9.3 Claims for any violation of any intellectual property right including but not limited to infringement of patents, trademarks, trade dress, trade secrets, or copyrights arising from the any of the goods or service performed in accordance with this Agreement; or

9.4 The Vendor's performance or attempted performance of this Agreement; or

9.5 Any failure by the Vendor to comply with all local, State and Federal laws and regulations; or

9.6 Any failure by the Vendor to make all reports, payments and withholdings required by Federal and State law with respect to social security, employee income and other taxes, fees or costs required by the Vendor to conduct business in the State of Iowa.

9.7 The Vendor's duty to indemnify as set forth in this Section shall survive the expiration or termination of this Agreement and shall apply to all acts taken in the performance of this Agreement regardless of the date any potential claim is made or discovered by the IRHTP.

SECTION 10. TERMINATION.

10.1 Termination For Lack Of Authority or Funding. Notwithstanding anything in this Agreement to the contrary and subject to the limitations, conditions and procedures set forth below, the IRHTP shall have the right to terminate this Agreement without penalty and without any advance notice as a result of any of the following:

10.1.1 The Legislature or Governor fails, in the sole opinion of the IRHTP, to appropriate funds sufficient to allow the IRHTP, the HCP's, or any state agency or department charged with responsibility to perform any of the IRHTP's obligations under this Agreement, to either meet its obligations under this Agreement or to operate as required to fulfill its obligations under this Agreement; or

10.1.2 If funds are de-appropriated, not allocated or if the funds needed by the IRHTP, in the IRHTP's sole discretion, are insufficient for any other reason; or

10.1.3 If the IRHTP's, or USAC's authorization to conduct its business is withdrawn or there is a material alteration in the programs or any other program the IRHTP administers; or

10.1.4 If the IRHTP's duties are substantially modified.

10.1.5 Written Notice of Cancellation. The IRHTP shall provide Vendor with written notice of cancellation pursuant to this Section.

10.2 Termination for Cause. The IRHTP may terminate this Agreement upon written notice for the substantial breach by Vendor of any material term if such breach is not cured by Vendor within the time period specified in the IRHTP's notice of breach or any subsequent notice or correspondence delivered by the IRHTP to Vendor. If a cure is feasible and an opportunity to cure is provided, the notice shall specify the exact date by which the condition must be cured. Following expiration of the opportunity to cure or notice from the IRHTP, the IRHTP may seek any legal or equitable remedy authorized by this Agreement or by law. Substantial breach events include but are not limited to the following:

10.2.1 Vendor fails to perform as required by this Agreement.

10.2.2 Vendor fails to make substantial and timely progress toward performance or fails to meet any of the material specifications and requirements stated in this Agreement, including without limitation the warranties provided in this Agreement, in the RFP or in the Vendor's bid proposal.

10.3 Termination for Convenience. Following 30 days written notice, the IRHTP may terminate this Agreement in whole or in part for convenience without the payment of any penalty or incurring any further obligation to the Vendor. Termination for Convenience can be for any reason or no reason at all if it is in the best interests of the IRHTP.

10.4 Immediate Termination. The IRHTP may terminate this Agreement effective immediately without advance notice and without penalty for any of the following reasons:

10.4.1 Vendor furnished any statement, representation, warranty or certification in connection with this Agreement, which is materially false, deceptive, incorrect or incomplete.

10.4.2 Vendor fails to perform, to the IRHTP's satisfaction, any material requirement of this Agreement or is in violation of any material provision of this Agreement, including, without limitation, the express warranties made by the Vendor.

10.4.3 The IRHTP determines that satisfactory performance of this Agreement is substantially endangered or that a default is likely to occur.

10.4.4 Vendor becomes subject to any bankruptcy or insolvency proceeding under Federal or State law to the extent allowed by applicable Federal or State law including bankruptcy laws.

10.4.5 Vendor terminates or suspends its business.

10.4.6 The IRHTP reasonably believes that Vendor has become insolvent or unable to pay its obligations as they accrue consistent with applicable Federal or State law.

10.4.7 It is alleged that Vendor's processes or materials violate any valid patent, trademark, copyright, other intellectual property right or contract, and the IRHTP reasonably believes that the allegation may impair Vendor's performance of this Agreement.

10.4.8 Vendor has failed to comply with all applicable Federal, State, and local laws, rules, ordinances, regulations and orders when performing within the scope of this Agreement.

10.4.9 Vendor has engaged in conduct that has or may expose the IRHTP to liability, as determined in the IRHTP's sole discretion.

10.4.10 Vendor has a conflict of interest that interferes with fair competition or conflicts with an interest of the IRHTP as determined in the IRHTP's sole discretion.

10.5 In the event of termination of this Agreement for any reason by USAC or the IRHTP, USAC and the IRHTP shall pay only the amounts, if any, due and owing to Vendor for services actually rendered up to and including the date of termination of the Agreement and for which the USAC and the IRHTP is obligated to pay pursuant to this Agreement. Payment will be made only upon submission of invoices and proper proof of Vendor's claim. This provision in no way limits the remedies available to USAC or the IRHTP in the event of a termination under this provision. However, the USAC or the IRHTP shall not be liable for any of the following costs:

10.5.1 The payment of Unemployment Compensation to Vendor's employees;

10.5.2 The payment of Workers' Compensation claims which occur during the Agreement or extend beyond the date on which the Agreement terminates.

10.5.3 Any costs incurred by Vendor in its performance of the Agreement including but not limited to startup costs, overhead or other costs associated with the performance of the Agreement.

10.5.4 Any taxes that may be owed by Vendor for the performance of this Agreement including but not limited to sales taxes, excise taxes, use taxes, income taxes or property.

10.6 Vendor Obligations upon Termination. Upon expiration or termination of this Agreement, or upon request of the IRHTP, the Vendor shall:

10.6.1 Immediately cease using and return to the IRHTP any personal property or material, whether tangible or intangible, provided by the IRHTP to the Vendor and in its, or any subcontractor's, control or possession;

10.6.2 Upon request from the IRHTP, destroy any personal property or material, whether tangible or intangible at no additional cost to the IRHTP, and verify in writing that the designated property or material has been destroyed;

10.6.3 Comply with the IRHTP's instructions for the timely transfer of active files and work being performed by Vendor under this Agreement to the IRHTP or the IRHTP's designee;

10.6.4 Protect and preserve property in the possession of the Vendor in which the IRHTP has an interest;

10.6.5 Stop work under this Agreement on the date specified in any notice of termination provided by the IRHTP;

10.6.6 Cooperate in good faith with the IRHTP, its employees, agents and contractors during the transition period between the notification of termination and the substitution of any replacement Vendor.

10.7 Care of Property. The Vendor shall be responsible for the proper custody and care of any of the HCP or State owned tangible personal property furnished for the Vendor's use in connection with the performance of the Agreement, and the Vendor will reimburse the IRHTP or the State for such property's loss or damage caused by the Vendor, normal wear and tear excepted.

10.8 Reduction of Resources. If, during the Term, the IRHTP experiences a change in the scope, nature or volume of its business, or if the IRHTP elects to change the manner or method by which it does business (including, but not limited to, an election by Iowa Legislature to effect a sale or other disposition of material assets), which have or may have the effect of causing a decrease in the quantity or quality of the Services that will be needed by IRHTP, then IRHTP may request Vendor to reduce the level of Services and the annual Service charges to IRHTP under this Agreement. However any such reduction must not adversely impact upon Vendor's ability to reasonably perform its obligations under the Agreement.

SECTION 11. CONTRACT ADMINISTRATION.

11.1 Independent Contractor. The status of the Vendor shall be that of an independent contractor. The Vendor, its employees, agents and any subcontractors performing under this Agreement are not employees or agents of IHA. Neither the Vendor nor its employees shall be considered employees of IHA or IRHTP for Federal or State tax purposes. IHA and IRHTP will not withhold taxes on behalf of the Vendor (unless required by law).

11.2 Compliance with the Law and Regulations.

11.2.1 Compliance with the Law and Regulations. Vendor shall comply with all applicable Federal, State, and local laws, rules, ordinances, regulations and orders when performing within the scope of this Agreement, including, without limitation, all laws applicable to the prevention of discrimination in employment, the administrative rules of the Iowa Department of Management or the Iowa Civil Rights Commission which pertain to equal employment opportunity and affirmative action, laws relating to prevailing wages, occupational safety and health standards, prevention of discrimination in employment, payment of taxes, gift laws, lobbying laws and laws relating the use of targeted small businesses as subcontractors or suppliers.

11.2.2 The Vendor declares that it has complied with all Federal, State and local laws regarding business permits and licenses that may be required to carry out the work to be performed under this Agreement, including, without limitation, laws governing State of Iowa procurement and contracting.

11.2.3 The Vendor shall give notice to any labor union with which it has a bargaining or other agreement of its commitment under this section of the Agreement. The Vendor shall make the provisions of this Section a part of its contracts with any subcontractors providing goods or services related to the fulfillment of this Agreement.

11.2.4 The Vendor shall comply with all of the reporting and compliance standards regarding equal employment.

11.2.5 The Vendor may be required to submit its affirmative action plan

11.2.6 The IRHTP may consider the failure of the Vendor to comply with any law or regulation as a material breach of this Agreement. In addition, the Vendor may be declared ineligible for future USAC contracts or be subjected to other sanctions for failure to comply with this Section.

11.3 Amendments. This Agreement may be amended in writing from time to time by mutual consent of the parties. All amendments to this Agreement must be fully executed by the parties.

11.4 Third Party Beneficiaries. There are no third party beneficiaries to this Agreement. This Agreement is intended only to benefit IRHTP and the Vendor.

11.5 Choice of Law and Forum.

11.5.1 The laws of the State of Iowa shall govern and determine all matters arising out of or in connection with this Agreement without regard to the choice of law provisions of Iowa law.

11.5.2 In the event any proceeding of a quasi-judicial or judicial nature is commenced in connection with this Agreement, the exclusive jurisdiction for the proceeding shall be brought in Polk County District Court for the State of Iowa, Des Moines, Iowa, or in the United States District Court for the Southern District of Iowa, Central Division, Des Moines, Iowa wherever jurisdiction is appropriate.

11.5.3 This provision shall not be construed as waiving any immunity to suit or liability including, without limitation, sovereign immunity in State or Federal court, which may be available to the IRHTP or the State of Iowa.

11.6 Integration. This Agreement, including all the documents incorporated by reference, represents the entire Agreement between the parties and neither party is relying on any representation that may have been made which is not included in this Agreement. The parties agree that if a Schedule, Addendum, Rider or Exhibit or other document is attached hereto by the parties, and referred to herein, then the same shall be deemed incorporated herein by reference.

11.7 Not a Joint Venture. Nothing in this Agreement shall be construed as creating or constituting the relationship of a partnership, joint venture, (or other association of any kind or agent/principal relationship) between the parties hereto. No party, unless otherwise specifically provided for herein, has the authority to enter into any agreement or create an obligation or liability on behalf of, in the name of, or binding upon another party to this Agreement.

11.8 Consent to Service. The Vendor irrevocably consents to service of process by certified or registered mail addressed to the Vendor's designated agent. The Vendor appoints _____ at _____ as its agent to receive service of process. If for any reason the Vendor's agent for service is unable to act as such or the address of the agent changes, the Vendor shall immediately appoint a new agent and provide the IRHTP with written notice of the change in agent or address. Any change in the appointment of the agent or address will be effective only upon actual receipt by the IRHTP. Nothing in this provision will alter the right of the IRHTP to serve process in another manner permitted by law.

11.9 Supersedes Former Agreements. This Agreement supersedes all prior Agreements between the IRHTP and the Vendor for the services provided in connection with this Agreement.

11.10 Waiver. Any breach or default by either party shall not be waived or released other than in writing or by a written notice signed by the other party. Failure by either party at any time to require performance by the other party or to claim a breach of any provision of the Agreement shall not be construed as affecting any subsequent breach or the right to require performance with respect thereto or to claim a breach with respect thereto.

11.11 Notices.

11.11.1 Any and all notices, designations, consents, offers, acceptances or any other communication provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by Federal Express, courier or other similar and reliable carrier which shall be addressed to each party as set forth as follows:

If to the IRHTP:

Mr. Art Spies
Iowa Hospital Association
100 East Grand Ave – Suite 100
Des Moines, Iowa 50309

If to the Vendor: [Vendor may provide one (1) contact]

11.11.2 Each such notice shall be deemed to have been provided:

11.11.2.1 At the time it is actually received; or,

11.11.2.2 Within one day in the case of overnight hand delivery, courier or services such as Federal Express with guaranteed next day of delivery; or,

11.11.2.3 Within five days after deposited the U.S. Mail in the case of registered U.S. Mail.

11.11.3 Copies of such notice to each party shall be provided separately.

11.11.4 From time to time, the parties may change the name and address of a party designated to receive notice. Such change of the designated person shall be in writing to the other party and as provided herein.

11.12 Cumulative Rights. The various rights, powers, options, elections and remedies of either party, provided in this Agreement, shall be construed as cumulative and no one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed either party by law. Nothing in this Agreement shall be construed as affecting, impairing or limiting the equitable or legal remedies to which either party may be entitled as a result of any breach of this Agreement.

11.13 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the invalid portion shall be severed from this Agreement. Such a determination shall not affect the validity or enforceability of any other part or provision of this Agreement.

11.14 Express Warranties. The Vendor expressly warrants all aspects of the items and services provided by it or used by the Vendor and the IRHTP in performance of this Agreement.

11.15 Warranty Regarding Solicitation. The Vendor warrants that no person or selling agency has been employed or retained to solicit and secure this Agreement upon an agreement or understanding for commission, percentage, brokerage or contingency except bona fide employees or selling agents maintained for the purpose of securing business.

11.16 Obligations of Joint Entities. If the Vendor is a joint entity consisting of more than one individual, partnership, corporation or other business organization, all such entities shall be jointly and severally liable for carrying out the Agreement activities.

11.17 Obligations Beyond Agreement Term. This Agreement shall remain in full force and effect to the end of the specified term or until terminated or canceled pursuant to this Agreement. All obligations of the Vendor incurred or existing under this Agreement as of the date of expiration, termination or cancellation will survive the expiration, termination or cancellation of this Agreement.

11.18 Time is of the Essence. Time is of the essence with respect to the successful performance of the terms of this Agreement. The Vendor shall ensure that all personnel providing services to the IRHTP are responsive to the IRHTP's requirements in all respects.

11.19 Authorization. Each party to this Agreement represents and warrants to the other that it has the right, power and authority to enter into and perform its obligations under this Agreement and that it has taken all requisite action (corporate, statutory, or otherwise) to approve execution, delivery and performance of this Agreement. This Agreement constitutes a legal, valid and binding obligation upon the parties in accordance with its terms.

11.20 Successors in Interest. All the terms, provisions, and conditions of the Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, and legal representatives.

11.21 Counterparts and Facsimile Signatures. The parties agree that this Agreement has been or may be executed in several counterparts, each of which shall be deemed an original and all such counterparts shall together constitute one and the same instrument. The parties further agree that the signatures on this Agreement or any amendment or schedule may be manual, scanned, or a facsimile signature of the person authorized to sign the appropriate document. All authorized scanned or facsimile signatures shall have the same force and effect as if manually signed.

11.22 Additional Provisions. The parties agree that if a Schedule, Addendum, Rider or Exhibit is attached hereto by the parties, and referred to herein, then the same shall be deemed incorporated herein by reference.

11.23 Use of Third Parties/Prime Vendor Responsibilities. The IRHTP acknowledges that the Vendor may contract with third parties for the performance of any of the Vendor's obligations under this Agreement. All subcontracts shall be subject to advance written approval by the IRHTP. The Vendor may enter into these contracts to complete the project provided that the Vendor remains responsible for all services performed under this Agreement. All restrictions, obligations and responsibilities of the Vendor under this Agreement shall also apply to subcontractors. The IRHTP shall consider the Vendor to be the sole point of contact with regard to all matters related to this Agreement and is not required to initiate or maintain contact with any subcontractor. IRHTP may choose to deny use of any specific third party contractor at IRHTP's sole discretion, in which case the Vendor must obtain a different third party contractor.

11.24 Data Processing Warranty.

11.24.1 The Vendor warrants that each item of hardware, software, firmware, or a custom designed and developed software program or a system which is developed or delivered under, or used by Vendor in connection with its performance of this Agreement, shall accurately process data, including, but not limited to, calculating, comparing and sequencing, from, into, between and among the nineteenth, twentieth and twenty-first centuries, including leap year calculations, when used in accordance with the item(s) documentation provided by the Vendor.

11.24.2 If the items to be developed and delivered under this Agreement are to perform as a system with other hardware and/or software, then the warranty shall apply to the items developed and delivered as the items process, transfer, sequence data, or otherwise interact with other components or parts of the system. This warranty shall survive the term of this Agreement. The remedies available to the IRHTP for a breach of warranty includes, but is not limited to, repair or replacement of non-compliant items or systems.

11.24.3 Nothing in this warranty shall be construed to limit any rights or remedies of the IRHTP under this Agreement with respect to defects in the items other than the Data Processing Warranty.

11.25 Force Majeure. Neither Vendor nor the IRHTP shall be liable to the other for any delay or failure of performance of this Agreement; and no delay or failure of performance shall constitute a default or give rise to any liability for damages if, and only to the extent that, such delay or failure is caused by a "force majeure".

11.25.1 As used in this Agreement, "force majeure" includes acts of God, war, civil disturbance and any other causes which are beyond the control and anticipation of the party effected and which, by the exercise of reasonable diligence, the party was unable to anticipate or prevent. Failure to perform by a subcontractor or an agent of the Vendor shall not be considered a "force majeure" unless the subcontractor or supplier is prevented from timely performance by a "force majeure" as defined in this Agreement. "Force majeure" does not include: financial difficulties of the Vendor or any parent, subsidiary, affiliated or associated company of Vendor; claims or court orders which restrict Vendor's ability to deliver the goods or services contemplated by this Agreement.

