ORIGINAL **BELLSOUTH**

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EX PARTE OR LATE FILED

October 4, 1999

RECEIVED
OCT - 4 1999
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Written Ex Parte in CC Docket No. 98-121 and
CC Docket No. 98-56

Dear Ms. Salas:

This is to inform you that BellSouth Corporation has made a written ex parte to Andrea Kearney, a senior attorney in the Common Carrier Bureau's Policy and Program Planning Division. That ex parte consists of a copy of the document entitled "REQUEST FOR PROPOSALS: To Develop an Audit Plan and To Submit Price Proposals to Conduct an Audit of BellSouth's Performance Measurement Processes, Reporting, Data and Data Retention Associated with Pre-Ordering, Ordering, Provisioning, Maintenance, Billing, and Collocation". Also included are the RFP's Attachment A and Audit Plan Exhibit I. Copies of these documents were also sent to BillAgee.

Pursuant to Section 1.1206(b)(1) of the Commission's rules, we are filing two copies of this notice and that written ex parte presentation in the docket identified above. Please associate this notification with the record in that proceeding.

Sincerely,

Kathleen B. Levitz

Kathleen B. Levitz

Attachments

cc: Andrea Kearney (w/o attachment)
William Agee (w/o attachment)

No. of Copies rec'd 0+4
List ABCDE

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

WRITTEN EX PARTE

Ms. Andrea Kearney
Policy and Program Planning Division
Common Carrier Bureau
Room 5-C330
Federal Communications Commission
The Portals
445 12th St. S.W.
Washington, D.C. 20554

Re: CC Docket No. 98-121 and CC Docket No. 98-56

Dear Ms Kearney:

Attached is a copy of the document entitled "REQUEST FOR PROPOSALS: To Develop an Audit Plan and To Submit Price Proposals to Conduct an Audit of BellSouth's Performance Measurement Processes, Reporting, Data and Data Retention Associated with Pre-Ordering, Ordering, Provisioning, Maintenance, Billing, and Collocation." This RFP was issued jointly by BellSouth Telecommunications and AT&T Communications of the South Central States pursuant to an order issued by the Louisiana Public Service Commission on August 31, 1998 in that Commission's Docktet No. U-22252, Subdocket C. Also included are Audit Plan Exhibit I and Attachment A to the RFP. If you have any questions after reviewing the report, please call me at 202.463.4113.

Pursuant to Section 1.1206(b)(1) of the Commission's rules, I am filing two copies of this written ex parte presentation with the Secretary of the Commission and requesting that it be associated with the record in the docket identified above.

Sincerely,

Kathleen B. Levitz

Kathleen B. Levitz

Attachment

cc: William Agee

REQUEST FOR PROPOSALS

To Develop An Audit Plan And To Submit Price Proposals To Conduct An Audit Of BellSouth's Performance Measurement Processes, Reporting, Data And Data Retention Associated With Pre-Ordering, Ordering, Provisioning, Maintenance, Billing, And Collocation

Issued Jointly by

BellSouth Telecommunications, Inc.
AT&T Communications of the South Central States

Pursuant to Louisiana Public Service Commission General Order Dated August 31, 1998 in Docket No. U-22252, Subdocket C

September 24, 1999

REQUEST FOR PROPOSAL

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Attachment A: Audit Plan

Attachment B: Commission Order dated August 31, 1998

ARTICLE I

1. GENERAL INFORMATION FOR CONTRACTOR

1.1. PURPOSE

The Louisiana Public Service Commission ("LPSC" or the "Commission") has ordered an annual audit of BellSouth Telecommunications, Inc.'s ("BellSouth") performance measurements for each of the next five years. The review is being conducted pursuant to an order issued in LPSC Docket No. U-22252, Subdocket C (*In Re: BellSouth Telecommunications, Inc. Service Quality Performance Measurements)*. This Request for Proposal ("RFP"), is issued jointly by BellSouth and AT&T Communications of the South Central States, Inc. ("AT&T") for the first annual audit only and provides interested Contractors with sufficient information to enable them to prepare and submit proposals to develop an Audit Work Plan and to submit a price proposal for conducting a comprehensive audit of BellSouth's service quality performance measurements. Additional information on the requirements for developing the Audit Work Plan and conducting the audit are set forth in the Audit Plan attached hereto as "Attachment A."

