the commission of a public offense related to its business; or has not, within the last three years, had any government transactions terminated for cause or default; or within the last three years, has been terminated from or denied extension of a contract for any of the reasons above in addition to the Vendor's failure to maintain compliance of contract specifications or has failed to bargain or negotiate in good faith, conflicts not clearly specified or contained in the contract.



CHAPTER 3 – Part I
TECHNICAL SPECIFICATIONS
RFP 08-001

MANDATORY NETWORK REQUIREMENTS

3.0 Mandatory Requirements. The purpose of this Section is to identify the mandatory requirements and conditions a bid proposal **must** fulfill before any consideration will be given. Each mandatory requirement requires a positive response by providing confirmation of compliance and information describing how the Vendor doesn't meet, meets or exceeds the mandatory requirement. **VENDOR MUST RESPOND TO ALL SECTIONS (AND SUB-SECTIONS) OF CHAPTER 3 TO HAVE ITS BID PROPOSAL CONSIDERED.**

- 3.0.1 Vendor shall provide the following general background information of Vendor.
- 3.0.2 Name, address, telephone number, fax number and e-mail address of the Vendor including all d/b/as' or assumed names or other operating names of the Vendor.
- 3.0.3 Form of business entity, i.e., corporation, partnership, proprietorship, limited Liability Company.
- 3.0.4 State of incorporation (if a corporation). If a limited liability company, state of formation.
- 3.0.5 Identify and specify the location(s) and telephone numbers of the major offices and other facilities that relate to the Vendor's performance under the terms of this RFP.
- 3.0.6 Local office addresses and phone number.
- 3.0.7 Number of employees.
- 3.0.8 Type of business.
- 3.0.9 Name, address and telephone number of the Vendor's representative to contact regarding all contractual and technical matters concerning this proposal.
- 3.0.10 Name, address and telephone number of the Vendor's representative to contact regarding scheduling and other arrangements.
- 3.0.11 Identify the Vendor's accounting firm.
- 3.0.12 The successful Vendor will be required to register to do business in Iowa. If already registered, provide the date of the Vendor's registration to do business in Iowa.
- 3.0.13 Vendor must provide the following legal or administrative information.
 - 3.0.13.1 During the last five (5) years, describe any damages or penalties or anything of value traded or given up by Vendor under any of its existing or past contracts as it relates to services performed that are similar to the services contemplated by this RFP and the resulting Contract. If so, indicate the reason for the penalty or exchange of property or services and the estimated account of the cost of that incident to the Vendor.
 - 3.0.13.2 During the last five (5) years, describe any order, judgment or decree of any Federal or State authority barring, suspending or otherwise limiting the right of the Vendor to engage in any business, practice or activity.

3.1 Link-Segments.

- 3.1.1 A link-segment is defined as the fiber optic facility beginning at the health care providers (HCP) termination and continuing on until terminated at the designated ICN endpoint.
- 3.1.2 Each link-segment constructed or provided as part of this project must be engineered and tested for a minimum of one gigabit of throughput from the local rural hospital to the specified ICN POP.
- 3.1.3 Precise room and/or exact building located on contiguous property will be specifically defined at the time of contract negotiations. The successful vendor must agree to permit such minor end point location adjustments without cost impact to the consortium.



3.1.4 In the event there are changes in end point locations, which occur during installation, all actual end point locations will be compared to all proposed end point locations to determine the aggregate difference. The end point aggregate difference will be the basis for negotiated cost adjustments (increase or decrease) between the vendor and the consortium.

3.1.5 The ICN POP locations are all existing and defined locations. In each instance, there are, in most cases, ductwork entry facilities where the property line meets the ROW. When available, the Vendor must use this access point to make entry into the ICN's POP.

3.2 Outside Plant (OSP) Construction Specifications. All new fiber optic cable facilities (link-segment) designed and constructed as part of this project must be constructed in accordance with the OSP construction specifications as attached to this RFP.

3.2.1 Fiber installed must meet SMF-28/GR/253 fiber specifications with a minimum fiber count of any new constructed fiber optic facility of 36 fibers.

- 3.2.1.1 Armored Fiber Optic Cable
- 3.2.1.2 Single Jacket
- 3.2.1.3 Loose Tubes, Three tubes of 12 fibers each (Dri-Core)
- 3.2.1.4 36 total fibers
- 3.2.1.5 Color-coded Buffer Tubes

3.2.2 Non-Armored Cable (Kevlar) Kevlar Cable must be in duct and must include a #10 AWG tracer wire inside the duct.

3.2.3 All fiber placed within the incorporated city limits should be placed in continuous 2" HDPE.

3.3 Fiber Optic Cable Method of Termination Specifications. All fiber optic cable facilities furnished as part of this project must be terminated in accordance with Detailed Specifications. Unless otherwise stated, the vendor shall terminate all fiber optic cable on either rack-mounted bulkheads or wall-mounted Fiber Distribution Panels (FDPs), furnished by the vendor located inside the HCPs equipment room. All vendor provided rack mounted bulkheads or FDPs shall be equipped with SC style connectors. Where HCPs have designated cable demarcation rooms separate from the equipment room, contractors may request a waiver from the IRHTP Project Coordinator to allow them to terminate in the demarcation room. Vendor shall furnish the appropriate SMF from the rack mounted Bulkhead Panel or the FDP to the HCP's equipment rack.