11.25.2 If a "force majeure" delays or prevents Vendor's performance, the Vendor shall immediately commence to use its best efforts to directly provide alternate, and to the extent possible, comparable performance. Comparability of performance and the possibility of comparable performance shall be reasonably determined solely by the IRHTP.

11.25.3 During any such period, the Vendor shall continue to be responsible for all costs and expenses related to alternative performance.

11.25.4 This Section shall not be construed as relieving the Vendor of its responsibility for any obligation which is being performed by a subcontractor or supplier of services unless the subcontractor or supplier is prevented from timely performance by a "force majeure" as described here.

11.26 Records Retention and Access. The Vendor shall permit the Auditor of the State of Iowa or any authorized representative of the State or any authorized representative of the United States government, or USAC, to access and examine, audit, excerpt and transcribe any directly pertinent validation records, financial records, accounting records, books, documents, papers, electronic or optically stored and created records or other records of the Vendor relating to or created as a result of the performance of this Agreement. These records shall be made available to the State, its designees, the Auditor, or an authorized representative of the United States government, or USAC, at reasonable times and at no cost to the requesting organization during the term of this Agreement and for a period of at least (5) years following the termination, cancellation or expiration of this Agreement.

11.27 Taxes. IRHTP declares and Vendor acknowledges that the Vendor and its subcontractors may be subject to certain taxes including but not limited to sales tax, motor vehicle fuel tax, personal or corporate income tax or other taxes or assessments, and to licensing fees or other miscellaneous fees or charges which may be imposed by Federal, State or local law or ordinance. The Vendor and its subcontractors shall be solely responsible for the payment of such taxes. The Vendor shall promptly pay all such taxes, fees or charges when due. IRHTP is a tax-exempt entity and the Vendor shall not attempt to pass on any costs, including surcharges and fees, to the IRHTP that are attributable to federal, state, or local taxes, including sales tax, motor fuel tax, property tax, or personal or corporate income tax.

11.28 Further Assurances and Corrective Instruments. The Vendor agrees that it will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Agreement.

11.29 Assignment and Delegation. This Agreement may not be assigned, transferred or conveyed in whole or in part without the prior written consent of the other party. For purposes of construing this clause, a transfer of a controlling interest in Vendor shall be considered an assignment. If the State, in its sole

discretion, determines that the Vendor's assignment of this Agreement to another person or entity is not in the State's best interests, the State may elect to terminate this Agreement with the Vendor without penalty upon thirty (30) days written notice to the Vendor.

11.30 Headings or Captions. The paragraph headings or captions are for identification purposes only and do not limit or construe the contents of the paragraphs.

SECTION 12. BUSINESS DOWNTURN.

12.1 In the event of a business downturn or budget difficulties beyond the control of the IRHTP, including budget difficulties of other HCP's or the IRHTP or significant restructuring or reorganization, any of which significantly reduces the volume of OSP plant required by the IRHTP, with the result that IRHTP will be unable to meet its revenue or volume commitments under this Agreement, Vendor and the IRHTP will cooperate in efforts to develop a mutually agreeable alternative.

SECTION 13. REDUCTION OF RESOURCES.

13.1 If, during the Term, the IRHTP or the HCP's experience a change in the scope, nature or volume of its business, or if the IRHTP elects to change the manner or method by which it does business, the Vendor will be asked to reduce the level of Services to IRHTP under this Agreement. However any such reduction must not adversely impact upon Vendor's ability to reasonably perform its obligations under the Agreement.

13.2 In such event, Vendor shall estimate, in writing and in good faith, the aggregate decreased charges to Vendor from IRHTP's ceasing to perform such Services and shall provide such written estimate to IRHTP, no later than 30 days from Vendor's receipt of IRHTP's notice. IRHTP, upon receipt of such estimate, may then elect by written notice given to Vendor within 15 days following receipt of Vendor's written estimate to:

13.3 Withdraw its request for a cessation of part of the Services;

13.4 Implement such partial cessation of Services based upon the estimate of Vendor; or

13.5 Request that Vendor negotiate with IRHTP regarding the aggregate reduction in the Contract Services due to Vendor from IRHTP hereunder as a result of the partial cessation of Services. If IRHTP shall elect to request Vendor to negotiate, the parties shall promptly negotiate in good faith regarding the amount.

SECTION 14. EXECUTION.

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Agreement and have caused their duly authorized representatives to execute this Agreement.

IOWA HOSPITAL ASSOCIATION ON BEHALF OF IRHTP

By: Date: _____

Name: Mr. Art Spies

Title: Project Coordinator - IRHTP

(Vendor Name to be placed HERE)

By: Date: _____

Name:

Title:

ATTACHMENT 1 – PART II

QUALITY ASSURANCE INSPECTION SERVICES

CONTRACTUAL TERMS AND CONDITIONS

RFP 08-001

SECTION 1. TERM. This Agreement is effective [EFFECTIVE DATE WILL BE LISTED], and will continue through (project completion).

SECTION 2. DOCUMENTS INCORPORATED BY REFERENCE.

2.1 Incorporation of Bid Proposal Documents. The IRHTP RFP 08-001 and the Vendor's bid proposal in response to this RFP, together with any clarifications, attachments, appendices, amendments or other writings of the IRHTP or the Vendor (collectively bid proposal) are incorporated into this Agreement by this reference as if fully set forth in this Agreement.

2.2 Contractual Obligations of Vendor. The terms and conditions of the bid proposal and of the RFP are made contractual obligations of the Vendor.

2.3 Contents of Agreement. The parties acknowledge that this Agreement consists of this document as well as the RFP and the bid proposal and that the parties are obligated to perform as set forth in the RFP and the bid proposal to the same extent that they are obligated to perform the specific duties set forth in this document.

2.3.1 Order of Preference. In the case of any inconsistency or conflict between the specific provisions of this document, the RFP or the bid proposal, any inconsistency or conflict shall be resolved as follows:

2.3.5 First, by giving preference to the specific provisions of this Agreement.

2.3.6 Second, by giving preference to the specific provisions of the RFP.

2.3.7 Third, by giving preference to the specific provisions of the bid proposal.

2.4 Intent of References to Bid Documents. The references to the parties' obligations, which are contained in this document, are intended to change, supplement or clarify the obligations as stated in the RFP and the bid proposal. The failure of the parties to make reference to the terms of the RFP or bid proposal in this document shall not be construed as creating a conflict and will not relieve the Vendor of the contractual obligations imposed by the terms of the RFP and the bid proposal. Terms offered in the bid proposal, which exceed the requirements of the RFP, shall not be construed as creating an inconsistency or conflict with the RFP or this document. The contractual obligations of the IRHTP cannot be implied from the bid proposal.

SECTION 3. DEFINITIONS. The following words shall have the meanings set forth below. Words in the singular shall be held to include the plural and vice versa, and words of gender shall be held to include the other gender as the context requires. For the purposes of this Contract, the following terms and all other terms defined in this Contract shall have the meanings so defined unless the context clearly indicates otherwise.

3.1 "IHA" shall mean the Iowa Hospital Association
3.2 "IRHTP" shall mean the Iowa Rural Health Telecommunications Program
3.3 "Vendor" shall mean [Vendor will be listed].

SECTION 4. SCOPE OF WORK

4.1 Vendor shall provide the IRHTP Quality Assurance Inspection Services on an "as needed" basis, determined by the IRHTP, and shall work with the IRHTP Project Coordinator, Staff, and key managers.

4.2 The following is a list of the abilities, knowledge, services and/or support items the Vendor shall provide on an "as needed" basis, upon request of the IRHTP. All services shall be coordinated by Mr. Art Spies, (515) 288-1955 and spiesa@ihaonline.org.

4.2.1 (VENDOR) Quality Assurance General Requirements:

4.2.1.1 Shall be able to begin work immediately upon contract signature.

4.2.1.2 Work shall be completed within individual project guidelines as assigned.

4.2.1.3 Shall have a minimum of 5 years buried outside plant project experience, in telecommunications & technology.

4.2.1.4 Shall possess excellent customer services skills – able to communicate effectively.

4.2.1.5 Shall possess superior soft skills including the ability to work with clients, negotiate requirements between stake holders, work on a team, lead and facilitate meetings, and the ability to adapt to existing processes.

4.2.1.6 Shall complete assignments in a timely manner and submit weekly status reports indicating progress on assigned tasks, meet assigned project due dates, and identify and suggest resolutions for issues having a potential to adversely impact performance and/or the project.

4.2.1.7 Shall maintain a positive working relationship with coworkers, supervisors, and management, as well as present a positive team-oriented attitude and customer focus.

4.2.1.8 Shall adhere to IRHTP work rules and processes.

4.2.1.9 Shall produce written and verbal English language instructions.

4.2.1.10 Shall understand written and verbal English language, presentation materials, documentation, requirement statements, problem descriptions and other forms of communication for interaction with team members and managers.

4.2.1.11 Shall have knowledge of the current IRHTP Network design and/or similar or comparable networks.

4.2.2 (VENDOR) Quality Assurance Required Skill Sets:

4.2.2.1 Shall have an extensive knowledge of buried fiber optic networks.

4.2.2.2 Shall be able to coordinate personnel from various external groups to facilitate projects to successful completion.

4.2.2.3 Shall have a detailed understanding of the construction of each link-segment he is overseeing.

4.2.3 (VENDOR) Quality Assurance Tasks: (in no particular order)

4.2.3.1 Vendor is responsible to ensure all construction specifications outlined are continually followed and fully met by construction contractors. If it is determined at any time that construction practices are sub-standard, this shall be considered grounds for (VENDOR) contract termination, reduced compensation and/or other remedies available as described in the contract

4.2.3.2 This Contract will allow the (Vendor) to utilize the Quality Assurance Services (VENDOR) agrees to provide. The IRHTP shall have full approval of any personnel and/or services that (VENDOR) provides to the IRHTP.

4.2.3.3 Any or all services provided by (VENDOR) and/or their personnel shall become the property of the IRHTP. (VENDOR) shall not retain any rights to or copies of the works made for hire. All products, processes, items, programs, code, etc. and any and all other IRHTP items assisted by (VENDOR) personnel as part of this contract shall belong to and are the property of the IRHTP. (VENDOR) agrees that no item produced under this contract shall be retained by (VENDOR) and all computerized, paper copy, graphics file, or record in any format whatsoever of all items created under this contract shall NOT BE retained by (VENDOR) once the task or project is complete. All material must be turned over to IRHTP at end of project.

4.2.3.4 Following five (5) days written notice, the IRHTP may terminate this Agreement in whole or in part for convenience without the payment of any penalty or incurring any further obligation to Vendor. Termination for Convenience can be for any reason or no reason at all if it is in the best interests of the IRHTP. If contract is terminated prior to contract conclusion all items created up to termination date under this contract as denoted in the above paragraph shall be given to IRHTP and (VENDOR) shall certify that (VENDOR) or any of its employees has retained no item.

4.2.4 This contract may be amended in whole or in part by mutual agreement of both parties.

SECTION 5. COMPENSATION.

5.1 Payment Terms – Progress Payments

5.1.1 USAC and IRHTP will disburse funds based on monthly submissions (*i.e.*, invoices) of actual incurred eligible expenses, and will respond to vendor invoices in accordance with its current bi-monthly invoicing payment plan. This invoice process will permit disbursement of funds to ensure that the selected Participants' network projects proceed, while allowing USAC and the FCC to monitor expenditures in order to ensure compliance with the program and prevent waste, fraud, and abuse.

5.1.2 Upon award of contract for a link-segment, the Vendor will assist the IRHTP project coordinator in the development of a USAC Network Cost Worksheet. (NCW) This work sheet will list the primary tasks to be completed for each link-segment. When specific line items are completed on each NCW, the Vendor may submit it for a progress payment. As soon as the line item completion is approved by the IRHTP project coordinator the vendor will be paid 15% of the line item amount by the specific HCP served by the link-segment. The Vendor will acknowledge receipt of the 15% payment and forward appropriate forms to USAC for payment of the remaining 85%. USAC will honor requests for payment twice each month.

The invoices when submitted must certify by signature that all construction specifications were met during the covered period on the specified segment and show the contract number and project/site number on each invoice. If the IRHTP disputes the amount of any invoice, the IRHTP will notify the Vendor of the dispute within 10 days of receipt of the invoice. IRHTP may withhold payment of the disputed amount until the dispute is resolved.

5.1.2.1 Retainer - Payment tied to Performance. The IRHTP shall withhold 10% of the fee for the project until the IRHTP has provided Final Acceptance of the project and all reports are received and approved by the IRHTP. Upon Final Acceptance, the Vendor shall submit an invoice to the IRHTP requesting payment of the remaining 10% of the fee for the project. The invoice shall contain appropriate documentation as necessary to support the fee included on the invoice and shall comply with all applicable rules concerning payment of such fees.

5.1.2.2 Monitoring. The IRHTP shall monitor the Vendor's compliance with the scope of work and deadlines established for the project.

5.1.2.3 Review. Once the IRHTP has verified 100% completion of the project, the IRHTP shall review the Vendor's performance history under the Agreement and shall submit the Vendor's Invoice to USAC for payment of the 10% retainer. The retainer will be paid only upon Final Approval of the project, satisfactory restoral of any infrastructure or landscape disturbed by the cable installation process, site and route cleanup, and receipt of the as-built drawings.

5.2 Delay of Payment Due To Vendor's Failure. If the IRHTP in good faith determines that the Vendor has failed to perform or deliver any service or product as required by this Contract, the Vendor shall not be entitled to any compensation under this Contract until such service or product is completed or delivered. In the event of partial performance, the IRHTP may withhold that portion of the Vendor's compensation, which represents payment for the unsatisfactory services.

5.3 The IRHTP shall audit the invoices presented to the IRHTP to ensure that they are proper, current and correct. The Vendor has 30 days from the date of invoice to present and resolve any discrepancies with the IRHTP. The IRHTP shall notify the Vendor of any and all discrepancies that the audit(s) reveals.

SECTION 6. INSURANCE.

6.1 Coverage Requirements. The Vendor, and any subcontractors performing the services required under this Agreement, shall maintain in full force and effect, with insurance companies of recognized responsibility, at its own expense, insurance covering its work during the entire term of this Agreement and any extensions or renewals thereof. The insurance shall be of the type and in the amounts as reasonably required by the IRHTP. The Vendor's insurance shall, among other things, insure against any loss or damage resulting from or related to the Vendor's performance of this Agreement. All such insurance policies should remain in full force and effect for the entire life of this Agreement and shall not be canceled or changed except with the advance written approval of the IRHTP.

6.2 Types of Coverage. Unless otherwise requested by the IRHTP, Vendor shall, at its sole cost, cause to be issued and maintained during the entire term of this Agreement (and any extensions or renewals thereof) the insurance coverage's set forth below, each naming the State of Iowa and the IRHTP additional insured or loss payees, as applicable:

Type	*Amount*
Workers Compensation and Employer Liability	As Required By Iowa Law
General Liability (including contractual liability) written on an occurrence basis	
GENERAL AGGREGATE	$3 million
PRODUCT LIABILITY	$1 million
PERSONAL INJURY	$1 million
COMPREHENSIVE AGGREGATE	$1 million
EACH OCCURRENCE	$1 million
Automobile Liability, including any auto, hired autos and non owned autos COMBINED SINGLE LIMIT	$1 million
Errors and Omissions liability insurance	$500,000

6.3 Coverage for HCP Property on ICN Controlled Premises. The policies shall provide coverage for damages to the HCP's property, or on premises under the control of the ICN and/or the State of Iowa.

6.4 Errors and Omissions Insurance. Prior to signing contract, the Vendor awarded the contract for Chapter 3 Part II will be required to procure "Errors and Omissions" liability insurance in the amount of not less that $500,000, naming the IRHTP as one of the additional insured or loss payees.

6.4.1 A Performance Bond may be filed with the IRHTP in lieu of an "Errors and Omissions" Insurance policy as long as it names the IRHTP as one of the additional insured or loss payees.

6.4.2 No Bid Bond is required.

6.4.3 No Litigation Bond is required

6.5 Claims Made Coverage. All insurance policies required by this Agreement must provide coverage for all claims arising from activities occurring during the term of the policy regardless of the date the claim is filed or expiration of the policy.

6.6 Notice Regarding Cancellation. Certificates of insurance, which provide that the IRHTP will be notified at least thirty (30) days prior to cancellation of the coverage required by this Agreement must be provided by the Vendor and any subcontractors to the IRHTP at the time of execution of the Agreement or at a time mutually agreeable to the parties.

6.7 No Limitation of Liability. The receipt of insured certificates by the IRHTP does not constitute approval of the coverage contained in the certificates, and the Vendor remains responsible for determining that its insurance coverage meets each and every requirement of this Agreement. Acceptance of the insurance certificates by the IRHTP shall not act to relieve the Vendor of any obligation under this Agreement. Only companies authorized to transact business in the State of Iowa shall issue the insurance policies and certificates required by this Section. It shall be the responsibility of the Vendor to keep the respective insurance policies and coverages current and in force during the life of this Agreement.

6.8 Warranty. The Vendor warrants that it has examined its insurance coverage to determine that the State of Iowa and the IRHTP can be named as additional insured without creating an adverse effect on the Vendor's coverage.

6.9 Waiver of Subrogation Rights. The Vendor shall obtain a waiver of any subrogation rights that any of its insurance carriers might have against State of Iowa and the IRHTP. The waiver of subrogation rights shall be indicated on the certificates of insurance coverage supplied to the IRHTP.