1.2. AVAILABILITY OF DOCUMENTS

To facilitate the preparation of bids in response to this RFP, included in this package is a copy of the Commission's order pertinent to the audit areas. *See Order* dated August 31, 1998, attached hereto as "Attachment B." If the prospective Bidders wish to review additional documents, files are available for inspection at the Commission offices. Performance Reports filed by BellSouth with the Commission also are available for inspection at the Commission offices:

Louisiana Public Service Commission
Auditing Division
One American Place, Suite 1630
Baton Rouge, Louisiana 70825

800-262-0793

1.3. GENERAL OBJECTIVES

The objectives of this RFP are to obtain a detailed audit work plan and price proposal for a comprehensive audit of BellSouth's performance measurements. BellSouth and AT&T plan to award a contract for Phase I of the work – the development of an Audit Work Plan – at this time. BellSouth and AT&T anticipate that after completion of the Phase I contract, a contract will be awarded to perform Phase II of the work – performance of the audit in accordance with the Audit Work Plan developed under Phase I. The general objective of the audit is to provide the Commission, BellSouth, AT&T and Competitive Local Exchange Carriers ("CLECs") in Louisiana with an audit of BellSouth's performance measurement processes, reporting, data and data retention associated with pre-ordering, ordering, provisioning, maintenance, billing and collocation. Further, an audit of BellSouth's performance measurements is intended to serve the objective of ensuring that BellSouth's

performance reports submitted to the Commission and CLECs are accurate and whether what is being reported and measured matches agreed upon calculations and performance definitions.

1.4. CONTRACT SUPERVISION & REPORTING RELATIONSHIPS

This RFP is issued by BellSouth and AT&T pursuant to the August 31, 1998 order of the LPSC in Docket No. U-22252, Subdocket C (*In Re: BellSouth Telecommunications, Inc. Service Quality Performance Measurements).* The Commission Project Manager, Stephanie Folse or a person appointed by the Executive Secretary or General Counsel for the Commission, shall be the primary point of contact for this RFP. The Project Manager will supervise and approve all aspects of the contract administration, including but not limited to, final Contractor selection, all contract documents, contract control, oversight and approval of project charges incurred under this contract, development of the Audit Work Plan, and all reports. BellSouth and AT&T each will designate an employee to act as a Project Coordinator and these persons will be the primary liaisons between BellSouth, AT&T, the Contractor, and the Project Manager.

1.5. COMMISSION PARTICIPATION

The Project Coordinators, in conjunction with the Project Manager, will coordinate the activities of the Contractor to ensure satisfactory and timely performance of the contract when awarded. The Project Manager will be the sole source of contact for the Contractor in any communication with the Commission. The final Audit Work Plan will be submitted to the Project Manager and the Project Coordinators for AT&T and BellSouth.

It will be necessary for the Project Manager and the Project Coordinators to be closely involved in the work of the Contractor, including, but not limited to, attending selected interviews and site visits, reviewing analytical procedures, monitoring the study's progress as to scope, budget, work plans, time, etc. It is expected that the Contractor frequently will discuss its progress informally and directly with the Project Manager and Project Coordinators. The Bidder's willingness to work with the Project Manager and Project Coordinators in the described manner should be stated in the proposal.

1.6. UTILITY PARTICIPATION

The Project Manager and Project Coordinators will authorize payments to pay for the audit. BellSouth and AT&T will split the costs of the audit, 50% to be borne by BellSouth and 50% to be borne by AT&T.