3.3.1 Rack Mounted FDP at each hospital shall be:

CORNING Closet Connector Housing
CCH-01U (or approved equivalent)

3.3.2 Wall Mounted FDP if required for a hospital demarcation shall be:

CORNING Wall Mountable Connector Housing
WCH-02P (or approved equivalent)

3.3.3 Rack Mounted FDP at each ICN POP shall be:

CORNING Closet Connector Housing
CCH-04U (or approved equivalent)

3.3.4 Splice all fibers. There must be continuity of all 36 fibers from Location A through to location Z. Each fiber must be tested end for end. (See Chapter 3 Annex B Section 7 Clause 9.3.2)

3.3.5 Terminate fibers. The Vendor shall terminate two (2) pair [four fibers] at the "A" location and the same two pairs [four fibers] at the "Z" location.

3.4 Fiber Jumpers. Vendor shall provide the following singlemode fiber patch cables.

- 3.4.1 SC to SC Duplex Singlemode Fiber Patch Cord – 2 meters: Quantity 100
- 3.4.2 SC to SC Duplex Singlemode Fiber Patch Cord – 5 meters: Quantity 152
- 3.4.3 SC to SC Duplex Singlemode Fiber Patch Cord – 10 meters: Quantity 304
- 3.4.4 SC to SC Duplex Singlemode Fiber Patch Cord – 15 meters: Quantity 35



3.5 Vendor Responsibilities.

3.5.1 Vendor shall provide all OSP materials, labor, and services needed to install a fiber optic facility between the points listed in Chapter Three, Annex A, (Site Maps and Information). Installation is construed to mean, all digging, trenching, plowing or boring as needed for the placement of a 36-count fiber optic cable between the “A” location and the “Z” location. The installation shall also include all hand holes, tubs, connectors, splicing, terminations, pigtails, landscape and road restoration, and testing.

3.5.2 The contractor duties include acquiring city, county and state permits, securing all outside plant materials to complete the project, submitting red-lined construction drawings per site, documenting all fiber testing, and coordinating other related issues with the consortiums project manager. Contractor is responsible for all One-Call notifications.

3.5.3 Upon notice by the Vendor that each link-segment is ready for testing and acceptance, a representative of the IRHTP will jointly with the vendor, complete the checklist as shown as Chapter Three, Annex C, (Link-Segment Completion Checklist). The vendor, when submitting for payment, will submit the completed and signed copy of the checklist.

3.5.4 The vendor shall test each link-segment from location A bulkhead to the location Z bulkhead using appropriate and approved makes and models of test equipment. Vendor shall perform an Optical Time Domain Reflectometer sweep of the cable showing the total loss in db for the end-to-end link segment. Prior to testing, the vendor shall submit the list (make, model, and date of last calibration), of the proposed test equipment to the IRHTP project coordinator.

(See Detailed Specifications Part Seven (7) Clause 9.)

3.6 Local Rural Hospital. IRHTP has designated a local on-site coordinator at each participating hospital. The on-site coordinator will specify the route of the fiber path from the point it leaves the public ROW and enters the Hospital grounds. The on-site coordinator will also designate the location of the fiber termination within the building. The fiber will be either terminated on rack-mounted bulkheads or wall-mounted fiber optic distribution boxes depending upon the circumstances of the specific location. The Vendor shall furnish any required bulkheads or FDP’s with SC Connectors.

All fiber from the Public ROW to the hospital penetration shall be placed in continuous 2” or greater HDPE.

Fiber in HDPE can be Kevlar but must be accompanied by a #10 AWG stranded copper wire inside the duct. At the vendor’s discretion, armored fiber can be placed in the duct in lieu of Kevlar accompanied by the tracer wire

3.7 ICN Endpoints. At each ICN endpoint there will be an existing fiber hand hole or tub to facilitate the Vendor pulling the fiber into the existing ductwork. An ICN OSP Technician will supervise this entry into the tub and ductwork. The Vendor will terminate the fiber on rack-mounted bulkheads with SC style connectors or as otherwise specified by the ICN and furnished by the Vendor. Vendors must coordinate the ICN endpoint installation date with the ICN OSP Engineer.