SECTION 7. CONFIDENTIAL INFORMATION.

7.1 During the course of this Agreement each party may disclose, to the other either directly or indirectly, certain data that is proprietary which shall be referred to as "Confidential Information" of the disclosing party and which must remain confidential. Confidential Information may include without limitation, among other things, such items as security information, user information, data, knowledge, trade secrets and other proprietary information, methodologies, developments, software, software documentation, inventions, processes, and other nonpublic information in oral, graphic, written, electronic or machine readable form.

7.2 All written or electronic Confidential Information shall be clearly marked as Confidential Information by the party providing the Confidential Information at the time of disclosure to the other party.

7.3 If the Confidential Information is disclosed orally, and reduced to writing, the receiving party must treat the information as Confidential Information.

7.4 The Vendor shall limit such identification to information it reasonably believes it is entitled to confidential treatment pursuant to FCC, USAC or other applicable law.

7.5 The obligations of this Agreement do not apply to Confidential Information which:

7.5.1 Was rightfully in the possession of the receiving party from a source other than the disclosing party prior to the time of disclosure of the Confidential Information to receiving party.

7.5.2 Was known to the receiving party prior to the disclosure of the Confidential Information from the disclosing party;

7.5.3 Was disclosed to the receiving party without restriction by an independent third party having a legal right to disclose the Confidential Information;

7.5.4 Becomes public knowledge, other than through an act or failure to act by the disclosing party;

7.5.5 Is publicly available or in the public domain when provided;

7.5.6 Is independently developed by the disclosing party; or

7.5.7 Is disclosed pursuant to law, subpoena or the order of a court or government authority.

7.6 The parties shall have the following duties relating to the Confidential Information:

7.6.1 The Vendor shall designate one individual who shall remain the responsible authority in charge of all data collected, used or disseminated by the Vendor in connection with the performance of this Agreement. The Vendor shall accept responsibility for providing adequate supervision and training to its agents and employees to ensure compliance with the terms of this Agreement. The private and confidential data shall remain the property of the IRHTP at all times.

7.6.2 The Confidential Information of either party shall be held in strict confidence by the receiving party and shall not be disclosed or used by the receiving party without the prior written consent of the disclosing party, except as provided in this Agreement or as may be required by law pursuant to available confidentiality restrictions.

7.6.3 The parties shall use their best efforts to protect the Confidential Information in its possession.

7.6.4 The parties shall restrict disclosure of the Confidential Information solely to those of its employees, agents, consultants and attorneys with a need to know in order to accomplish the purpose of this Agreement.

7.6.5 The parties shall protect the Confidential Information from disclosure to or access by unauthorized persons.

7.6.6 The parties shall use the Confidential Information solely for the purpose of this Agreement and for no other purpose.

7.6.7 The parties shall not duplicate the Confidential Information in any form, except as may be necessary to accomplish the purpose of this Agreement.

7.6.8 The parties shall advise each of its employees, agents, consultants and attorneys who receive the Confidential Information of the obligations of confidentiality and restrictions on the use set forth herein.

7.6.9 The parties shall immediately return the Confidential Information and all copies thereof, to each other upon the earlier of the expiration of the need therefore or the termination of this Agreement in order to accomplish the purpose.

7.7 The provisions of this Agreement shall apply to all Confidential Information disclosed by the parties to each other over the course of this Agreement. The parties' obligations under this provision shall survive termination of this Agreement and shall be perpetual.

7.8 The Vendor shall indemnify the IRHTP for a violation of this Section. The Vendor shall notify the IRHTP prior to the destruction of these materials and shall provide the IRHTP with the opportunity for proper destruction of these materials.

7.9 No Confidential Information will be exported to any country in violation of the United States Export Administration Act and the regulations there under.

SECTION 8. VENDOR WARRANTIES.

8.1 Construction of Warranties Expressed in this Agreement with Warranties Implied by Law. All warranties made by the Vendor in all provisions of this Agreement and the bid proposal by the Vendor, whether or not this Agreement specifically denominates the Vendor's promise as a warranty or whether the warranty is created only by the Vendor's affirmation or promise, or is created by a description of the materials and services to be provided, or by provision of samples to the IRHTP, shall not be construed as limiting or negating any warranty provided by law, including without limitation, warranties which arise through course of

dealing or usage of trade. The warranties expressed in this Agreement are intended to modify the warranties implied by law only to the extent that they expand the warranties applicable to the goods and services provided by the Vendor.

8.2 The Vendor warrants that all the concepts, materials produced, the work product and the information, data, designs, processes, inventions, techniques, devices, and other such intellectual property furnished, used, or relied upon by the Vendor or the IRHTP will not infringe any copyright, patent, trademark, trade dress, or other intellectual property right of the Vendor or others. Any intellectual property provided to the IRHTP pursuant to the terms of this Agreement, shall be wholly original with the Vendor or the Vendor has secured all applicable interests, rights, licenses, permits, or other intellectual property rights in such concepts, materials and work.

8.3 The Vendor represents and warrants that the concepts, materials and the IRHTP's use of same and the exercise by the IRHTP of the rights granted by this Agreement shall not infringe upon any other work, other than material provided by the IRHTP to the Vendor to be used as a basis for such materials, or violate the rights of publicity or privacy of, or constitute a libel or slander against, any person, firm or corporation and that the concepts, materials and works will not infringe upon the copyright, trademark, trade name, literary, dramatic, statutory, common law or any other rights of any person, firm or corporation or other entity.

8.4 The Vendor warrants that all of the services to be performed hereunder will be rendered using sound, professional practices and in a competent and professional manner by knowledgeable, trained and qualified personnel.

8.5 The Vendor warrants that the deliverables under this Agreement will operate in conformance with the terms and conditions of this Agreement.

8.6 The Vendor warrants that it has full authority to enter into this Agreement and that it has not granted and will not grant any right or interest to any person or entity that might derogate, encumber, or interfere with the rights granted to the IRHTP.

8.7 The Vendor warrants that all obligations owed to third parties with respect to the activities contemplated to be undertaken by the Vendor pursuant to this Agreement are or will be fully satisfied by the Vendor so that the IRHTP will not have any obligations with respect thereto.

8.8 The Vendor warrants that it is the owner of or otherwise has the right to use and distribute the software, the materials owned by the Vendor and any other materials, and methodologies used in connection with providing the services contemplated by this Agreement.

8.9 The Vendor expressly warrants to the standards in the industry all aspects of the goods and services provided by it or used by the Vendor and the IRHTP in performance of this Agreement.

8.10The Vendor unconditionally warrants that all equipment supplied and installed for the purpose of fulfilling its obligations under this Agreement are fit for the purpose intended, that it complies with industry standards and that the equipment is compatible with the State's equipment.

SECTION 9. INDEMNIFICATION BY VENDOR. The Vendor agrees to defend, indemnify and hold the IRHTP, and the State of Iowa, its employees, agents, board members, appointed officials and elected officials, harmless from any and all demands, debts liabilities, damages, loss, claims, suits or actions, settlements, judgments, costs and expenses, including the reasonable value of time expended by the Attorney General's Office, and the costs and expenses and attorney fees of other counsel required to defend the IRHTP or the State of Iowa related to or arising from:

9.1 Any violation or breach of this Agreement including, without limitation, any of the Vendor's representations or warranties; or

9.2 Any acts or omissions, including, without limitation, negligent acts or omissions or willful misconduct of Vendor, its officers, employees, agents, board members, contractors, subcontractors, or counsel employed by Vendor in the performance of this Agreement, or any other reason in connection with the goods and services provided under this Agreement; or

9.3 Claims for any violation of any intellectual property right including but not limited to infringement of patents, trademarks, trade dress, trade secrets, or copyrights arising from the any of the goods or service performed in accordance with this Agreement; or

9.4 The Vendor's performance or attempted performance of this Agreement; or

9.5 Any failure by the Vendor to comply with all local, State and Federal laws and regulations; or

9.6 Any failure by the Vendor to make all reports, payments and withholdings required by Federal and State law with respect to social security, employee income and other taxes, fees or costs required by the Vendor to conduct business in the State of Iowa.

9.7 The Vendor's duty to indemnify as set forth in this Section shall survive the expiration or termination of this Agreement and shall apply to all acts taken in the performance of this Agreement regardless of the date any potential claim is made or discovered by the IRHTP.

SECTION 10. TERMINATION.

10.1 Termination For Lack Of Authority or Funding. Notwithstanding anything in this Agreement to the contrary and subject to the limitations, conditions and procedures set forth below, the IRHTP shall have the right to terminate this Agreement without penalty and without any advance notice as a result of any of the following:

10.1.1 The Legislature or Governor fails, in the sole opinion of the IRHTP, to appropriate funds sufficient to allow the IRHTP, the HCP's, or any state agency or department charged with responsibility to perform any of the IRHTP's obligations under this Agreement, to either meet its obligations under this Agreement or to operate as required to fulfill its obligations under this Agreement; or

10.1.2 If funds are de-appropriated, not allocated or if the funds needed by the IRHTP, in the IRHTP's sole discretion, are insufficient for any other reason; or

10.1.3 If the IRHTP's, or USAC's authorization to conduct its business is withdrawn or there is a material alteration in the programs or any other program the IRHTP administers; or

10.1.4 If the IRHTP's duties are substantially modified.

10.1.5 Written Notice of Cancellation. The IRHTP shall provide Vendor with written notice of cancellation pursuant to this Section.

10.2 Termination for Cause. The IRHTP may terminate this Agreement upon written notice for the substantial breach by Vendor of any material term if such breach is not cured by Vendor within the time period specified in the IRHTP's notice of breach or any subsequent notice or correspondence delivered by the IRHTP to Vendor. If a cure is feasible and an opportunity to cure is provided, the notice shall specify the exact date by which the condition must be cured. Following expiration of the opportunity to cure or notice from the IRHTP, the IRHTP may seek any legal or equitable remedy authorized by this Agreement or by law. Substantial breach events include but are not limited to the following:

10.2.1 Vendor fails to perform as required by this Agreement.

10.2.2 Vendor fails to make substantial and timely progress toward performance or fails to meet any of the material specifications and requirements stated in this Agreement, including without limitation the warranties provided in this Agreement, in the RFP or in the Vendor's bid proposal.

10.3 Termination for Convenience. Following 30 days written notice, the IRHTP may terminate this Agreement in whole or in part for convenience without the payment of any penalty or incurring any further obligation to the Vendor. Termination for Convenience can be for any reason or no reason at all if it is in the best interests of the IRHTP.

10.4 Immediate Termination. The IRHTP may terminate this Agreement effective immediately without advance notice and without penalty for any of the following reasons:

10.4.1 Vendor furnished any statement, representation, warranty or certification in connection with this Agreement, which is materially false, deceptive, incorrect or incomplete.

10.4.2 Vendor fails to perform, to the IRHTP's satisfaction, any material requirement of this Agreement or is in violation of any material provision of this Agreement, including, without limitation, the express warranties made by the Vendor.

10.4.3 The IRHTP determines that satisfactory performance of this Agreement is substantially endangered or that a default is likely to occur.

10.4.4 Vendor becomes subject to any bankruptcy or insolvency proceeding under Federal or State law to the extent allowed by applicable Federal or State law including bankruptcy laws.

10.4.5 Vendor terminates or suspends its business.

10.4.6 The IRHTP reasonably believes that Vendor has become insolvent or unable to pay its obligations as they accrue consistent with applicable Federal or State law.

10.4.7 It is alleged that Vendor's processes or materials violate any valid patent, trademark, copyright, other intellectual property right or contract, and the IRHTP reasonably believes that the allegation may impair Vendor's performance of this Agreement.

10.4.8 Vendor has failed to comply with all applicable Federal, State, and local laws, rules, ordinances, regulations and orders when performing within the scope of this Agreement.

10.4.9 Vendor has engaged in conduct that has or may expose the IRHTP to liability, as determined in the IRHTP's sole discretion.

10.4.10 Vendor has a conflict of interest that interferes with fair competition or conflicts with an interest of the IRHTP as determined in the IRHTP's sole discretion.

10.5 In the event of termination of this Agreement for any reason by USAC or the IRHTP, USAC and the IRHTP shall pay only the amounts, if any, due and owing to Vendor for services actually rendered up to and including the date of termination of the Agreement and for which the USAC and the IRHTP is obligated to pay pursuant to this Agreement. Payment will be made only upon submission of invoices and proper proof of Vendor's claim. This provision in no way limits the remedies available to USAC or the IRHTP in the event of a termination under this provision. However, the USAC or the IRHTP shall not be liable for any of the following costs:

10.5.1 The payment of Unemployment Compensation to Vendor's employees;

10.5.2 The payment of Workers' Compensation claims which occur during the Agreement or extend beyond the date on which the Agreement terminates.

10.5.3 Any costs incurred by Vendor in its performance of the Agreement including but not limited to startup costs, overhead or other costs associated with the performance of the Agreement.

10.5.4 Any taxes that may be owed by Vendor for the performance of this Agreement including but not limited to sales taxes, excise taxes, use taxes, income taxes or property.

10.6 Vendor Obligations upon Termination. Upon expiration or termination of this Agreement, or upon request of the IRHTP, the Vendor shall:

10.6.1 Immediately cease using and return to the IRHTP any personal property or material, whether tangible or intangible, provided by the IRHTP to the Vendor and in its, or any subcontractor's, control or possession;

10.6.2 Upon request from the IRHTP, destroy any personal property or material, whether tangible or intangible at no additional cost to the IRHTP, and verify in writing that the designated property or material has been destroyed;

10.6.3 Comply with the IRHTP's instructions for the timely transfer of active files and work being performed by Vendor under this Agreement to the IRHTP or the IRHTP's designee;

10.6.4 Protect and preserve property in the possession of the Vendor in which the IRHTP has an interest;

10.6.5 Stop work under this Agreement on the date specified in any notice of termination provided by the IRHTP;

10.6.6 Cooperate in good faith with the IRHTP, its employees, agents and contractors during the transition period between the notification of termination and the substitution of any replacement Vendor.

10.7 Care of Property. The Vendor shall be responsible for the proper custody and care of any of the HCP or State owned tangible personal property furnished for the Vendor's use in connection with the performance of the Agreement, and the Vendor will reimburse the IRHTP or the State for such property's loss or damage caused by the Vendor, normal wear and tear excepted.

10.8 Reduction of Resources. If, during the Term, the IRHTP experiences a change in the scope, nature or volume of its business, or if the IRHTP elects to change the manner or method by which it does business (including, but not limited to, an election by Iowa Legislature to effect a sale or other disposition of material assets), which have or may have the effect of causing a decrease in the quantity or quality of the Services that will be needed by IRHTP, then IRHTP may request Vendor to reduce the level of Services and the annual Service charges to IRHTP under this Agreement. However any such reduction must not adversely impact upon Vendor's ability to reasonably perform its obligations under the Agreement.

SECTION 11. CONTRACT ADMINISTRATION.

11.1 Independent Contractor. The status of the Vendor shall be that of an independent contractor. The Vendor, its employees, agents and any subcontractors performing under this Agreement are not employees or agents of the State of Iowa or any agency, division or department of the State. Neither the Vendor nor its employees shall be considered employees of the IRHTP of Iowa for Federal or State tax purposes. The IRHTP will not withhold taxes on behalf of the Vendor (unless required by law).

11.2 Compliance with the Law and Regulations.

11.2.1 Compliance with the Law and Regulations. Vendor shall comply with all applicable Federal, State, and local laws, rules, ordinances, regulations and orders when performing within the scope of this Agreement, including, without limitation, all laws applicable to the prevention of discrimination in employment, the administrative rules of the Iowa Department of Management or the Iowa Civil Rights Commission which pertain to equal employment opportunity and affirmative action, laws relating to prevailing wages, occupational safety and health standards, prevention of discrimination in employment, payment of taxes, gift laws, lobbying laws and laws relating the use of targeted small businesses as subcontractors or suppliers.

11.2.2 The Vendor declares that it has complied with all Federal, State and local laws regarding business permits and licenses that may be required to carry out the work to be performed under this Agreement, including, without limitation, laws governing State of Iowa procurement and contracting.

11.2.3 The Vendor shall give notice to any labor union with which it has a bargaining or other agreement of its commitment under this section of the Agreement. The Vendor shall make the provisions of this Section a part of its contracts with any subcontractors providing goods or services related to the fulfillment of this Agreement.

11.2.4 The Vendor shall comply with all of the reporting and compliance standards regarding equal employment.

11.2.5 The Vendor may be required to submit its affirmative action plan

11.2.6 The IRHTP may consider the failure of the Vendor to comply with any law or regulation as a material breach of this Agreement. In addition, the Vendor may be declared ineligible for future USAC contracts or be subjected to other sanctions for failure to comply with this Section.

11.3 Amendments. This Agreement may be amended in writing from time to time by mutual consent of the parties. All amendments to this Agreement must be fully executed by the parties.

11.4 Third Party Beneficiaries. There are no third party beneficiaries to this Agreement. This Agreement is intended only to benefit IRHTP and the Vendor.

11.5 Choice of Law and Forum.

11.5.1 The laws of the State of Iowa shall govern and determine all matters arising out of or in connection with this Agreement without regard to the choice of law provisions of Iowa law.

11.5.2 In the event any proceeding of a quasi-judicial or judicial nature is commenced in connection with this Agreement, the exclusive jurisdiction for the proceeding shall be brought in Polk County District Court for the State of Iowa, Des Moines, Iowa, or in the United States District Court for the Southern District of Iowa, Central Division, Des Moines, Iowa wherever jurisdiction is appropriate.

11.5.3 This provision shall not be construed as waiving any immunity to suit or liability including, without limitation, sovereign immunity in State or Federal court, which may be available to the IRHTP or the State of Iowa.