BellSouth will be open and thorough in its discussions with the Contractor about BellSouth's Performance Measurement Reports, procedures, data collection, data retention and all other aspects of its Performance Measurement Reporting to ensure that development of the Audit Work Plan and eventual conduct of the audit proceeds efficiently. BellSouth will provide timely responses to requests for information and interviews, in a manner appropriate for timely completion of the Audit

Work Plan. The Contractor shall immediately report any problems with or questions about the data to the Project Manager and the Project Coordinators for resolution.

1.7. CONTRACTOR COMPENSATION

The Contractor will submit monthly invoices in arrears, to the Project Manager and the Project Coordinators, detailing work completed during the period, plus the Contractor's incurred expenses. Incurred expenses include reasonable travel expenses such as transportation, lodging, meals and incidental expenses, copying, long distance telephone charges, and other reasonable out-of-pocket expenses.

The Contractor shall remit monthly invoices showing costs actually expended on this engagement at rates quoted in the proposal. Each invoice shall include sufficient detail to relate the costs therein to the work performed by the individuals and to the detailed work plans that were submitted by the Contractor and approved by the Project Manager and the Project Coordinators. All invoices will require the review and approval of the Project Manager and the Project Coordinators before payment. Upon such approval, BellSouth and AT&T will be requested to pay 90% of the amounts invoiced. The 10% retention shall become payable upon the satisfactory completion of the project.

BellSouth will cooperate fully with the Contractor and will provide all relevant data, as well as all employees with the direct knowledge necessary for the Contractor to evaluate expeditiously each task or functional area and draw conclusions. Therefore, total payments under the contract will not exceed the total cost (including travel and miscellaneous expenses) quoted in the proposal. It will be the responsibility of the Contractor to notify the Project Manager and the Project Coordinators immediately if any changes to the total contract cost or schedule are anticipated for any reason.

The Contractor's invoices may be subject to a financial audit by the Commission, BellSouth and/or AT&T at any time within two (2) years of completion of the work herein.

1.8. BIDDERS CONFERENCE

A Bidders conference will be held 15 working days prior to the proposal due date, at the LPSC office during which the Project Manager and the Project Coordinators will address bidder questions. At the conference, questions will be answered regarding the role of the Project Manager, Project Coordinators, the Commission, and actively participating CLECs[1], procedural requirements, or any other matters raised or omitted in this RFP. All prospective bidders are welcome to attend. Questions should be submitted in writing to the Project Manager no later than three days prior to the bidders conference. No questions will be answered about the RFP except at the bidders conference. **No**

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1 The actively participating CLECs are those competitive local exchange carriers who have been actively participating in Louisiana Pubic Service Commission Docket No. U-22252-C: Sprint Communications Company, L.P., Louisiana Telecom LLC d/b/a Cox Communications, and MCI WorldCom, Inc.

prospective bidder shall contact or consult with BellSouth or AT&T about the proposed audit outside of the Bidders Conference.

1.9. QUESTIONS

Questions relating to matters of form or procedure or the completion of all required mandatory forms should be directed to:

Stephanie Folse, Legal Division, Project Manager
Louisiana Public Service Commission
One American Place, Suite 1630
Baton Rouge, Louisiana 70825

1.10. COMPLETENESS OF PROPOSAL

Proposals shall be complete in all respects as outlined in Article II (Information Required from Bidder). A proposal may be rejected if it is conditional, incomplete, or contains any alternation of form or any irregularities of any kind that could materially change the prices in the Bidder's proposal. **A proposal will be disqualified if required contract forms are not properly completed.**

1.11. DEADLINE FOR SUBMISSION OF PROPOSAL

Each proposal should cover the information requested in Article II (Information Required from Bidder) in sufficient detail to permit accurate evaluation of the proposal. Material that is not germane to this RFP is not desired. Emphasis should be on completeness and clarity of content.

Bidders responding to this RFP must submit an original and 10 copies of their responses to the Louisiana Public Service Commission by October 22, 1999. The responses should be addressed as follows:

Ms. Stephanie Folse, Legal Division
Louisiana Public Service Commission
One American Place, Suite 1630
Baton Rouge, Louisiana 70825

1.12. PROPRIETARY DATA IN PROPOSAL

A Bidder should not include in its proposal any proprietary data that the Bidder does not want disclosed to the public. BellSouth, AT&T and the Commission cannot assume responsibility for the use of such data.