3.8 Change Orders. The vendor must submit a firm fixed price for each site bid. There are no funds set aside or budgeted for contingencies or change orders. In the event a situation arises that is out of control of the vendor, he shall immediately notify the IRHTP Project Coordinator of the dilemma and the cost to overcome the problem. The IRHTP Project Coordinator will research the alternatives and resources available to see if the issue can be resolved.

3.9 Value Engineering. If after the award of a link-segment contract to a vendor, the vendor determines that there exists an opportunity to increase the value of a link-segment by modifying or changing the route as was depicted on an approved construction drawing, the IRHTP will consider that change even though the change may increase overall cost. The IRHTP is not bound to accept any Value Engineering proposals. Examples of Value Engineering are, but not limited to: “share the trench” or “share the duct” opportunities, newly identified IRU opportunities for part or all of the link-segment route, future risk mitigation to the fiber optic cable facility, permit or ROW issue mitigations, or changing a route to pickup an additional health care provider building or location.

3.10 Hospitals not requiring a last mile build-out. The following six hospitals listed in this RFP do not currently require a fiber build or modification:

3.10.1 Madison County Health Care System in Winterset, Iowa



- 3.10.2 Mercy Capitol in Des Moines, Iowa
- 3.10.3 Mercy Medical Center – Centerville in Centerville, Iowa
- 3.10.4 Ottumwa Regional Health Center in Ottumwa, Iowa
- 3.10.5 University of Iowa Hospitals and Clinics in Iowa City, Iowa
- 3.10.6 Wayne County Hospital in Corydon, Iowa

3.11 Hospital Relocations. During the next three years, the following hospitals will be relocating:

Hospital	New Location
Mercy Capitol (Westlakes), Des Moines, IA	1601 60 th Street, West Des Moines, IA 50266
Story County Medical Center, Nevada, IA	640 S. 19 th Street, Nevada, IA 50201
Ringgold County Hospital, Mount Ayr, IA	504 N. Cleveland, Mount Ayr, IA 50854
Jefferson County Hospital, Fairfield, IA	2000 So. Main, Fairfield, IA 52556
Hamilton Hospital, Webster City	100 Fair Meadow Drive, Webster City, IA
Clarinda Regional Health Center, Clarinda, IA	Farrens 3 rd lot 3 Parcel D Fraction1-68-37, Hwy71 & Bypass 2, Clarinda, IA
Crawford County Memorial Hospital in Denison, IA	To be Determined
Baum-Harmon Mercy Hospital in Primghar, IA	To be Determined

CHAPTER 3 – PART II
QUALITY ASSURANCE INSPECTIONS SERVICES

RFP 08-001

3.12 Overview of Project Responsibilities

3.13 General: The IRHTP is soliciting a vendor to provide Quality Assurance Inspection Services in the field to oversee the quality control of OSP contractor(s) installing the fiber optic facilities requested under this RFP 08-001. Over the next three calendar years, it is estimated that fiber optic cable facilities will be constructed in as many as 95 communities and locations in the State of Iowa. The fiber optic cable facility construction projects range in length from 1000 feet to 22 miles. The preponderance of the projects is less than five miles in length.

3.14 Estimated Schedule: The estimated number of sites being constructed each calendar year is as follows:

Oct 2008 through Dec 31 2008	5 sites
Jan 2009 through Dec 31, 2009	57 sites
Jan 2010 through Dec 31, 2010	33 sites

The actual number of sites constructed will depend upon the prevailing weather each year and the progress of new hospitals planned for construction

3.15 Intermittent Schedule: The schedule of implementation of this project is impacted by a number of factors; weather, the negotiated contract schedule with the winning OSP contractor, progress in hospitals under construction, funding timelines, and permitting issues:

- 3.15.1 The typical OSP construction year in Iowa is March through November. Depending on the particular site schedule, construction may start earlier or extend past the typical dates.
- 3.15.2 A Vendor desiring to provide these Quality Assurance Services must consider the above factors when sizing and planning the deployment of the SI (site inspector) workforce.

3.16 Number of Simultaneous Projects underway: It is anticipated that there will be no more than 10 OSP Construction projects underway at any one time.

3.17 Eligible Vendors

- 3.17.1 Any qualified Vendor may bid on Part I (the construction of the network as described in this RFP) or Part II, (the Quality Assurance Inspection Services) but the Vendor will not be awarded both Parts.
- 3.17.2 Any qualified Vendor may submit a bid for Part II, but IRHTP will not award a contract if the Vendor has any business relationship with the Vendor awarded Part I of this RFP.

3.18 Vendor Qualifications:

- 3.18.1 The vendor shall be a knowledgeable Outside Plant construction firm and shall have been in the business of Outside Plant Construction for at least five years, (or) shall be an Iowa registered consulting firm employing or retaining a registered professional civil engineer on staff with five years experience in the design and construction of fiber optic cable facilities.
- 3.18.2 Vendors shall submit a narrative describing their firm, the scope of its experience in the area of OSP Fiber Optic Cable construction, and a resume` of the experience and qualifications of the Engineer assigned to this project.