11.6 Integration. This Agreement, including all the documents incorporated by reference, represents the entire Agreement between the parties and neither party is relying on any representation that may have been made which is not included in this Agreement. The parties agree that if a Schedule, Addendum, Rider or Exhibit or other document is attached hereto by the parties, and referred to herein, then the same shall be deemed incorporated herein by reference.

11.7 Not a Joint Venture. Nothing in this Agreement shall be construed as creating or constituting the relationship of a partnership, joint venture, (or other association of any kind or agent/principal relationship) between the parties hereto. No party, unless otherwise specifically provided for herein, has the authority to enter into any agreement or create an obligation or liability on behalf of, in the name of, or binding upon another party to this Agreement.

11.8 Consent to Service. The Vendor irrevocably consents to service of process by certified or registered mail addressed to the Vendor's designated agent. The Vendor appoints _____ at _____ as its agent to receive service of process. If for any reason the Vendor's agent for service is unable to act as such or the address of the agent changes, the Vendor shall immediately appoint a new agent and provide the IRHTP with written notice of the change in agent or address. Any change in the appointment of the agent or address will be effective only upon actual receipt by the IRHTP. Nothing in this provision will alter the right of the IRHTP to serve process in another manner permitted by law.

11.9 Supersedes Former Agreements. This Agreement supersedes all prior Agreements between the IRHTP and the Vendor for the services provided in connection with this Agreement.

11.10 Waiver. Any breach or default by either party shall not be waived or released other than in writing or by a written notice signed by the other party. Failure by either party at any time to require performance by the other party or to claim a breach of any provision of the Agreement shall not be construed as affecting any subsequent breach or the right to require performance with respect thereto or to claim a breach with respect thereto.

11.11 Notices.

11.11.1 Any and all notices, designations, consents, offers, acceptances or any other communication provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by Federal Express, courier or other similar and reliable carrier which shall be addressed to each party as set forth as follows:

If to the IRHTP:

Mr. Art Spies
Iowa Hospital Association
100 East Grand Ave – Suite 100
Des Moines, Iowa 50309

If to the Vendor: [Vendor may provide one (1) contact]

11.11.2 Each such notice shall be deemed to have been provided:

11.11.2.1 At the time it is actually received; or,

11.11.2.2 Within one day in the case of overnight hand delivery, courier or services such as Federal Express with guaranteed next day of delivery; or,

11.11.2.3 Within five days after deposited the U.S. Mail in the case of registered U.S. Mail.

11.11.3 Copies of such notice to each party shall be provided separately.

11.11.4 From time to time, the parties may change the name and address of a party designated to receive notice. Such change of the designated person shall be in writing to the other party and as provided herein.

11.12 Cumulative Rights. The various rights, powers, options, elections and remedies of either party, provided in this Agreement, shall be construed as cumulative and no one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed either party by law. Nothing in this Agreement shall be construed as affecting, impairing or limiting the equitable or legal remedies to which either party may be entitled as a result of any breach of this Agreement.

11.13 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the invalid portion shall be severed from this Agreement. Such a determination shall not affect the validity or enforceability of any other part or provision of this Agreement.

11.14 Express Warranties. The Vendor expressly warrants all aspects of the items and services provided by it or used by the Vendor and the IRHTP in performance of this Agreement.

11.15 Warranty Regarding Solicitation. The Vendor warrants that no person or selling agency has been employed or retained to solicit and secure this Agreement upon an agreement or understanding for commission, percentage, brokerage or contingency except bona fide employees or selling agents maintained for the purpose of securing business.

11.16 Obligations of Joint Entities. If the Vendor is a joint entity consisting of more than one individual, partnership, corporation or other business organization, all such entities shall be jointly and severally liable for carrying out the Agreement activities.

11.17 Obligations Beyond Agreement Term. This Agreement shall remain in full force and effect to the end of the specified term or until terminated or canceled pursuant to this Agreement. All obligations of the

Vendor incurred or existing under this Agreement as of the date of expiration, termination or cancellation will survive the expiration, termination or cancellation of this Agreement.

11.18 Time is of the Essence. Time is of the essence with respect to the successful performance of the terms of this Agreement. The Vendor shall ensure that all personnel providing services to the IRHTP are responsive to the IRHTP's requirements in all respects.

11.19 Authorization. Each party to this Agreement represents and warrants to the other that it has the right, power and authority to enter into and perform its obligations under this Agreement and that it has taken all requisite action (corporate, statutory, or otherwise) to approve execution, delivery and performance of this Agreement. This Agreement constitutes a legal, valid and binding obligation upon the parties in accordance with its terms.

11.20 Successors in Interest. All the terms, provisions, and conditions of the Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, and legal representatives.

11.21 Counterparts and Facsimile Signatures. The parties agree that this Agreement has been or may be executed in several counterparts, each of which shall be deemed an original and all such counterparts shall together constitute one and the same instrument. The parties further agree that the signatures on this Agreement or any amendment or schedule may be manual, scanned, or a facsimile signature of the person authorized to sign the appropriate document. All authorized scanned or facsimile signatures shall have the same force and effect as if manually signed.

11.22 Additional Provisions. The parties agree that if a Schedule, Addendum, Rider or Exhibit is attached hereto by the parties, and referred to herein, then the same shall be deemed incorporated herein by reference.

11.23 Use of Third Parties/Prime Vendor Responsibilities. The IRHTP acknowledges that the Vendor may contract with third parties for the performance of any of the Vendor's obligations under this Agreement. All subcontracts shall be subject to advance written approval by the IRHTP. The Vendor may enter into these contracts to complete the project provided that the Vendor remains responsible for all services performed under this Agreement. All restrictions, obligations and responsibilities of the Vendor under this Agreement shall also apply to subcontractors. The IRHTP shall consider the Vendor to be the sole point of contact with regard to all matters related to this Agreement and is not required to initiate or maintain contact with any subcontractor. IRHTP may choose to deny use of any specific third party contractor at IRHTP's sole discretion, in which case the Vendor must obtain a different third party contractor.

11.24 Not Used

11.25 Force Majeure. Neither Vendor nor the IRHTP shall be liable to the other for any delay or failure of performance of this Agreement; and no delay or failure of performance shall constitute a default or give rise to any liability for damages if, and only to the extent that, such delay or failure is caused by a "force majeure".

11.25.1 As used in this Agreement, "force majeure" includes acts of God, war, civil disturbance and any other causes which are beyond the control and anticipation of the party effected and which, by the exercise of reasonable diligence, the party was unable to anticipate or prevent. Failure to perform by a subcontractor or an agent of the Vendor shall not be considered a "force majeure" unless the subcontractor or supplier is prevented from timely performance by a "force majeure" as defined in this Agreement. "Force majeure" does not include: financial difficulties of the Vendor or any parent, subsidiary, affiliated or associated company of Vendor; claims or court orders which restrict Vendor's ability to deliver the goods or services contemplated by this Agreement.

11.25.2 If a "force majeure" delays or prevents Vendor's performance, the Vendor shall immediately commence to use its best efforts to directly provide alternate, and to the extent possible, comparable performance. Comparability of performance and the possibility of comparable performance shall be reasonably determined solely by the IRHTP.

11.25.3 During any such period, the Vendor shall continue to be responsible for all costs and expenses related to alternative performance.

11.25.4 This Section shall not be construed as relieving the Vendor of its responsibility for any obligation which is being performed by a subcontractor or supplier of services unless the subcontractor or supplier is prevented from timely performance by a "force majeure" as described here.

11.26 Records Retention and Access. The Vendor shall permit the Auditor of the State of Iowa or any authorized representative of the State or any authorized representative of the United States government, or USAC, to access and examine, audit, excerpt and transcribe any directly pertinent validation records, financial records, accounting records, books, documents, papers, electronic or optically stored and created records or other records of the Vendor relating to or created as a result of the performance of this Agreement. These records shall be made available to the State, its designees, the Auditor, or an authorized representative of the United States government, or USAC, at reasonable times and at no cost to the State during the term of this Agreement and for a period of at least (5) years following the termination, cancellation or expiration of this Agreement.

11.27 Taxes. IRHTP declares and Vendor acknowledges that the Vendor and its subcontractors may be subject to certain taxes including but not limited to sales tax, motor vehicle fuel tax, personal or corporate income tax or other taxes or assessments, and to licensing fees or other miscellaneous fees or charges which may be imposed by Federal, State or local law or ordinance. The Vendor and its subcontractors shall be solely responsible for the payment of such taxes. The Vendor shall promptly pay all such taxes, fees or charges when due. IRHTP is a tax-exempt entity and the Vendor shall not attempt to pass on any costs, including surcharges and fees, to the IRHTP that are attributable to federal, state, or local taxes, including sales tax, motor fuel tax, property tax, or personal or corporate income tax.

11.28 Further Assurances and Corrective Instruments. The Vendor agrees that it will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Agreement.

11.29 Assignment and Delegation. This Agreement may not be assigned, transferred or conveyed in whole or in part without the prior written consent of the other party. For purposes of construing this clause, a transfer of a controlling interest in Vendor shall be considered an assignment. If the State, in its sole discretion, determines that the Vendor's assignment of this Agreement to another person or entity is not in the State's best interests, the State may elect to terminate this Agreement with the Vendor without penalty upon thirty (30) days written notice to the Vendor.

11.30 Headings or Captions. The paragraph headings or captions are for identification purposes only and do not limit or construe the contents of the paragraphs.

SECTION 12. BUSINESS DOWNTURN.

12.1 In the event of a business downturn or budget difficulties beyond the control of the IRHTP, including budget difficulties of other HCP's or the IRHTP or significant restructuring or reorganization, any of which significantly reduces the volume of OSP plant required by the IRHTP, with the result that IRHTP will be unable to meet its revenue or volume commitments under this Agreement, Vendor and the IRHTP will cooperate in efforts to develop a mutually agreeable alternative.

SECTION 13. REDUCTION OF RESOURCES.

13.1 If, during the Term, the IRHTP or the HCP's experience a change in the scope, nature or volume of its business, or if the IRHTP elects to change the manner or method by which it does business, the Vendor will be asked to reduce the level of Services to IRHTP under this Agreement. However any such reduction must not adversely impact upon Vendor's ability to reasonably perform its obligations under the Agreement.

13.2 In such event, Vendor shall estimate, in writing and in good faith, the aggregate decreased charges to Vendor from IRHTP's ceasing to perform such Services and shall provide such written estimate to IRHTP, no later than 30 days from Vendor's receipt of IRHTP's notice. IRHTP, upon receipt of such estimate, may then elect by written notice given to Vendor within 15 days following receipt of Vendor's written estimate to:

13.3 Withdraw its request for a cessation of part of the Services;

13.4 Implement such partial cessation of Services based upon the estimate of Vendor; or

13.5 Request that Vendor negotiate with IRHTP regarding the aggregate reduction in the Contract Services due to Vendor from IRHTP hereunder as a result of the partial cessation of Services. If IRHTP shall elect to request Vendor to negotiate, the parties shall promptly negotiate in good faith regarding the amount.

SECTION 14. EXECUTION.

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Agreement and have caused their duly authorized representatives to execute this Agreement.

IOWA HOSPITAL ASSOCIATION ON BEHALF OF IRHTP

By: Date: _____

Name: Mr. Art Spies

Title: Project Coordinator - IRHTP

[VENDOR will be listed]:

By: Date: _____

Name:

Title:

ATTACHMENT 2

BID PROPOSAL COMPLIANCE FORM

RFP 08-001

Vendor affirms that the information contained in the bid proposal is true and accurately portrays all aspects of the goods or services or both contemplated by this RFP. The Vendor is aware that any substantive misinformation or misrepresentation may disqualify the bid proposal from further consideration.

Vendor hereby certifies total compliance with all other terms, conditions and specifications of this RFP except as expressly stated below:

Chapter 1, Administrative Issues _____

_____

Chapter 2, Contractual Terms & Conditions (includes Attachment 1) _____

_____

_____

Chapter 3, Technical Specifications _____

_____

Chapter 4, Evaluation Criteria _____

_____

I certify that I have the authority to bind the Vendor indicated below to the specific terms and conditions imposed in this RFP and offered in this bid proposal, and that by my signature on this document I specifically agree to all of the waivers, restrictions and requirements of this RFP as conditions precedent to submitting this proposal. I further state that in making this bid proposal that the Vendor has not consulted with others for the purpose of restricting competition or violating State or Federal anti-trust laws and has not knowingly made any false statements in this proposal.

Authorized Signature: _____

Printed Name: _____

Title: _____

Telephone: _____

Fax Number: _____

E-Mail: _____

Business Name: _____

Address: _____

_____

Federal ID Number: _____

USAC SPIN: _____

ATTACHMENT 3

AUTHORIZATION TO RELEASE INFORMATION

RFP 08-001

_____ (Name of Vendor) hereby authorizes any person or entity, public or private, having any information concerning the Vendor's background, including but not limited to its performance history regarding its prior rendering of services similar to those detailed in this RFP, to release such information to the IRHTP.

The Vendor acknowledges that it may not agree with the information and opinions given by such person or entity in response to a reference request. The Vendor acknowledges that the information and opinions given by such person or entity may hurt its chances to receive contract awards from the IRHTP or may otherwise hurt its reputation or operations. The Vendor is willing to take that risk. The Vendor agrees to release all persons, entities, and the IRHTP from any liability whatsoever that may be incurred in releasing this information or using this information.

_____

Printed Name of Vendor

_____ _____

Signature of Authorized Representative Date

ATTACHMENT 4 – PART I

OUTSIDE PLANT FIBER INSTALLATION

BID PROPOSAL SUBMITTAL FORM

RFP 08-001

This bid proposal submittal form is comprised of SIX pages!

By submitting this bid, Vendor acknowledges it can comply and will comply with all specifications detailed in Chapter 3.

Note: Vendors must submit all SIX of the following cost sheet pages of Attachment 4 regardless of how many sites are bid! The Vendor's authorized agent must sign each sheet.

Vendors desiring to be awarded a complete merged area(s) contract must list a cost for each and every site within that merged Area(s). If the vendor is submitting a bid for the entire statewide project, the vendor must list a cost for each and every site listed on each cost sheet.

Any cost sheets for an award of the total statewide project or complete merged area(s) response not listing all of the sites in the respective merged area(s) will be considered only as a site-by-site bid.

Vendors bidding a complete merged area or the total statewide project may offer a discount off the total cost for the specific merged area(s) or the complete statewide project.

Discount in Dollars, if awarded all sites in Merged Area One	$
Discount in Dollars, if awarded all sites in Merged Area Two	$
Discount in Dollars, if awarded all sites in Merged Area Three	$
Discount in Dollars, if awarded all sites in Merged Area Four	$
Discount in Dollars, if awarded all sites in Merged Area Five	$
Discount in Dollars, if awarded all sites in Merged Area Six	$
Discount in Dollars, if awarded all sites in Merged Area Seven	$
Discount in Dollars, if awarded all sites in Merged Area Eight	$
Discount in Dollars, if awarded all sites in Merged Area Nine	$
Discount in Dollars, if awarded all sites in Merged Area Ten	$
Discount in Dollars, if awarded all sites in Merged Area Eleven	$
Discount in Dollars, if awarded all sites in Merged Area Twelve	$
Discount in Dollars, if awarded all sites in Merged Area Thirteen	$
Discount in Dollars, if awarded all sites in Merged Area Fourteen	$
Discount in Dollars, if awarded all sites in Merged Area Fifteen	$
Discount in Dollars, if awarded all sites in Merged Area Sixteen	$
Discount in Dollars, if awarded all sites in Merged Area Seventeen	$

Discount in Dollars if awarded all sites in IRHTP RFP 08-001	$

Vendor's Authorized Agent Signature: _____

Sheet One of Six Sheets

RFP 08-001

BID SHEET – PART I

Line	Merged Area	SID	A Location - Hospital	City	Z Location - Endpoint	City	Notes	Construction Bid Price	Alternate Bid (IRU+Build)
1	1	1.1	Mitchell County Regional Health Center	Osage	Osage Community HS	Osage			
2	1	1.2	Floyd County Memorial Hospital	Charles City	Northern Iowa Area CC	Charles City			
3	1	1.3	Ellsworth Municipal Hospital	Iowa Falls	Ellsworth CC	Iowa Falls			
4	1	1.4	Franklin General Hospital	Hampton	Hampton-Dumont HS	Hampton			
5	1	1.5	Belmond Medical Center	Belmond	Clarion-Goldfield MS	Clarion			
6	1	1.5a	Belmond Medical Center	Belmond	Belmond-Klemme HS	Belmond	Alternate Lateral Build		
7	1	1.5a	Belmond-Klemme HS	Belmond	Hampton-Dumont HS	Hampton	Alternate Link/IRU Cost		
8	1	1.6	Hancock County Memorial Hospital	Britt	Garner Hayfield HS	Garner			
9	1	1.6a	Hancock County Memorial Hospital	Britt	West Hancock HS	Britt	Alternate Lateral Build		
10	1	1.6a	West Hancock HS	Britt	Garner-Hayfield HS	Garner	Alternate Link/IRU Cost		
11	1	1.7	Mercy Medical Center-North Iowa	Mason City	Northern Iowa Area CC	Mason City			
12	1	1.7a	Mercy Medical Center-North Iowa	Mason City	Iowa National Guard Armory	Mason City	Alternate Build		
13	2	2.1	Regional Health Services of Howard County	Cresco	Howard - Winneshiek HS	Cresco			
14	2	2.2	Winneshiek Medical Center	Decorah	Luther College	Decorah			
15	2	2.3	Central Community Hospital	Elkader	AEA 1 Elkader	Elkader			
16	2	2.4	Palmer Lutheran Health Center	West Union	Splice B110-4	West Union			
17	2	2.5	Mercy Medical Center-New Hampton	New Hampton	New Hampton HS	New Hampton			
18	2	2.6	Veterans Memorial Hospital	Waukon	Waukon HS	Waukon			
19	3	3.1	Mercy Medical Center-Dubuque	Dubuque	ICN Dubuque City POP	Dubuque			
20	3	3.1a	Mercy Medical Center-Dubuque	Dubuque	ICN Dubuque City POP	Dubuque	Alternate Link/IRU Cost		
21	3	3.2	Regional Medical Center	Manchester	West Delaware HS	Manchester			
22	3	3.3	Mercy Medical Center-Dyersville	Dyersville	Northeast Iowa CC	Peosta			
23	3	3.3a	Mercy Medical Center-Dyersville	Dyersville	Beckman HS	Dyersville	Alternate Lateral Build		
24	3	3.3a	Beckman HS	Dyersville	Northeast Iowa CC	Peosta	Alternate Link/IRU Cost		
25	4	4.1	Waverly Health Center	Waverly	Waverly Shellrock HS	Waverly			
26	4	4.2	Buchanan County Health Center	Independence	Independence HS	Independence			
27	5	5.1	Virginia Gay Hospital	Vinton	Kirkwood Learning Center	Vinton			
28	5	5.2	Mercy Medical Center	Cedar Rapids	Link Splice 39C	Cedar Rapids			
29	5	5.3	Radiology Consultants of Iowa	Cedar Rapids	Towne Center	Cedar Rapids	Cross Connect		