3.19 Site Inspectors

3.19.1 **Site Inspector Qualifications:** Only knowledgeable and experienced OSP Field Personnel (Site Inspectors) with five years practical experience in the field of OSP Fiber Optic Cable installation will be accepted as qualified site inspectors. The vendor must employ knowledgeable and experienced OSP Field Personnel). Field personnel must be personally supervised by the Vendor's registered engineer or by a designated Supervisor, approved by the IRHTP Project Coordinator.

3.19.2 **IRHTP Approval of all Site Inspectors:** The Vendor shall submit resumes to the IRHTP Project Coordinator for all site personnel who will be employed by the Vendor for this project. The IRHTP will pay particular attention to the practical experience and training of each SI submitted for approval. The IRHTP must approve each site inspector before he/she can be deployed on this project. The IRHTP reserves the right to at any time dismiss inspectors for nonperformance.

3.19.3 **Level of Oversight:** The OSP Field Personnel (site inspectors) shall provide continuous oversight at each construction location any time the contractor is working on site. The vendor providing services under this RFP will receive a minimum of 48 hours notice from the Contractor prior to commencement of work at each particular site.

3.19.4 **Progress Reporting:** The site inspector shall provide a project progress report at the COB each Thursday. The Vendor, in turn, will meet with the IRHTP designated representative each Friday of every project workweek to provide appropriate updates. The IRHTP Project Coordinator will prescribe the report format and how this report will be communicated.

3.20 Services Requested

3.20.1 **Examples of Quality Assurance Services Requested:** The following are examples of, but not limited to, the types of quality assurance service requested. This is a partial list and does not limit the site inspector's responsibility. The site inspector is expected to rely on training and experience to guide performance.

3.20.1.1 The site inspector (SI) shall act as the HCP's representative during the phases of building penetration and cable placement upon the HCP's property.

3.20.1.2 The SI shall carefully monitor the installation of the inside fiber facilities within the HCP's building to ensure that construction does not interfere with Hospital Operations. SI shall act as the primary interface between the HCP's designated representative and the Contractor's personnel.

3.20.1.3 The SI shall verify that all permits and easements are in place before the Contractor begins work.

3.20.1.4 The SI shall verify all necessary barricades and signs are in place before the Contractor commences work.

3.20.1.5 The SI shall act as the Safety Officer over all work being performed under this contract in a particular community. SI shall stop work immediately anytime an unsafe condition is discovered and report situation at once to IRHTP Project Coordinator. The SI shall maintain vigilance for traffic control issues and traffic circulation problems and resolve them as soon as possible.

3.20.1.6 The SI shall verify all bore, plow, and trenching depths to ensure they are in conformance with Chapter 3 Annex B.

3.20.1.7 The SI shall be knowledgeable of and responsible for compliance with all of the detailed specifications in Chapter 3 Annex B pertaining to OSP construction being done under this RFP.

- 3.20.1.8 The SI in concert with the IRHTP OSP Manager, shall supervise all entry into IRHTP Cable vaults, hand holes, pulling tubs, duct banks, and IRHTP FOTs rooms.
- 3.20.1.9 The SI shall witness all testing as required in Chapter 3 Annex B Part 7.
- 3.20.1.10 The SI shall verify that all construction drawings are redlined in accordance to the actual route constructed.
- 3.20.1.11 The SI shall note all pre-existing route conditions (such as cracked pavement, washouts, rocky areas not supporting grass, and document them with a digital camera.
- 3.20.1.12 The SI shall maintain vigilance for traffic control and traffic circulation problems and resolve them as soon as possible.

3.21 Executive Summary

3.21.1 **Content of Executive Summary.** The vendor shall prepare an executive summary and overview of the services being offered, including all of the following information:

- 3.21.1.1 Statements that demonstrate that the vendor understands and agrees with the terms and conditions of the RFP and the proposed contract.
- 3.21.1.2 A vision and mission statement for service as requested in the RFP.
- 3.21.1.3 An overview of the vendor's plans for timely delivery of services (including project management approach).
- 3.21.1.4 An overview of the vendor's knowledge of requirements and its proposed approach for delivering results.

3.21.2 Work Plan

- 3.21.2.1 The vendor shall address each deliverable and performance measure in Section 3 of the RFP. Proposals must be fully responsive to project requirements. Merely repeating the requirements will be considered non-responsive and may disqualify the vendor.
- 3.21.2.2 Proposals must identify any deviations from the requirements of this RFP or requirements the vendor cannot satisfy. Any deviations from the requirements of the RFP or any requirement of the RFP that the vendor cannot satisfy may disqualify the vendor.

3.21.3 **Background Information.** The vendor shall provide the following general background information:

- 3.21.3.1 Name, address, telephone number, FAX number and e-mail address of the vendor including all operating names as well as those doing business as (d/b/a) and assumed names of the vendor.
- 3.21.3.2 Form of business entity, i.e., corporation, partnership, proprietorship, limited liability company.
- 3.21.3.3 State of incorporation, state of formation, or state of organization.
- 3.21.3.4 Identify and specify the location(s) and telephone numbers of the major offices and other facilities that relate to the vendor's performance under the terms of this RFP.
- 3.21.3.5 Local office address and phone number (if any).
- 3.21.3.6 Number of employees per each location.



3.21.3.7 Type of business.

3.21.3.8 Name, address and telephone number of the vendor's representative to contact regarding all contractual and technical matters concerning this proposal.

3.21.3.9 Name, address and telephone number of the vendor's representative to contact regarding scheduling and other arrangements.

3.21.3.10 Name and qualifications of any subcontractors who will be involved with this project.

3.21.3.11 Identify the vendor's accounting firm.

3.21.3.12 The successful vendor will be required to register to conduct business in Iowa. If already registered, provide the date of the vendor's registration to conduct business in Iowa and the name of the vendor's registered agent.

3.21.4 **Company Experience.** Vendor must provide the following information regarding its experience:

3.21.4.1 Number of years in business.

3.21.4.2 Number of years experience with providing the types of services sought by the RFP.

3.21.4.3 Describe the level of technical experience in providing the types of services sought by the RFP.

3.21.4.4 List all services similar to those sought by this RFP that the vendor has provided to other businesses or governmental entities within the last five years (include dates of service).

3.21.4.5 Past Outside Plant Construction Experience. List contact references from three (3) successful past or present clients knowledgeable of the vendor's performance in providing outside plant construction services or civil engineering services to governmental jurisdictions, state or regional, with buried fiber optic cable networks. All referenced projects shall have been completed in the last five (5) years. Include a contact person, title, project responsibilities and telephone number for each reference.

3.21.4.6 Personnel. The vendor must provide resumes for all key personnel, as defined in Section 3, involved in providing the services discussed in this RFP. The following information must be included in the resumes:

3.21.4.6.1 Full name.

3.21.4.6.2 Education.

3.21.4.6.3 Years of experience and employment history, particularly as it relates to the scope of services specified herein.

3.21.5 **Financial Information.** The vendor must provide the following financial information.

3.21.5.1 Audited financial statements (annual reports) for the last two (2) years.

3.21.5.2 A minimum of two (2) financial references.

3.22 Firm Fixed Price.

3.22.1 The Vendor providing the Quality Assurance Inspection Services shall submit one firm fixed price for the oversight inspection of these 95 sites over a three-year period.



3.22.2 The firm fixed price must include not only the fee, but all other costs such as travel, lodging, meals, communications, office supplies, and other specific requirements to do the job.

3.22.3 Bid responses containing only an hourly rate plus expenses will not be considered by the IRHTP. The bid response must contain the total three year costs and expenses.

3.23 Award Process.

3.23.1 An evaluation committee assigned by personnel within the IRHTP will review the bid proposals. The evaluation committee will consider all information provided when making its recommendations and may consider relevant information from other sources.

3.23.2 The IRHTP evaluation committee will make a recommendation to the IRHTP Steering Committee indicating the committee's choice. The Project Coordinator on behalf of the Steering Committee will issue an Award to the Vendor or Vendors and begin contract negotiations. All Vendors submitting Bid Proposals will receive notification of the award.

3.23.3 All applicable contracting requirements imposed by this RFP and Iowa law shall be met by the Vendor. The successful Vendor must, within sixty (60) days, enter into a Contract with the IRHTP to implement the service contemplated by this RFP. Failure of a successful Vendor to agree to the terms of a Contract within a timely manner may be grounds for the IRHTP to award to the next compliant Vendor.