Vendor's Authorized Agent Signature:

Sheet Two of Six Sheets

RFP 08-001

BID SHEET – PART I

Line	Merged Area	SID	A Location - Hospital	City	Z Location - Endpoint	City	Notes	Construction Bid Price	Alternate Bid (IRU+Build)
30	6	6.1	University of Iowa Hospitals and Clinics	Iowa City	On net - (Lindquist Center)	Iowa City	No Construction Required		
31	6	6.2	Mercy Iowa City	Iowa City	U of I (Lindquist Center)	Iowa City			
32	6	6.3	Washington County Hospital and Clinics	Washington	Iowa National Guard Armory	Washington			
33	6	6.4	Marengo Memorial Hospital	Marengo	Splice B1004-1	Williamsburg			
34	6	6.4a	Marengo Memorial Hospital	Marengo	Iowa Valley HS	Marengo	Alternate Lateral Build		
35	6	6.4a	Iowa Valley HS	Marengo	Kirkwood CC	Williamsburg	Alternate Link/IRU Cost		
36	7	7.1	Mercy Medical Center	Clinton	Eastern Iowa CC	Clinton	Intercept Abandoned Fiber Franciscan University		
37	7	7.2	Genesis Medical Center-West Campus	Davenport	Saint Ambrose University	Davenport	Intercept Abandoned Fiber		
38	7	7.3	Genesis Medical Center-East Campus	Davenport	Saint Ambrose University	Davenport			
39	7	7.4	Genesis Plaza	Bettendorf	Link 901	Bettendorf			
40	7	7.5	Genesis imaging Center	Bettendorf	Link 901	Bettendorf			
41	7	7.6	Unity Healthcare	Muscatine	Eastern Iowa CC	Muscatine			
42	7	7.7	Genesis Health System-Dewitt	Dewitt	Clinton CC	Clinton			
43	7	7.7a	Genesis Health System-Dewitt	Dewitt	Central HS	Dewitt	Alternate Lateral Build		
44	7	7.7a	Central HS	Dewitt	Maquoketa HS	Maquoketa	Alternate Link/IRU Cost		
45	8	8.1	Great River Medical Center	W. Burlington	South Eastern CC	W. Burlington			
46	8	8.2	Fort Madison Community Hospital	Fort Madison	Fort Madison HS	Fort Madison			
47	8	8.3	Keokuk Area Hospital	Keokuk	Abandon Stritch HS – Vault	Keokuk			
48	8	8.4	Henry County Health Center	Mt Pleasant	Iowa Wesleyan College	Mt Pleasant			
49	9	9.1	Mahaska Health Partnership	Oskaloosa	Splice 1511	Oskaloosa			
50	9	9.2	Keokuk County Health Center	Sigourney	Sigourney HS	Sigourney			
51	9	9.3	Jefferson County Hospital	Fairfield	Fairfield HS	Fairfield			
52	9	9.4	Van Buren County Hospital	Keosauqua	Van Buren Community HS	Keosauqua			
53	9	9.5	Davis County Hospital	Bloomfield	Davis County Community HS	Bloomfield			
54	9	9.6	Ottumwa Regional Health Center	Ottumwa	On Net	Ottumwa	No Construction Required		
55	9	9.7	Mercy Medical Center-Centerville	Centerville	On Net	Centerville	No Construction Required		
56	9	9.8	Wayne County Hospital	Corydon	On Net	Corydon	No Construction Required		
57	9	9.9	Lucas County Health Center	Chariton	Chariton HS	Chariton			
58	9	9.91	Monroe County Hospital	Albia	Albia HS	Albia			

Vendor's Authorized Agent Signature:

Sheet Three of Five Sheets

RFP 08-001

BID SHEET – PART I

Line	Merged Area	SID	A Location - Hospital	City	Z Location - Endpoint	City	Notes	Construction Bid Price	Alternate Bid (IRU+Build)
59	10	10.1	Mercy Medical Center-Des Moines	Des Moines	On Net (Campus rework)	Des Moines			
60	10	10.2	Skiff Medical Center	Newton	DMACC Polytechnical	Newton			
61	10	10.3	Marshalltown Medical & Surgical Center	Marshalltown	Slack loop Location tbd	Marshalltown			
62	10	10.4	Pella Regional Health Center	Pella	Central College	Pella			
63	10	10.5	Knoxville Hospital & Clinics	Knoxville	Iowa National Guard Armory	Knoxville			
64	10	10.6	Madison County Health Care System	Winterset	On Net	Winterset	No Construction		
65	10	10.7	Mercy West Lakes	Des Moines	On Net	Des Moines	No Construction		
66	10	10.8	Iowa Hospital Association	Des Moines	On Net	Des Moines	No Construction		
67	10	10.9	Dallas County Hospital	Perry	Perry HS	Perry			
68	11	11.1	Adair County Memorial Hospital	Greenfield	Greenfield HS	Greenfield			
69	11	11.2	Decatur County Hospital	Leon	Lamoni HS	Lamoni			
70	11	11.2a	Decatur County Hospital	Leon	Lamoni HS	Lamoni	Alternate Link/IRU Cost		
71	11	11.3	Ringgold County Hospital	Mt Ayr	Mount Ayr HS	Mt Ayr			
72	11	11.4	Alegent Heath Mercy Hospital	Corning	Corning HS	Corning			
73	11	11.5	Montgomery County Memorial Hospital	Red Oak	Southwestern CC	Red Oak			
74	11	11.6	Audubon County Memorial Hospital	Audubon	Audubon HS	Audubon			
75	12	12.1	Grape Community Hospital	Hamburg	Sidney HS	Sidney			
76	12	12.1a	Grape Community Hospital	Hamburg	Hamburg HS	Hamburg	Alternate Lateral Build		
77	12	12.1a	Hamburg HS	Hamburg	Sidney HS	Sidney	Alternate Link/IRU Cost		
78	12	12.2	Clarinda Regional Health Center	Clarinda	Iowa Western CC	Clarinda			
79	12	12.3	Shenandoah Medical Center	Shenandoah	Iowa National Guard Armory	Shenandoah			
80	12	12.4	Alegent Health Community Memorial Hospital	Missouri Valley	Missouri Valley HS	Missouri Valley			
81	12	12.5	Jennie Edmundson Hospital	Council Bluffs	Iowa Western CC	Council Bluffs			
82	12	12.6	Alegent Heath Mercy Hospital	Council Bluffs	Jennie Edmundson Hospital	Council Bluffs			

Vendor's Authorized Agent Signature:

Sheet Four of Six Sheets

BID SHEET – PART I

Line	Merged Area	SID	A Location - Hospital	City	Z Location - Endpoint	City	Notes	Construction Bid Price	Alternate Bid (IRU+Build)
83	13	13.1	Horn Memorial Hospital	Ida Grove	Western Iowa Tech CC	Ida Grove			
84	13	13.2	Cherokee Regional Medical Center	Cherokee	Washington HS	Cherokee			
85	3	13.3	Crawford County Memorial Hospital	Denison	Intercept Splice - Temp	Denison			
86	13	13.4	Burgess Health Center	Onawa	Iowa National Guard Armory	Mapleton			
87	13	13.4a	Burgess Health Center	Onawa	West Monona HS	Onawa	Alternate Lateral Build		
88	13	13.4.a	West Monona HS	Onawa	Mapleton Valley HS	Mapleton	Alternate Link/IRU Cost		
89	13	13.5	Mercy Medical Center-Sioux City	Sioux City	Sioux City Transport Ctr.	Sioux City			
90	13	13.6	Floyd Valley Hospital	Le Mars	Gahlen Catholic HS	Le Mars			
91	14	14.1	Story County Medical Center	Nevada	Maint Splice 1107F-A	Ames			
92	14	14.1a	Story County Medical Center	Nevada	Meet Point	Nevada	Alternate Lateral Build		
93	14	14.1a	Meet Point	Nevada	Maint Splice 1107F-A	Ames	Alternate Link/IRU Cost		
94	14	14.2	Manning Regional Healthcare Center	Manning	St. Anthony Regional Hosp	Carroll			
95	14	14.2a	Manning Regional Healthcare Center	Manning	Manning HS	Manning	Alternate Lateral Build		
96	14	14.2a	Manning HS	Manning	DMACC Campus	Carroll	Alternate Link/IRU Cost		
97	14	14.3	Saint Anthony Regional Hospital	Carroll	DMACC Campus	Carroll			
98	14	14.4	Boone County Hospital	Boone	DMACC Campus	Boone			
99	15	15.1	Osceola Community Hospital	Sibley	Sibley HS	Sibley			
100	15	15.2	Orange City Area Health System	Orange City	Northwestern College	Orange City			
101	15	15.3	Baum-Harmon Mercy Hospital	Primghar	Northwest Iowa CC	Sheldon			
102	15	15.3a	Baum-Harmon Mercy Hospital	Primghar	South O'Brien HS	Paullina	Alternate Lateral Build		
103	15	15.3a	South O'Brien HS	Paullina	Northwest Iowa CC	Sheldon	Alternate Link/IRU Cost		
104	15	15.4	Sanford Sheldon Medical Center	Sheldon	Iowa National Guard Armory	Sheldon			
105	15	15.5	Hawarden Community Hospital	Hawarden	AEA 4	Sioux Center			
106	15	15.5a	Hawarden Community Hospital	Hawarden	Hawarden Library	Hawarden	Alternate Lateral Build		
107	15	15.5a	Hawarden Library	Hawarden	AEA 4	Sioux Center	Alternate Link/IRU Cost		
108	15	15.6	Sioux Center Community Hospital	Sioux Center	Iowa National Guard Armory	Sioux Center			

Vendor's Authorized Agent Signature:

Sheet Five of Six Sheets

RFP 08-001

BID SHEET – PART I

Line	Merged Area	SID	A Location - Hospital	City	Z Location - Endpoint	City	Notes	Construction Bid Price	Alternate Bid (IRU+Build)
109	15	15.7	Hegg Memorial Health Center	Rock Valley	AEA 4	Sioux Center			
110	15	15.7a	Hegg Memorial Health Center	Rock Valley	Rock Valley HS	Rock Valley	Alternate Lateral Build		
111	15	15.7a	Rock Valley HS	Rock Valley	AEA 4	Sioux Center	Alternate Link/IRU Cost		
112	15	15.8	Merrill Pioneer Community Hospital	Rock Rapids	Central Lyon MS	Rock Rapids			
113	15	15.91	Avera Data Center	Sioux Falls, SD	IRU	Sheldon			
114	15	15.92	Sanford Hospital	Sioux Falls, SD	IRU	Sheldon			
115	16	16.1	Lakes Regional Healthcare	Spirit Lake	Spirit Lake HS/AEA 8	Spirit Lake			
116	16	16.2	Palo Alto County Hosp	Emmetsburg	Iowa Lakes CC	Emmetsburg			
117	16	16.3	Avera Holy Family	Estherville	Link Splice 69	Estherville			
118	16	16.4	Kossuth Regional Health Center	Algona	Iowa Lakes CC	Algona			
119	16	16.4a	Kossuth Regional Health Center	Algona	Bishop Garrigan HS	Algona	Alternate Lateral Build		
120	16	16.4a	Bishop Garrigan HS	Algona	Iowa Lakes CC	Algona	Alternate Link/IRU Cost		
121	16	16.5	Spencer Hospital	Spencer	Iowa Lakes CC	Spencer			
122	17	17.1	Hamilton Hospital	Webster City	Link Splice 30	Webster City			
123	17	17.2	Stewart Memorial Community Hospital	Lake City	Rockwell City HS	Rockwell City			
124	17	17.2a	Stewart Memorial Community Hospital	Lake City	Southern Cal HS	Lake City	Alternate Lateral Build		
125	17	17.2a	Southern Cal HS	Lake City	Rockwell City –Lytton HS	Rockwell City	Alternate Link/IRU Cost		
126	17	17.3	Wright Medical Center	Clarion	Iowa Central CC	Eagle Grove			
127	17	17.3a	Wright Medical Center	Clarion	Clarion-Goldfield MS	Clarion	Alternate Lateral Build		
128	17	17.3a	Clarion-Goldfield MS	Clarion	Iowa Central CC	Eagle Grove	Alternate Link/IRU Cost		

Vendor's Authorized Agent Signature:

Sheet Six of Six Sheets

ATTACHMENT 4 – PART II

QUALITY ASSURANCE INSPECTION SERVICES

BID PROPOSAL SUBMITTAL FORM

RFP 08-001

This bid proposal submittal form is comprised of **SIX** pages!

By submitting this bid, Vendor acknowledges it can comply and will comply with all specifications detailed in Chapter 3 Part II.

Firm Fixed Price

The Vendor providing the Quality Assurance Inspection Services shall submit one firm fixed price for the quality control oversight inspection services of the 95 sites as shown in Chapter III, Annex A of this IRHTP RFP 08-001; Various sites will be installed over a three-year period ending Dec 31, 2011. For the purpose of this response, the vendor shall assume all 95 sites will be built. In the event sites are added or dropped, IRHTP will negotiate adjustments with the winning vendor.

The firm fixed price must include not only the firm fixed fee, but all other costs such as, but not limited to: travel, lodging, meals, communications, office supplies, and other specific resources to do the job.

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 for each site.

The undersigned submits this total as our firm fixed price for the Part II Quality Assurance Inspection Services:

Total three year costs: $_____

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

Name of Vendor:

Address:

By

_____

Vendor's Authorized Agent Signature: **Sheet One of Six Sheet**

RFP 08-001

BID SHEET – PART II

Line	Merged Area	SID	A Location - Hospital	City	Z Location - Endpoint	City	Notes	QA Bid Price
1	1	1.1	Mitchell County Regional Health Center	Osage	Osage Community HS	Osage		
2	1	1.2	Floyd County Memorial Hospital	Charles City	Northern Iowa Area CC	Charles City		
3	1	1.3	Ellsworth Municipal Hospital	Iowa Falls	Ellsworth CC	Iowa Falls		
4	1	1.4	Franklin General Hospital	Hampton	Hampton-Dumont HS	Hampton		
5	1	1.5	Belmond Medical Center	Belmond	Clarion-Goldfield MS	Clarion		
6	1	1.5a	Belmond Medical Center	Belmond	Belmond-Klemme HS	Belmond	Alternate Lateral Build	
7	1	1.5a	Belmond-Klemme HS	Belmond	Hampton-Dumont HS	Hampton	Alternate Link/IRU Cost	
8	1	1.6	Hancock County Memorial Hospital	Britt	Garner Hayfield HS	Garner		
9	1	1.6a	Hancock County Memorial Hospital	Britt	West Hancock HS	Britt	Alternate Lateral Build	
10	1	1.6a	West Hancock HS	Britt	Garner-Hayfield HS	Garner	Alternate Link/IRU Cost	
11	1	1.7	Mercy Medical Center-North Iowa	Mason City	Northern Iowa Area CC	Mason City		
12	1	1.7a	Mercy Medical Center-North Iowa	Mason City	Iowa National Guard Armory	Mason City	Alternate Build	
13	2	2.1	Regional Health Services of Howard County	Cresco	Howard - Winneshiek HS	Cresco		
14	2	2.2	Winneshiek Medical Center	Decorah	Luther College	Decorah		
15	2	2.3	Central Community Hospital	Elkader	AEA 1 Elkader	Elkader		
16	2	2.4	Palmer Lutheran Health Center	West Union	Splice B110-4	West Union		
17	2	2.5	Mercy Medical Center-New Hampton	New Hampton	New Hampton HS	New Hampton		
18	2	2.6	Veterans Memorial Hospital	Waukon	Waukon HS	Waukon		
19	3	3.1	Mercy Medical Center-Dubuque	Dubuque	ICN Dubuque City POP	Dubuque		
20	3	3.1a	Mercy Medical Center-Dubuque	Dubuque	ICN Dubuque City POP	Dubuque	Alternate Link/IRU Cost	
21	3	3.2	Regional Medical Center	Manchester	West Delaware HS	Manchester		
22	3	3.3	Mercy Medical Center-Dyersville	Dyersville	Northeast Iowa CC	Peosta		
23	3	3.3a	Mercy Medical Center-Dyersville	Dyersville	Beckman HS	Dyersville	Alternate Lateral Build	
24	3	3.3a	Beckman HS	Dyersville	Northeast Iowa CC	Peosta	Alternate Link/IRU Cost	
25	4	4.1	Waverly Health Center	Waverly	Waverly Shellrock HS	Waverly		
26	4	4.2	Buchanan County Health Center	Independence	Independence HS	Independence		
27	5	5.1	Virginia Gay Hospital	Vinton	Kirkwood Learning Center	Vinton		
28	5	5.2	Mercy Medical Center	Cedar Rapids	Link Splice 39C	Cedar Rapids		
29	5	5.3	Radiology Consultants of Iowa	Cedar Rapids	Towne Center	Cedar Rapids	Cross Connect	

Vendor's Authorized Agent Signature:

Sheet Two of Six Sheets

RFP 08-001

BID SHEET – PART II

Line	Merged Area	SID	A Location - Hospital	City	Z Location - Endpoint	City	Notes	QA Bid Price
30	6	6.1	University of Iowa Hospitals and Clinics	Iowa City	On net - (Lindquist Center)	Iowa City	No Construction Required	
31	6	6.2	Mercy Iowa City	Iowa City	U of I (Lindquist Center)	Iowa City		
32	6	6.3	Washington County Hospital and Clinics	Washington	Iowa National Guard Armory	Washington		
33	6	6.4	Marengo Memorial Hospital	Marengo	Splice B1004-1	Williamsburg		
34	6	6.4a	Marengo Memorial Hospital	Marengo	Iowa Valley HS	Marengo	Alternate Lateral Build	
35	6	6.4a	Iowa Valley HS	Marengo	Kirkwood CC	Williamsburg	Alternate Link/IRU Cost	
36	7	7.1	Mercy Medical Center	Clinton	Eastern Iowa CC	Clinton	Intercept Abandoned Fiber Franciscan University	
37	7	7.2	Genesis Medical Center-West Campus	Davenport	Saint Ambrose University	Davenport	Intercept Abandoned Fiber	
38	7	7.3	Genesis Medical Center-East Campus	Davenport	Saint Ambrose University	Davenport		
39	7	7.4	Genesis Plaza	Bettendorf	Link 901	Bettendorf		
40	7	7.5	Genesis imaging Center	Bettendorf	Link 901	Bettendorf		
41	7	7.6	Unity Healthcare	Muscatine	Eastern Iowa CC	Muscatine		
42	7	7.7	Genesis Health System-Dewitt	Dewitt	Clinton CC	Clinton		
43	7	7.7a	Genesis Health System-Dewitt	Dewitt	Central HS	Dewitt	Alternate Lateral Build	
44	7	7.7a	Central HS	Dewitt	Maquoketa HS	Maquoketa	Alternate Link/IRU Cost	
45	8	8.1	Great River Medical Center	W. Burlington	South Eastern CC	W. Burlington		
46	8	8.2	Fort Madison Community Hospital	Fort Madison	Fort Madison HS	Fort Madison		
47	8	8.3	Keokuk Area Hospital	Keokuk	Abandon Stritch HS – Vault	Keokuk		
48	8	8.4	Henry County Health Center	Mt Pleasant	Iowa Wesleyan College	Mt Pleasant		
49	9	9.1	Mahaska Health Partnership	Oskaloosa	Splice 1511	Oskaloosa		
50	9	9.2	Keokuk County Health Center	Sigourney	Sigourney HS	Sigourney		
51	9	9.3	Jefferson County Hospital	Fairfield	Fairfield HS	Fairfield		
52	9	9.4	Van Buren County Hospital	Keosauqua	Van Buren Community HS	Keosauqua		
53	9	9.5	Davis County Hospital	Bloomfield	Davis County Community HS	Bloomfield		
54	9	9.6	Ottumwa Regional Health Center	Ottumwa	On Net	Ottumwa	No Construction Required	
55	9	9.7	Mercy Medical Center-Centerville	Centerville	On Net	Centerville	No Construction Required	
56	9	9.8	Wayne County Hospital	Corydon	On Net	Corydon	No Construction Required	
57	9	9.9	Lucas County Health Center	Chariton	Chariton HS	Chariton		
58	9	9.91	Monroe County Hospital	Albia	Albia HS	Albia		

Vendor's Authorized Agent Signature:

Sheet Three of Five Sheets

RFP 08-001

BID SHEET – PART II

Line	Merged Area	SID	A Location - Hospital	City	Z Location - Endpoint	City	Notes	QA Bid Price
59	10	10.1	Mercy Medical Center-Des Moines	Des Moines	On Net (Campus rework)	Des Moines		
60	10	10.2	Skiff Medical Center	Newton	DMACC Polytechnical	Newton		
61	10	10.3	Marshalltown Medical & Surgical Center	Marshalltown	Slack loop Location tbd	Marshalltown		
62	10	10.4	Pella Regional Health Center	Pella	Central College	Pella		
63	10	10.5	Knoxville Hospital & Clinics	Knoxville	Iowa National Guard Armory	Knoxville		
64	10	10.5a	Knoxville Hospital & Clinics	Knoxville	VA Hospital	Knoxville	Alt Construction	
65	10	10.6	Madison County Health Care System	Winterset	On Net	Winterset	No Construction	
66	10	10.7	Mercy West Lakes	Des Moines	On Net	Des Moines	No Construction	
67	10	10.8	Iowa Hospital Association	Des Moines	On Net	Des Moines	No Construction	
68	10	10.9	Dallas County Hospital	Perry	Perry HS	Perry		
69	11	11.1	Adair County Memorial Hospital	Greenfield	Greenfield HS	Greenfield		
70	11	11.2	Decatur County Hospital	Leon	Lamoni HS	Lamoni		
71	11	11.2a	Decatur County Hospital	Leon	Lamoni HS	Lamoni	Alternate Link/IRU Cost	
72	11	11.3	Ringgold County Hospital	Mt Ayr	Mount Ayr HS	Mt Ayr		
73	11	11.4	Alegent Heath Mercy Hospital	Corning	Corning HS	Corning		
74	11	11.5	Montgomery County Memorial Hospital	Red Oak	Southwestern CC	Red Oak		
75	11	11.6	Audubon County Memorial Hospital	Audubon	Audubon HS	Audubon		
76	12	12.1	Grape Community Hospital	Hamburg	Sidney HS	Sidney		
77	12	12.1a	Grape Community Hospital	Hamburg	Hamburg HS	Hamburg	Alternate Lateral Build	
78	12	12.1a	Hamburg HS	Hamburg	Sidney HS	Sidney	Alternate Link/IRU Cost	
79	12	12.2	Clarinda Regional Health Center	Clarinda	Iowa Western CC	Clarinda		
80	12	12.3	Shenandoah Medical Center	Shenandoah	Iowa National Guard Armory	Shenandoah		
81	12	12.4	Alegent Health Community Memorial Hospital	Missouri Valley	Missouri Valley HS	Missouri Valley		
82	12	12.5	Jennie Edmundson Hospital	Council Bluffs	Iowa Western CC	Council Bluffs		
83	12	12.6	Alegent Heath Mercy Hospital	Council Bluffs	Jennie Edmundson Hospital	Council Bluffs		

Vendor's Authorized Agent Signature:

Sheet Four of Six Sheets

RFP 08-001

BID SHEET – PART II

Line	Merged Area	SID	A Location - Hospital	City	Z Location - Endpoint	City	Notes	QA Bid Price
84	13	13.1	Horn Memorial Hospital	Ida Grove	Western Iowa Tech CC	Ida Grove		
85	13	13.2	Cherokee Regional Medical Center	Cherokee	Washington HS	Cherokee		
86	3	13.3	Crawford County Memorial Hospital	Denison	Intercept Splice - Temp	Denison		
87	13	13.4	Burgess Health Center	Onawa	Iowa National Guard Armory	Mapleton		
88	13	13.4a	Burgess Health Center	Onawa	West Monona HS	Onawa	Alternate Lateral Build	
89	13	13.4.a	West Monona HS	Onawa	Mapleton Valley HS	Mapleton	Alternate Link/IRU Cost	
90	13	13.5	Mercy Medical Center-Sioux City	Sioux City	Sioux City Transport Ctr.	Sioux City		
91	13	13.6	Floyd Valley Hospital	Le Mars	Gahlen Catholic HS	Le Mars		
92	14	14.1	Story County Medical Center	Nevada	Maint Splice 1107F-A	Ames		
93	14	14.1a	Story County Medical Center	Nevada	Meet Point	Nevada	Alternate Lateral Build	
94	14	14.1a	Meet Point	Nevada	Maint Splice 1107F-A	Ames	Alternate Link/IRU Cost	
95	14	14.2	Manning Regional Healthcare Center	Manning	St. Anthony Regional Hosp	Carroll		
96	14	14.2a	Manning Regional Healthcare Center	Manning	Manning HS	Manning	Alternate Lateral Build	
97	14	14.2a	Manning HS	Manning	DMACC Campus	Carroll	Alternate Link/IRU Cost	
98	14	14.3	Saint Anthony Regional Hospital	Carroll	DMACC Campus	Carroll		
99	14	14.4	Boone County Hospital	Boone	DMACC Campus	Boone		
100	15	15.1	Osceola Community Hospital	Sibley	Sibley HS	Sibley		
101	15	15.2	Orange City Area Health System	Orange City	Northwestern College	Orange City		
102	15	15.3	Baum-Harmon Mercy Hospital	Primghar	Northwest Iowa CC	Sheldon		
103	15	15.3a	Baum-Harmon Mercy Hospital	Primghar	South O'Brien HS	Paullina	Alternate Lateral Build	
104	15	15.3a	South O'Brien HS	Paullina	Northwest Iowa CC	Sheldon	Alternate Link/IRU Cost	
105	15	15.4	Sanford Sheldon Medical Center	Sheldon	Iowa National Guard Armory	Sheldon		
106	15	15.5	Hawarden Community Hospital	Hawarden	AEA 4	Sioux Center		
107	15	15.5a	Hawarden Community Hospital	Hawarden	Hawarden Library	Hawarden	Alternate Lateral Build	
108	15	15.5a	Hawarden Library	Hawarden	AEA 4	Sioux Center	Alternate Link/IRU Cost	
109	15	15.6	Sioux Center Community Hospital	Sioux Center	Iowa National Guard Armory	Sioux Center		

Vendor's Authorized Agent Signature:

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RFP 08-001

BID SHEET – PART II

Line	Merged Area	SID	A Location - Hospital	City	Z Location - Endpoint	City	Notes	QA Bid Price
110	15	15.7	Hegg Memorial Health Center	Rock Valley	AEA 4	Sioux Center		
111	15	15.7a	Hegg Memorial Health Center	Rock Valley	Rock Valley HS	Rock Valley	Alternate Lateral Build	
112	15	15.7a	Rock Valley HS	Rock Valley	AEA 4	Sioux Center	Alternate Link/IRU Cost	
113	15	15.8	Merrill Pioneer Community Hospital	Rock Rapids	Central Lyon MS	Rock Rapids		
114	15	15.91	Avera Data Center	Sioux Falls, SD	IRU	Sheldon		
115	15	15.92	Sanford Hospital	Sioux Falls, SD	IRU	Sheldon		
116	16	16.1	Lakes Regional Healthcare	Spirit Lake	Spirit Lake HS/AEA 8	Spirit Lake		
117	16	16.2	Palo Alto County Hosp	Emmetsburg	Iowa Lakes CC	Emmetsburg		
118	16	16.3	Avera Holy Family	Estherville	Link Splice 69	Estherville		
119	16	16.4	Kossuth Regional Health Center	Algona	Iowa Lakes CC	Algona		
120	16	16.4a	Kossuth Regional Health Center	Algona	Bishop Garrigan HS	Algona	Alternate Lateral Build	
121	16	16.4a	Bishop Garrigan HS	Algona	Iowa Lakes CC	Algona	Alternate Link/IRU Cost	
122	16	16.5	Spencer Hospital	Spencer	Iowa Lakes CC	Spencer		
123	17	17.1	Hamilton Hospital	Webster City	Link Splice 30	Webster City		
124	17	17.2	Stewart Memorial Community Hospital	Lake City	Rockwell City HS	Rockwell City		
125	17	17.2a	Stewart Memorial Community Hospital	Lake City	Southern Cal HS	Lake City	Alternate Lateral Build	
126	17	17.2a	Southern Cal HS	Lake City	Rockwell City –Lytton HS	Rockwell City	Alternate Link/IRU Cost	
127	17	17.3	Wright Medical Center	Clarion	Iowa Central CC	Eagle Grove		
128	17	17.3a	Wright Medical Center	Clarion	Clarion-Goldfield MS	Clarion	Alternate Lateral Build	
129	17	17.3a	Clarion-Goldfield MS	Clarion	Iowa Central CC	Eagle Grove	Alternate Link/IRU Cost	

Vendor's Authorized Agent Signature:

Sheet Six of Six Sheets

ATTACHMENT 5 – PART I

INDEFEASIBLE RIGHT OF USE

RFP 08-001

1.0 "Indefeasible Right to Use" or "IRU" shall mean the exclusive, unrestricted, and indefeasible right to use the relevant Capacity (including equipment, fibers or capacity) for any legal purpose. The granting of such IRU does not convey title or legal ownership of any fibers on Vendors Network. The IRU shall convey an interest that notwithstanding the occurrence of a breach by the receiving party of any legal duty or obligation imposed by any contract, by the law of torts (including simple or gross negligence, strict liability or willful misconduct), or by federal or state laws, rules, regulations, orders, standards or ordinances, during the Term, the granting party shall have no right to revoke or restrict in any manner or to any degree whatsoever, through injunctive relief or otherwise, the use of the IRU granted to the receiving party, it being understood and agreed that each such breach shall be compensable, if at all, by a remedy at law and not at equity.

In locations where Vendors have existing fiber capacity, the IRHTP will consider the costs of a 20-year "Indefeasible Right to Use Agreement" for two dark fibers in lieu of a bid for construction.

The IRHTP is not bound to accept the offer of an IRU. The offered price will be considered against the costs of construction and how the inclusion of the IRU will affect the overall cost of a complete merged area or statewide bid award.

Each IRU shall be for one pair (2 dark fibers)

2.0 Vendor Information. Vendor shall furnish the following information pertaining to each IRU with its bid:

2.1 Closest point of entry for both the near end and the far end of each site-by-site segment being bid.

2.2 Cost of construction to connect IRU fiber terminations to near end and far end Fiber distribution panels (FDPs) or fiber termination bulkheads.

2.3 Total db loss for each IRU segment.

2.4 Vendor's agreement to specified hours for maintenance windows for future work to be done on fiber bundles containing IRU fibers, or where bundles are not separated, the whole sheath.

2.5 Vendor shall describe how service will be restored in the event of a fiber cut.

2.6 Vendor shall identify any known hazards along the IRU fiber route such as stream crossings or etc.

2.7 A copy of the Vendor's IRU contract document.

2.8 Vendor shall stipulate as to whether additional pairs of fibers are available on the same route.

ATTACHMENT 6

USAC RURAL HEALTH CARE PILOT PROGRAM PROCESS

RFP 08-001

Competitive Bidding Requirement Overview

The RHCPP Selection Order requires the selected participants to conduct a competitive bidding process to select the most cost-effective vendor for design, evaluation, and deployment of the broadband network. To satisfy the competitive bidding requirement, among other things, selected participants must submit an FCC Form 465 that includes a description of services for which the health care provider(s) is seeking support and wait at least 28 days from the date on which this information is posted on USAC's website before making commitments with the selected service provider.

Please also see the Wireline Competition Bureau's Letter to Program Participants on December 20, 2007.

Please feel free to address any concerns to RHCPilot@usac.org or call 800-229-5476.

Vendor Eligibility

All vendors that provide services or equipment eligible for funding under the Pilot Program may submit bids for Pilot Program projects. To receive RHCPP support, vendors also need to obtain a Service Provider Identification Number (SPIN) from USAC.

All telecommunications providers, Internet service providers, and other vendors may receive up to 85% of eligible Pilot Program costs. Network design firms and various types of construction companies may also participate. Project participants may choose to self-provision for these services and/or equipment in that they may do their own design work and/or network deployment, subject to the FCC's competitive bidding requirements. This program will refer to all of these entities collectively as Vendors.

Eligible Pilot Program costs include, but are not limited to:

- the non-recurring costs for design, engineering, materials, and construction of fiber facilities and other broadband infrastructure;
- the non-recurring costs of engineering, furnishing (i.e., as delivered from the manufacturer), and installing network equipment;
- the recurring and non-recurring costs of operating and maintaining the constructed network once the network is operational; and
- carrier-provided transmission services and the costs for subscribing to such facilities and services.

All vendors that supply these services or equipment may submit bids for Pilot Program projects. Vendors interested in submitting bids should familiarize themselves with the 2007 Rural Health Care Pilot Program Selection Order, which details the RHCPP network components eligible and ineligible for support. Additional information concerning the Pilot Program is available on the FCC's Rural Health Care Pilot Program page.

All vendors (including self-provisioning project entities) must have a Service Provider Identification Number (SPIN), issued by USAC, to receive support for providing discounted service and equipment to eligible RHCPP project participants. If a vendor already has a SPIN, this number is good for all USF programs including the RHCPP. Vendors must ensure they have completed Box 8 of FCC Form 498. Vendors may edit this form if they have already obtained a SPIN. For questions concerning eligibility, please call the Rural Health Care Call Center at 1-800-229-5476. For questions about obtaining a SPIN, please contact Client Services Bureau at 1-888-641-8722. Vendors that need to apply for a SPIN can go to USAC's E-File page.

Prior to receiving any RHCPP support, all vendors must complete a certification stating they will comply with RHCPP rules and use funding only for the purposes intended. A sample template of this certification is available for download. This certification should be submitted to the Project Coordinator.

Searching service requests or Request for Proposal (Online)

To search for and view Pilot Program service requests (e.g., RFP) postings, vendors will go directly to the RHCPP website search postings page.