3.24 Bid Response Evaluation Criteria.

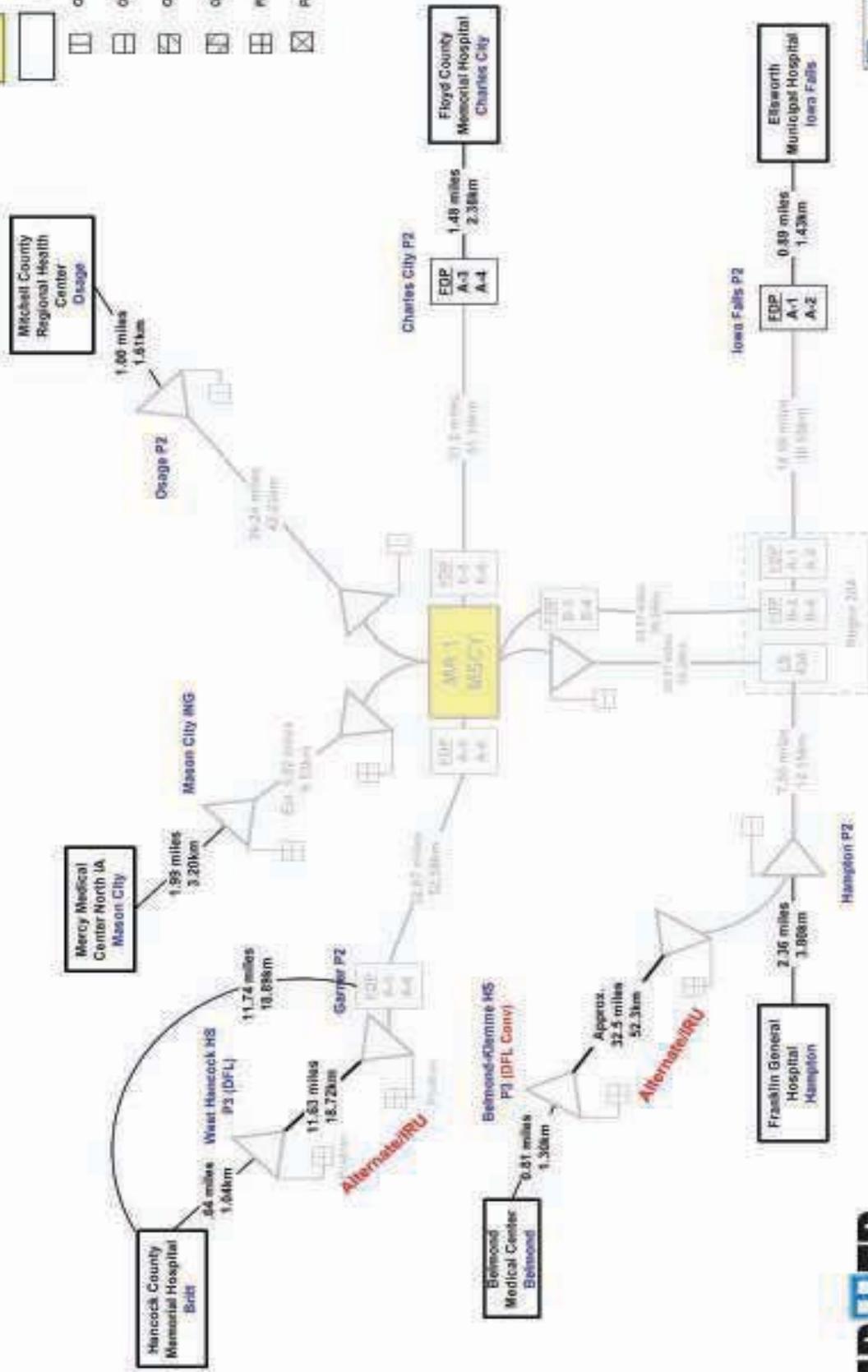
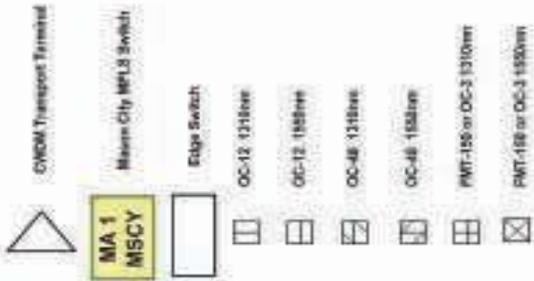
3.24.1 The IRHTP may award a Contract to the most responsible Vendor meeting the requirements of this RFP and which, in the sole discretion of the IRHTP, provides the best value to the project after considering price and compliance with the provisions of Chapter 3. Part II.

3.24.2 The Part II award will not be made until a Part I Vendor is chosen and a contract signed.

3.24.3 The IRHTP will do an in-depth due diligence to ensure that there are no conflicts of interest between the Part I and Part II Vendors.