Rural Health Care Pilot Program Project Detail

Vendors may view the posted service requests (e.g., RFP) and associated documents on the Search Postings page of the RHCPP website. Posted information includes:

- Services requested in PDF Format (e.g., RFP)
- Participating entities/HCPs
- Project Coordinator's name, location, and contact information
- Date Posted to USAC website
- Allowable Contract Date

Provide bids for requested service

After USAC posts a RHCPP 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:

(1) Vendors participating in competitive bidding process are prohibited from assisting or filling out the RHCPP Participant's Form 465 – see footnote 281 of the 2007 RHCPP Selection Order.
(2) Vendors must complete an RHCPP certification. This requirement is found in paragraph 93 of the 2007 RHCPP Selection Order. The template for this certification is available for download.
(3) 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 (FCL).

The FCL 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 FCL includes the following information:

- Health Care Provider (HCP) Number, a unique five-digit code assigned to each Pilot project
- HCP Contact Name (person designated as the Project Coordinator)
- HCP Name and Address of the project location supported
- Service Provider Identification Number (SPIN)
- Vendor Name
- Funding Year
- Copy of Approved Network Cost Worksheet
- 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 Worksheet Items

What to Do When You Receive the FCL

Vendors should validate the SPIN on the FCL. 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 1-800-229-5476.

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 Acknowledgment 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 Rural Health Care Pilot Program at 1-800-229-5476 and do not start applying program discounts.

Send invoice to USAC

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 15 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 Invoices

Project Coordinators can mail or fax USAC a copy of the RHCPP Invoice:

Universal Service Administrative Company
Rural Health Care Program
100 S. Jefferson Road
Whippany, NJ 07981

Fax Number: 973-599-6514 (to the attention of the project coach)

Bi-Monthly Invoicing Cycle

Invoices received from the 1st through the 15th of the month will be processed by the 20th of the month. Invoices received from the 16th through the 31st of the month will be processed by the 5th of the following month.

Example

If an invoice is received January 29 it will be processed during the first five days of February. If an invoice is received February 1, it will be processed by February 20. 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 1-800-229-5476 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 RHCPP. The RHCPP 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.

Vendor Letterhead

Certification of [Vendor]

I, _____[name of corporate officer], on behalf of _____[Vendor name] (SPIN _____) certify and swear under the penalty of perjury, that to the best of my knowledge, information and belief, all federal Rural 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 (WC Docket 02-60; FCC 07-498, released November 19, 2007), and consistent with related FCC orders, section 254(h)(2)(A) of the Telecommunications Act of 1934, as amended, and Parts 54.601 *et. seq.* of the FCC's rules.

_____
(signature)

_____
Name

_____
Title

_____
Date

_____
NOTARIZED BY:

ATTACHMENT 8

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 evalution 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 Beneficary 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 evalaution of the service provider bids received for these RFPs.

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[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 IRHTP 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 excution 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 IRHTP 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:

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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 suprising. Futher, 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 Telecommunciations 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 contructed hospital owned fiber link or a leased "IRU" to a point currently located in an ICN Point of Presence." (USAC RFP#04). While theorectically 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 contact 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 cupability to IRHTP for the lack of competitive bidders for RPF #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

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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 theorectically 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. 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 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.

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 Heath 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, 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 surpress 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 progam. 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 seach 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.

DRAFT

- 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"

DRAFT

ATTACHMENT 8A

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 IHRTP 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)

CINDY J. SCHULTZ
COMMISSION NO. 730836
MY COMMISSION EXPIRES
OCTOBER 4, 2016

My commission expires: 10-4-16

ATTACHMENT 8B

Connectivity Services Supporting Documentation

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

Service B/W - Ethernet	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	222,165	287,028	287,028	287,028	287,028	287,028	287,028	287,028	287,028
Total Revenue	$290,862	$945,363	$1,221,623	$1,221,623	$1,221,623	$1,221,623	$1,221,623	$1,221,623	$1,221,623	$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	$934,595	$934,595	$934,595	$934,595	$934,595	$934,595	$934,595
Revenue over Expense	$68,340	$222,165	$287,028	$287,028	$287,028	$287,028	$287,028	$287,028	$287,028	$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.

MINUTES

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 $3,119,975 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 Keelmle 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 to be returned to IHA. Other vendors may also need a participation form.

Shared Core Electronics Cos

The shared core electronics cost will increase due to fewer hospitals participating in the project, the addition of the maintenance cost 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 forth coming 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

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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

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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 unattended mailbox.

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IOWA HOSPITAL ASSOCIATION

IRHTP
Iowa's telehealth network

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,

Art Spies
IRHTP Project Coordinator

100 EAST GRAND, SUITE 100, DES MOINES, IA 50309-1835 | P 515.288.1955 F 515.283.9366 | WWW.IHAONLINE.ORG

IRHTP
Iowa's telehealth network

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.

IRHTP
Iowa's telehealth 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.

IRHTP
Iowa's telehealth 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.

IRHTP
Iowa's telehealth 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 8C

Quality Assurance Supporting Documentation

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 - Abstaining Excused 4

PASSED

IOWA HOSPITAL ASSOCIATION

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.

AJ

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

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IRHTP
Iowa's telehealth network

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
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 $ 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 Cost 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: [signature]

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

Attachment 2
Executive Summary
IRHTP 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, or 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 IRHTP 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 IRHTP 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 IRHTP Project coordinator for weekly updates and progress reports and any other time upon notification.

Attachment 3
Work Plan
IRHTP RFP 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 recording 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 ICP'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 ICP 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 89-002

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 (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 $_____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 IBITP.

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: 08-002.

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

Use or disclosure of data on this page is subject to the restriction on the title page of this proposal.

1.0 WORK PLAN (Reference RFP, Section 3.11, Page 15)

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

USAC
Universal Service Administrative Company
Helping Keep Americans Connected

Rural Health Care Division
Pilot Program

100 S. Jefferson Road
Whippany, NJ 07981

http://www.usac.org/rhc-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 465A and related documents.
- You must include a copy of the contract or service agreement with the service provider with the FCC Form 465A and related documentation.
- Once FCC Form 465A 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 Funding 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 Funding 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:

1. 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 – 7PM ET)

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

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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: IHHTP 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) 322-5020 (voc)
(605) 322-4920 (fax)

From: Spies, Arthur J. (mailto:SPIESA@iaonline.org)
Sent: Wednesday, 16 September, 2009 09:41
To: Spies, Arthur J.; Daryl Bourne; Dave Ungrey; David Hickman; David Swanson; Patterson Dan; Fred Eastman; Jim Burkett; LeValley Joe; Kim Norby; Norris, J. Kirk; Lee Carmen; Bind, Martin; Myers Michael; Trachta Mike; Randy Hawkins; Robert Frieden; Curtis Scott; Beumert, Steve
Subject: IHHTP QA Inspection Services Contract Award
Importance: High

IOWA HOSPITAL ASSOCIATION

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 Adesto 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: IRNTP 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 Bourne; Dave Ungrott; David Hickman; David Swanson; Patterson Don; Eastman, Fred; Jim Burkett; LeValley, Joe; Kim Norby; Morris, J. Kirk; Lee Carmen; Blind, Martin; Myers Michael; Trachta Mike; Randy Hashing; Robert Friedan; Curtis Scott; Baumert, Steve
Subject: IRNTP QA Inspection Services Contract Award
Importance: High

IOWA HOSPITAL ASSOCIATION

Good Morning:

Attached is a memo with the scoring of the two proposals received in response to the Quality Assurance Inspecting Services RFP as well as my recommendation. Also attached are the cost summital sheet, the executive summary and work plan for Adonis 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: 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@01CA3681.CD890220][cid:image005.jpg@01CA3681.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; Carolen, Lee; Patterson Don; Eastman, Fred; Frieden, Robert; Haskins, Randy; Hickman, Dave; LaValley 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." <SPIESA@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
spiesa@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

IOWA HOSPITAL ASSOCIATION

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

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

IOWA HOSPITAL ASSOCIATION

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

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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@lhaonline.org> 09/16/09 9:41 AM >>>

[cid:image002.jpg@01CA3681.C0890220][cid:image005.jpg@01CA3681.C0890220]

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@01CA3681.C0890220]

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 Borkett; 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 5:27 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@haonline.org]
Sent: Wednesday, September 16, 2009 5:41 AM
To: Spies, Arthur J.; Daryl Bowen; Dave Lingren; David Hickman; David Swenson; Patterson Doe; Fred Eastman; Jim Burkett; LeValley Jim; Kim Norby; Norris, J. Kirk; Lee Carmen; Blind, Martin; Myers Michael; Trachta Mike; Randy Haskins; Herbert Frieden; Corbis Scott; Bauman, Steve
Subject: IRHTP QA Inspection Services Contract Award
Importance: High

IOWA HOSPITAL ASSOCIATION

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@haonline.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

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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
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IRHTP
Iowa's telehealth network

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/Omaha build ($80,430) and QA inspection services ($2,400) will be added to the spare parts award. ***Following discussion it was moved and seconded to approve an award to Alcatel – Lucent for the spare parts contract in the amount of $165,897. Motion passed.***

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

IRHTP
Iowa's telehealth network

MEMORANDUM

DATE: June 21, 20122

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 8D

Disclosures Supporting Documentation

IRHTP
Iowa's telehealth network

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

Franklin General Hospital
Hancock County Memorial Hospital
Ringgold County Hospital
Regional Health Services of Howard
Story County Medical Center
Manning Regional Healthcare Center
Palo Alto County Hospital
Baum Harmon Mercy Hospital
Jefferson County Hospital
Floyd County Memorial Hospital
Lucas County Health Center
Pella Regional Health Center
Knoxville Hospital & Clinics
Crawford County Memorial Hospital

IRHTP
Iowa's telehealth network

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.

IRHTP
Iowa's telehealth network

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.

IRHTP
Iowa's telehealth network

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.

IRHTP
Iowa's telehealth network

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 9

MINUTES

Iowa Rural Health Telecommunications Program Steering Committee

November 12, 2008
9:00am – 11:40am
IHA Board Room

Scott Curtis, Presiding

Present:
Scott Curtis, Steven Baumert, Martin Blind, Lee Carmen, Fred Eastman, Robert Frieden, Dave Hickman, Mike Myers, Jennifer Durst for Don Patterson, Michael Kok, Troy Hottovy, **by phone:** Scott Syllaasen, Jim Burkett, Randy Haskins, Kim Norby, **staff:** Art Spies, Tony Crandell, Dave Lingren, Dave Swanson

☆ ☆ ☆ ☆ ☆

Scott Curtis called the meeting to order at 9:02 am.

Outside Plant Fiber Optic Cable Installation Bids

Tony Crandell reported that sixteen bids were received and referred the committee to a spread sheet that showed that all but two of the vendors met the mandatory requirements and then referred the committee to a second spreadsheet that compared the bid costs by vendor by hospital site. The low bid cost for fiber installation by site is the determining criterion to make an award. Art Spies noted the fiber bidders were asked to rebid the Crawford County Hospital site due to specific relocation information. Three rebids were received and Communication Innovators was the low bid at $26,952. In two instances (e.g. Algona) the installation cost was slightly higher than the IRU, but fiber ownership and fiber flexibility (36 fiber strands in build out versus 1 pair (2 strands) in the IRU) determined going with the installation versus the IRU. Following committee questions and discussion it was *MOVED by Lee Carmen AND SECONDED by Mike Myers TO APPROVE THE AWARDS TO COMTEC – FIBER BUILDS, MASTEC – FIBER BUILDS, COMMUNICATIONS INNOVATORS – FIBER BUILDS AND FIBER JUMPERS, ADESTA – FIBER BUILD & IRUS, ALPINE COMMUNICATIONS – IRU, CITIZENS MUTUAL TELEPHONE COOP – IRU, HOSPERS TELEPHONE COMPANY (HTC COMMUNICATIONS) – IRUS, MUTUAL TELEPHONE COMPANY - IRUS, AND SPENCER MUNICIPAL UTILITIES – IRU AS PRESENTED. THE MOTION PASSED with no dissenting votes.*

Outside Plant Fiber Installation – Quality Assurance Inspection Services

Art Spies reported that two bids were received for the quality assurance section of the fiber RFP. Both bids met the mandatory requirements. Both bids (AT&T $2.3 million and Adesta $1.3 million) exceeded any remaining funds available for the project. Committee discussion noted constant supervision during fiber installation is not warranted due to each of the fiber contractors reputation and past performance on ICN fiber builds, the contractors own quality assurance procedures, the contract will have a 3 years warranty requirement, hospital buildings and grounds staff

involvement once the installation is on hospital property, and final testing and approval by the hospital and ICN. A substantially lower cost quality assurance process can be developed using the above factors and periodic (not constant) inspection to assure compliance with the build-out/contract requirements. An alternative method of quality assurance may require another competitive bidding process. Following committee discussion is was *MOVED by Mike Myers AND SECONDED by Steven Baumert TO NOT MAKE A QUALITY ASSURANCE INSPECTION SERVICES AWARD AND TO SEEK AN AFFORDABLE ALTERNATIVE MEANS OF ASSURING QUALITY. THE MOTION PASSED with no dissenting votes.*

Network Electronic Bids

Dave Swanson reported that twelve bids were received and referred the committee to a spreadsheet that listed each of the vendors and their compliance with the mandatory requirements and cost. This evaluation yielded four bids to go through a best and final offer (BAFO) process. The BAFO process allows the vendor to adjust their proposal based on a face to face presentation with IRHTP and ICN staff. Mr. Swanson referred the committee to a series of spread sheets that summarized the scoring of technical and cost reviews on each component for the four BAFO proposals and to the final scoring matrix that scored each proposal using the evaluation criteria. Key factors that were considered included a turnkey network solution and network management with web portal capabilities in addition to cost and design. Following committee discussion and based on the scoring matrix *IT WAS MOVED BY Lee Carmen AND SECONDED by Dave Hickman TO APPROVE AN AWARD TO THE ALCATEL-LUCENT PROPOSAL INCLUDING CORE ELECTRONICS, CWDM, AND WEB PORTAL NETWORK MANAGEMENT, SPARES, TRAINING, EDGE SWITCH; AND TO AT&T FOR UPS EQUIPMENT. THE MOTION PASSED with no dissenting votes.*

Issues

Art Spies referred the committee to the IRHTP proposed network diagram noting that if the network and core is built out incrementally over two years, those connected first will not have statewide network capabilities until the entire build out is complete. To resolve this issue the core electronics needs to be acquired and installed at the beginning of the build out. This will necessitate the hospitals contribute their 15% cost share for the core electronics upfront. Each hospital's 15% share of the core electronics will be about $4,000. Following discussion it was *MOVED by Steve Baumert and SECONDED by Mike Myers TO BUILD OUT THE CORE FIRST AND REQUEST EACH PARTICIPATING HOSPITAL TO FORWARD TO IHA THEIR 15% SHARE OF JUST THE CORE ELECTRONICS PRIOR TO BEGINNING THE FIBER BUILD OUT (JANUARY – FEBRUARY). THE MOTION PASSED with no dissenting votes.*

The committee noted the need to provide participating hospitals with not only the capital costs but also the monthly charges for network use as well as costs to administer, operate and maintain the network by the ICN on behalf of the participating hospitals that own the fiber and electronics. The steering committee will meet by telephone conference call prior to sending out the capital and operating costs to each hospital. Additional discussion focused on future replacement of electronics and the need for a systematic way of actually funding depreciation through a single fund administered by the ICN or IHA on behalf of the participating hospitals.

Next Steps

With the awards approved by the IRHTP steering committee, the next steps are:

- Provide each participating hospital with the actual cost (15% share) for final approval.
- Begin the USAC/FCC administrative process to make the awards.
    - FCC/USAC forms and spread sheets
    - Develop sustainability plan for FCC approval based on hospital ownership of the network with a MOU with the ICN to administer, maintain and operate the network.

- Plan the sequencing of the build-out using the approved criteria and hospital responses to the survey sent out last July,
- Begin contract negotiations with awardees, and
- ICN Lab test the approved network electronics.

Other Business

Future meetings will be scheduled as needed using telephone conference calls.

There being no further business, the meeting adjourned at 11:45 AM.

ATTACHMENT 10

AFFIDAVIT OF SCOTT CURTIS

The undersigned, Scott Curtis being duly sworn, hereby states as follows:

1. I am currently the Chair of the Iowa Rural Health Telecommunications Program ("IRHTP") Board.

2. Before the IRHTP incorporated as a non-profit on May 15, 2013, the IRHTP Board was known as the IRHTP Steering Committee.

3. I have served on either the IRHTP Steering Committee or the IRHTP Board from the beginning of the IRHTP's exploration of and involvement with the FCC rural healthcare Pilot Program.

4. I am and have always been a voting member of either the IRHTP Board or the IRHTP Steering Committee.

5. The other voting members of the IRHTP Board or the IRHTP Steering Committee during the relevant period were: Mike Myers; Daryl Bourne; David Hickman; Fred Eastman; Jim Burkett; Joe LaValley; Kim Norby; Lee Carmen; Martin Blind; Rob Frieden ; Mike Trachta; Randy Haskins; and Steve Baumert.

6. Neither Anthony Crandell, sole proprietor of AIS, nor David Swanson, ICN employee, are voting members of the IRHTP Board. They were also never voting members of the IRHTP Steering Committee.

7. I am the current past-chair of the Iowa Hospital Association Board.

8. I have served as the Administrator/CEO of Kossuth Regional Health Center in Algona, Iowa since October of 1999.

9. Prior to taking over as Administrator/CEO of Kossuth Regional Health Center in 1999, I was the Director of Planning and Research at Mercy Medical Center - North Iowa in Mason City.