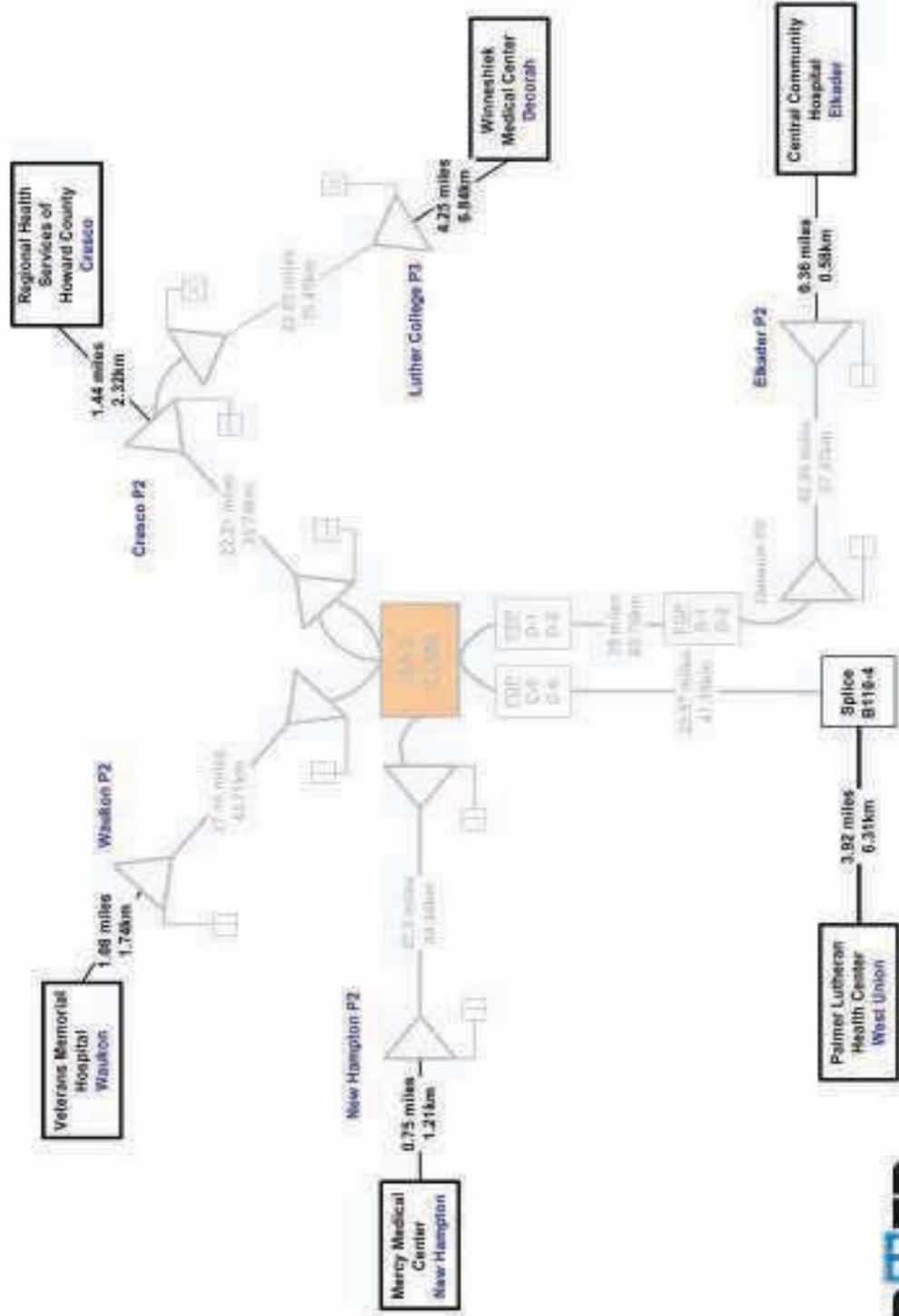
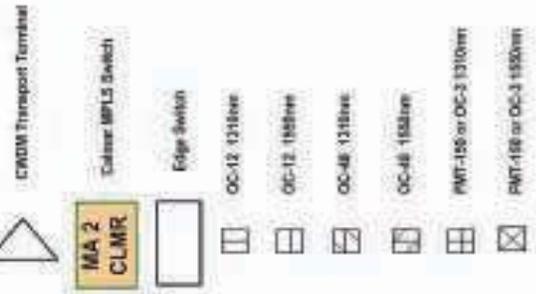
ANNEX A
NETWORK MAPS
RFP 08-001

Merged Area # 1 Mason City - Physical Overview

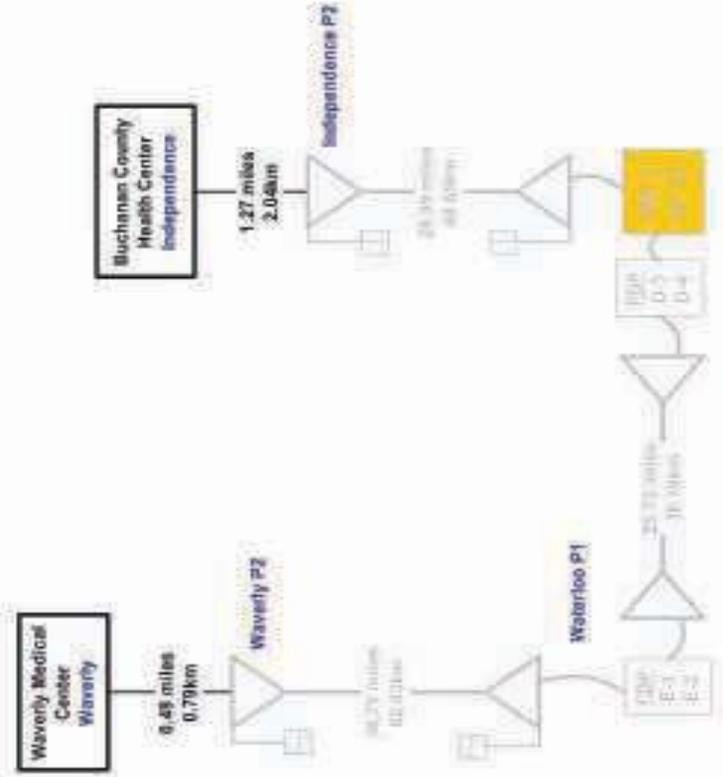


IRCTP
 IOWA COMMUNICATIONS NETWORK
 400 EAST UNIVERSITY AVENUE, SUITE 100
 MASON CITY, IA 50401
 Phone: 515.281.2222 Fax: 515.281.2223
 www.irctp.org
 Merged Area #1

Merged Area # 2 Calmar - Physical Overview



Merged Area # 4 SP 23 Independence - Physical Overview



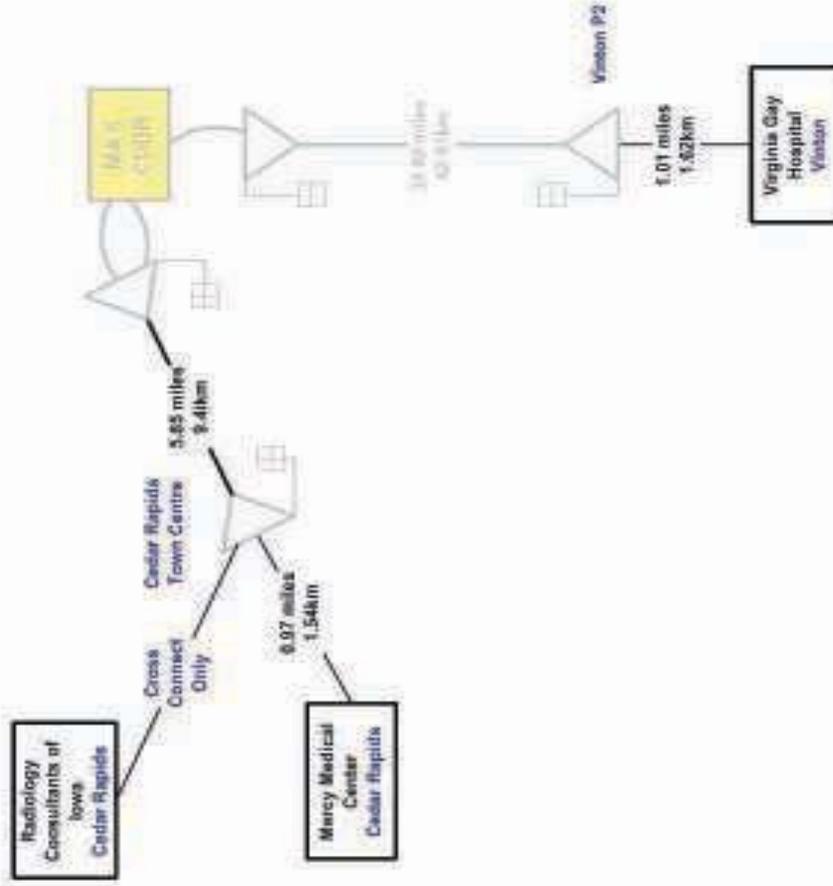
- CWDM Transport Terminal
- MA 4 SP 23
- Waverly MP 8 Switch
- Edge Switch
- OC-12 155nm
- OC-12 1550nm
- OC-48 155nm
- OC-48 1550nm
- FMT-100 or OC-3 1550nm
- FMT-100 or OC-3 1550nm



IOWA COMMUNICATIONS NETWORK
 400 EAST 14TH STREET, SUITE 1000, IOWA CITY, IA 52242
 319.335.7000
 www.iowacommunicationsnetwork.com

Merged Area # 4

Merged Area # 5 Cedar Rapids Physical Overview



CYROW Transport Terminal

Cedar Rapids MPLS Switch

MA 5 CDDR

Edge Switch

- OC-12 121line
- OC-12 195line
- OC-48 131line
- OC-48 155line
- PMT-159 or OC-3 1310km
- PMT-159 or OC-3 1550km



IOWA COMMUNICATIONS NETWORK

1001 EAST 14TH STREET, DES MOINES, IA 50316

800.444.4444

Merged Area #5

DATE: 8/1/2007 TIME: 10:00:00 AM