10. During my time in Mason City, I also served as an interim Administrator, once at Franklin General Hospital in Hampton and once at Mitchell County Regional Health Center in Osage.

11. As a member of the IRHTP Board/Steering Committee, I am familiar with what IRHTP has done with respect to the FCC's rural healthcare program from the beginning of its application for FCC funding to the present. For example, I received written and oral reports on the status of IRHTP's project under the program, including information about

contracts for supported services from vendors from the IRHTP Project Coordinator, Ann Spies.

12. Along with other members of the IRHTP Board/Steering Committee, I have been involved in making material decisions for IRHTP and I received the minutes of IRHTP Board/Steering Committee meetings, including items approved by IRHTP Board/Steering Committee action.

13. I have also been responsible for oversight and governance of the overall IRHTP program.

14. Since the Kossuth Regional Health Center is one of the beneficiaries of the program, my hospital is directly affected by the outcome of the USAC audit of IRHTP.

Outside Fiber RFP (RFP 98-001/USAC RFP #00)

15. IRHTP has no in house technical expertise in the drafting of Requests for Proposals ("RFPs") for communications connectivity or services. Thus, for the Outside Fiber RFP, IRTHP sought the assistance of Mr. Crandell, who had substantial technical experience, and Mr. Crandell participated in drafting the IRHTP Outside Fiber RFP.

16. In the Outside Fiber RFP, the IRHTP sought bid proposals to provide last mile fiber optic connections from consortium hospitals to the closest appropriate ICN Point of Presence in order to establish a statewide health care network with reach to rural healthcare facilities. The RFP included a quality assurance investigation component for the fiber build-out requested so that IRHTP had some confidence that it could accept the build-out work was done appropriately to industry standards.

17. The two bids that were received in response to the quality assurance component of the Outside Fiber RFP exceeded available grant funding by a wide margin.

18. Since the IRHTP could not afford either of the quality assurance proposals submitted and the IRHTP Steering Committee determined that constant supervision during fiber installation as had been initially envisioned was not warranted due to the other services the bidders proposed to provide within the scope of their responses, the bid component for quality assurance for the Outside Fiber RFP were never evaluated beyond a discussion of the unexpectedly high proposed price responses.

19. The IRHTP Steering Committee determined it would refocus the quality assurance services requested in a more narrow fashion and seek bids at a later date.

20. The refocusing of the quality assurance resulted in the QA Services RFP-1 (RFP 09-002/USAC RFP # 02). When additional sites were added to the project, the same project as to those additional sites were competitively bid in QA Services RFP-2 (RFP 12-004/USAC RFP #05). Based on what IRHTP learned on the Outside Fiber RFP, both of these RFP's were substantially different, and used different approaches and submission calculations than the Outside Fiber RFP.

21. The Outside Fiber RFP was available to potential bidders in response to QA Services RFP-1 on request.

22. One of the bidders from the Outside Fiber RFP, Adesta, also bid on QA Services RFP-1.

23. Mr. Crandell and his company, AIS, were not provided with a competitive advantage in connection with the QA Services RFP-1.

24. My understanding from reports from Mr. Spies to the Steering Committee is that Mr. Spies was in frequent communication with a "coach" at USAC throughout the process and took guidance from USAC to ensure compliance with IRHTP's obligations under the Pilot Program.

QA Services RFP-1 (RFP 09-002/USAC RFP # 02)

25. The Steering Committee was advised that once Mr. Crandell expressed an interest in AIS potentially bidding on a quality assurance RFP and consistent with USAC guidance, Mr. Crandell and his company, AIS, were excluded from any work involving the QA Services RFP-1 drafting.

26. Mr. Crandell and his company, AIS, were also excluded from the evaluation of the bids received.

27. AIS submitted the most cost-effective bid. Following Mr. Spies' recommendation to the IRHTP Steering Committee to award the contract to AIS on this basis, the IRHTP Steering Committee voted by email to award the contract to AIS.

28. Mr. Crandell and his company, AIS, were not included in the email communications relating to the vote.

QA Services RFP-2 (RFP 12-004/USAC RFP #05)

29. The Steering Committee was made aware by Mr. Spies that the same controls that were in place for the QA Services RFP-1 were in place for the QA Services RFP-2.

30. Mr. Crandell and his company, AIS, had no involvement in the development, drafting process, evaluation or award of the QA Services RFP-2 to AIS.

31. Mr. Crandell and his company, AIS, were completely excluded from the evaluation process for QA Services RFP-2.

32. Mr. Crandell and his company, AIS, were excluded from the IRHTP Steering Committee's decision-making process in awarding a contract to AIS.

33. While the June 21, 2012 Memo to the IRHTP shows Mr. Crandell as having participated in the conference call, Mr. Crandell did not participate in any discussion relating to the QA Services RFP-2 and, since he was not a voting member of the Steering Committee, did not vote on awarding the RFP.

34. AIS was the only entity to bid on the QA Services RFP-2. This is not surprising given the very limited scope of the project and the fact that AIS had been the successful bidder for QA Services RFP-1.

Connectivity Services RFP (RFP 12-005/USAC RFP#04)

35. ICN is not a commercial entity, but a government agency of the State of Iowa whose mission includes promoting rural broadband access for healthcare providers, among other things. Given that ICN is the only statewide fiber optic network in a position to have points of presence in 99 Iowa counties, the IRHTP expected that ICN would potentially bid for the RFP.

36. Accordingly, and consistent with the screening procedures in place for the QA Services RFPs, Mr. Swanson of ICN and all other ICN employees were excluded from the development, drafting and evaluation of the Connectivity Services RFP.

37. The ICN was the only entity to bid on the Connectivity RFP. The ICN's bid using ICN's customary publicly available rates that are lower than those of commercial entities, as ICN is a nonprofit agency of the State of Iowa with a mission to promote, among other things, rural broadband access for healthcare providers in an affordable way.

38. To the best of my knowledge, no one at the ICN had any communication with Mr. Crandell and his company, AIS, relating to the Connectivity RFP while it was pending.

39. The IRHTP's screening protocols allowed Mr. Crandell to provide independent technical expertise to the IRHTP that it needed to draft and evaluate all bids for the Connectivity RFP.

40. Mr. Spies disclosed to USAC that Mr. Crandell and Mr. Spies reviewed the Connectivity RFP. Both Mr. Spies and Mr. Crandell reviewed and scored the proposal using the criteria from the RFP.

41. No other parties were involved in the development, review or evaluation of this RFP.

42. No one from the ICN was involved in the discussions involving the decision to award the contract to the ICN.

43. While the May 29, 2012 memorandum shows Mr. Swanson as participating in the IRHTP Steering Committee call where the contract was awarded, Mr. Swanson did not participate in any of the discussion relating to the Connectivity RFP, including the vote.

In General

44. IRHTP does not have in-house communications technical expertise. Mr. Crandell was recruited by IRHTP to provide his independent technical expertise on the drafting and evaluating of certain RFPs. His assistance was not provided to the IRHTP in his capacity as a contractor to the ICN. He was working as a contractor for IRHTP for the following RFPs: Outside Fiber RFP, RFP 08-002/USAC RFP #01; RFP 10-001/USAC RFP #03; limited sections of RFP 12-004/USAC RFP #05 (excluding the quality assurance services section, QA Services RFP-2); and the Connectivity RFP.

45. Mr. Spies' inconsistent characterizations of Mr. Crandell in his communications with USAC over the course of the years are representative of Mr. Spies' good faith efforts to be promptly responsive to USAC questions to comply with the relevant disclosure requirements. I and the IRHTP were unaware that Mr. Spies' characterizations of Mr. Crandell had caused USAC any confusion until the USAC audit.

46. Mr. Crandell did not assist the IRHTP in any way with the original Pilot Program FCC application in 2007.

47. The IRHTP has always awarded contracts based on the most cost-effective terms offered by providers with relevant capabilities and expertise.

Further affiant says not.

Scott Curtis

Signed and sworn by Scott Curtis before me this 6th day of July, 2015.

By Angela Kary Thilges
Notary Public

NOTARIAL SEAL
ANGELA KAY THILGES
Commission Number 776370
My Commission Expires
January 7, 2016

ATTACHMENT 11

Spies, Arthur J.

From: Spies, Arthur J.
Sent: Wednesday, July 08, 2009 11:15 AM
To: Lee Fintel
Subject: IRHTP Quality Assurance Inspection Services RFP

IOWA HOSPITAL ASSOCIATION

Good Morning Lee:

The IRHTP is soliciting a vendor to provide supplemental on-demand quality assurance inspection services in the field to oversee the quality control of fiber installation contractors as they install the fiber optic facilities during the next three years.

The RFP is posted on the FCC/USAC website at http://www.usac.org/rhc-pilot-program/tools/search-postings-2009.aspx#IA.

Please note in the RFP that an award will not be given to a vendor that received an award for fiber installation.

Bid Proposals must be received at IHA's office no later than 3:00 p.m. CDST August 6, 2009. Contact Art Spies, IRHTP Project Coordinator with any questions at spiesa@ihaonline.org.

I am providing you notice, because Adesta submitted a bid on the original RFP.

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

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ATTACHMENT 12

Spies, Arthur J.

From: Spies, Arthur J.
Sent: Monday, July 13, 2009 9:47 AM
To: Mulder, Joel
Subject: RE: Clarification

Good Morning Joel:

In RFP 09-002, we are not considering Section 3.5 as a mandatory or absolute requirement, so Adesta due to only one site is able to submit a bid for consideration. If successful, Adesta would not inspect the Hamburg build-out.

Don't hesitate to contact me with any other questions.

Art Spies
Senior Vice President
Iowa Hospital Association
100 E Grand Ave Suite 300
Des Moines, IA 50309
(515) 288-1955
spies@iowaha.org

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From: Mulder, Joel [mailto:JMulder@adestagroup.com]
Sent: Wednesday, July 08, 2009 1:24 PM
To: Spies, Arthur J.
Cc: Fintel, Lee
Subject: Clarification

Art,

Thanks for sending the information on the Quality Assurance Inspection Services RFP. Lee and I were discussing and we want to clarify a statement you make in your email.

You say "Please note in the RFP that an award will not be given to a vendor that received an award for fiber installation."

Lee and I assume that what you mean is that Adesta would not be eligible for an award on the site (Hamburg, Ia) where we are performing fiber installation services. However, we can provide a response and be eligible for an award on any of the sites where we did not perform fiber installation services.

Is that correct?

Best regards
Joel Mulder
Sr. Director, Business Development
Adesta LLC

This message is confidential, is intended only for the named recipient(s) above and may contain information that is protected by law. If you have received this message in error, please notify the sender immediately and then delete the message and any attachments. Thank you.
^&*

ATTACHMENT 13

MEMORANDUM

DATE: March 11, 2014

TO: USAC Internal Auditors

FROM: Art Spies, IRHTP Project Coordinator

SUBJECT: Responses to Competitive Bidding Process Questions

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1. **On our call, you mentioned Tony Crandall, David Swanson, and yourself were often the main persons looking over the bids, with the exception of RFP#02 (09-002). You also mentioned ICN engineers were involved in the RFP#00 process and sometimes the steering committee. Can you please elaborate or specify in which RFP bid evaluations it was only the three or two of you, when the steering committee was involved, or someone from ICN?**

The following individuals were involved in the evaluation of the six RFP issued by IRHTP.

RFP #	Reviewers
00	Dave Swanson (ICN), Tony Crandell (AIS), Art Spies (IRHTP/IHA)
01	Dave Swanson (ICN), Tony Crandell (AIS), ICN engineers (Ron Vanderlinden, Chad Davis, Jun Li, Paul Stuber and Mike Dunn)
02	Dave Swanson (ICN), Kent Freise (ICN) and Art Spies (IRHTP/IHA)
03	Dave Swanson (ICN), Tony Crandell (AIS), Art Spies (IRHTP/IHA)
04	Outside plant fiber: Dave Swanson (ICN), Tony Crandell (AIS), Art Spies (IRHTP/IHA)
04	Quality Assurance: Dave Swanson (ICN) and Art Spies (IRHTP/IHA)
04	Network Electronics: Dave Swanson (ICN), Tony Crandell (AIS), Art Spies (IRHTP/IHA)
05	Tony Crandell (AIS), Art Spies (IRHTP/IHA)

The IRHTP steering committee reviewed the bid evaluations and approved each award.

2. **The RFP references in USAC forms are different from the numbers on the actual RFP documents IRHTP has used. I want to confirm with you that RFP 08-001 correspond with RFP#00 in the NCW and Form466A Attachment, and also verify RFP 08-002 -> RFP#01, RFP 009-02-> RFP#02, RFP 10-001 -> RFP#03, RFP 12-004 -> RFP#02, RFP 12-005 -> RFP#04 so that we do not have miscommunications.**

The following table is a cross walk between the RFP numbers used by IRHTP and USAC.

IRHTP #	USAC #	Description
08-001	00	Outside plant fiber
08-002	01	Network and site electronics
09-002	02	QA inspection services
10-001	03	Broadband lit services
12-004	05	Outside plant fiber, QA inspection services, network electronics
12-005	04	Meshed Ethernet bandwidth connectivity

3. **On our call, we touched upon how Mutual Telephone Company (MTC) originally did not provide a bid for Sioux Center Community Hospital/Health Center according to the RFP#00 bid comparison spreadsheet, but they performed services there. You described how initially, the entity was initially awarded to MasTec, but for some reason MasTec could not perform the services. You said you found that MTC had the capability to carry out the service and cleared it with USAC. Can you please briefly explain more in detail what the circumstances were, and whether there was a competitive bidding evaluation involved for choosing Mutual Telephone Company as oppose to other vendors?**

Background: When RFP-08-001 was issued by IRHTP to the vendor community, it asked for a cost to connect the Sioux Center Community Hospital in Sioux Center (Site ID 15.6) to a pair of ICN vacated fibers that previously had connected the Iowa National Guard Armory to the Area Education Agency in Sioux Center which is the ICN Point of Presence (POP) for Sioux County. Some years ago the National Guard Army was torn down and the fibers remained unused in a pedestal at the ROW where the old Armory had stood. The lease for the fibers was between the Mutual Telephone Company of Sioux Center and the Iowa National Guard. The DARPA grant which originally funded the "Community Learning Center" (CLC) project and specifically, the Sioux Center connection had expired and the Iowa National Guard transferred all of the fiber assets connected with that program to the ICN. The CLC project was made up of mostly "constructed" fiber owned by the Iowa National Guard, but there were a few leased link-segments, Sioux Center being one. It is with this background, that the ICN was willing to make available the vacated fiber to the IRHTP project.
When the five bid responses to RFP 08-001 were reviewed, one response was an IRU for $60,000 from Sioux Center Mutual Telephone (now Premier) and the low cost response was from the MASTEC Company who bid a constructed link-segment from the hospital to the abandon fiber location for $43,960.70. The other bids ranged from $87,608 to $138,000. The consortium awarded the bid to MASTEC. The constructed link-segment was chosen over the IRU due to the cost.

Facts bearing on the Issue: Some of the original CLC documents did not get transferred to the ICN from the Iowa National Guard, and specifically the aforementioned original Sioux Center agreement. It was not until the ICN started the process of engaging MasTec with the local Telco that it was found that the original National Guard lease which was transferred to the ICN had expired.

It also should be noted that the Premier Communications Company has since purchased the assets of the Sioux Center Mutual Telephone Company. Premier is the holding Company who owns the Sioux Center Mutual Telephone Company who actually offered the IRU for Sioux Center in the response to RFP 08-001. When Premier brought to the ICN's attention that the original AEA 4 to Iowa National Guard fiber lease had expired, they again offered an IRU to extend services from the AEA to the Sioux Center Community Hospital.

USAC Approved Action:
We requested a bid for the new location from the two lowest bidders. MASTEC submitted a bid for $131,943.20, and Premier (Mutual Telephone Company of Sioux Center) submitted a 20 years IRU bid for $25,000. From a cost perspective the Premier bid of $25,000 for the new location was accepted.

4. **Another follow-up to our call this morning was regarding the time frame concerning the vendors being notified to submit their best and final offer. Can you be more specific in this process, where you first received bids, then asked the strongest candidates to give a presentation, then provide a best and final offer? When did the presentations take place, when were the notification done and how, and how long were the vendors given to respond?**

   Attached to the email is a document describing the evaluation criteria and process for the outside plant (RFP 00) and network electronics (RFP 01). For the network and site electronics RFP, the initial bids were due on September 5, 2008. Following the initial review four vendors were advanced to the BAFO process. Prior to selecting the BAFO vendors all vendors were notified by email on September 24, 2008 that the BAFO presentations will occur on October 15 and 16, 2008 at the Iowa Hospital Association in Des Moines, Iowa. The selected vendors were notified by email on October 6, 2008 regarding their BAFO presentation date and time. On both days (October 15 & 16) a morning presentation and an afternoon presentation was scheduled.

5. **This is more of a request, as for RFP#00 and RFP#01, we have some spreadsheets on file comparing and scoring the various bids, but we do not have anything similar for RFP#02-03, while I believe for RFP#04 (12-005), only one bid was received (ICN). Do you have final copies of such spreadsheets related to bidding evaluations and can you provide them to us?**

   Attached are the scoring matrixes for RFP 02, 03, 04 and 05.

   - In addition, McLeodUSA Telecomm. - DBA PAETEC Business Services was selected as a vendor for RFP#00 related services, but no bids were found on file and they were not in the spreadsheet comparison of RFP#00. Can you explain why this could be? Do you have documentation of their bid and it's evaluation we can look at?

Background:
Adesta is a construction and engineering firm who responded to the IRHTP Outside Plant RFP. In order to provide the most responsive bid possible, Adesta submitted bids to build all the requested segments in Iowa and also submitted "Alternate IRU" bids. As some of the fiber