1.13. TIMETABLE OF EVENTS

To be considered, a proposal must be received at the office noted above no later than October 22, 1999 and 3:00 p.m. No exceptions will be made. Any proposal received after that time will not be considered.

The Project Manager, BellSouth, AT&T, and the actively participating CLECs will evaluate each proposal and may select finalists for individual interviews. Finalists may be allowed an opportunity to make a brief formal presentation. The Project Manager, BellSouth, AT&T, and the actively participating CLECs may ask questions regarding the finalist's proposal. Finalists will be notified if supplemental material is required for these meetings. These interviews will be scheduled in advance, at a time mutually agreeable to the Bidder and the Project Manager and BellSouth and AT&T.

Award of the contract will be made on November 8, 1999.

The selected Contractor should be prepared to commence work on the contract no more than 5 working days after the contract has been approved by the Project Manager, BellSouth, AT&T, and the actively participating CLECs.

A draft Audit Work Plan shall be submitted no later than November 29, 1999, and the final Audit Work Plan shall be submitted no later than January 4, 2000.

1.14. WITHDRAW OF REQUEST FOR PROPOSAL/REJECTION OF PROPOSAL

BellSouth and AT&T reserve the right to withdraw this RFP at any time, and to accept or reject any or all proposals received in response to this RFP.

1.15. LIMITATIONS

This RFP does not commit BellSouth or AT&T to award a contract to or to be responsible or liable in any manner for any risks, costs or expenses incurred by any bidder in the preparation of a proposal in response to this RFP or any revision of such a proposal.

Bidders may be requested to submit proposal revisions if clarifications are required.

ARTICLE II

2. INFORMATION REQUIRED FROM BIDDERS

2.1 FORMAT

Proposals should demonstrate clearly the Bidder's understanding of the objectives and deliverables of the proposed contract and illustrate the Bidder's approach to meeting these objectives in a timely and comprehensive fashion. The proposal should include the following:

2.2 BIDDER'S BUSINESS INFORMATION

1. State your firm's full name, address, and if applicable, the branch office and any subcontractors that would perform or assist in performing any of the work.

2. Designate persons authorized to act on behalf of your firm during contract negotiations.

3. State your earliest available start date.

4. State the names, addresses and telephone numbers of the key personnel of your firm who would be working on the audit. Include a copy of each identified individual's resume.

5. Identify all contracts or relationships that your firm, or any subsidiary or affiliated company currently has, or has had in the past five years with BellSouth or any of its affiliated companies or subsidiaries, AT&T or any of its affiliated companies or subsidiaries, or any other telecommunications services providers. Identify any contract or work for BellSouth or any of its affiliated companies or subsidiaries, and AT&T or any of its affiliated companies or subsidiaries, or any other telecommunications services providers on which your firm or any of your subsidiaries or affiliated companies is currently bidding. Include a detailed description of the work performed, the work to be bid upon, and state the fee received for work performed.

2.3 STATEMENT OF THE PROBLEM

State in succinct terms your understanding of the work required to carry out the proposed contract, as described in this RFP. Include your understanding of the scope and objectives of the contemplated audit.

2.4 WORK SUMMARY

Provide a narrative description summarizing the proposed work to develop an Audit Work Plan, the proposed audit, the work paper tracking system, the audit trail, the quality review process, and a description of the reports and other deliverables that will be produced under the contract. This section

should include a statement of the Bidder's willingness to work with the Project Manager, BellSouth and AT&T under the terms set forth in this RFP.

2.5 PHASE I WORK PLAN

Phase I of the work sought by this RFP is development of the Audit Work Plan. A Bidder should submit with its proposal a detailed description of the process it will follow to produce the Audit Work Plan. Include a description of the steps the Contractor will perform to identify the work necessary to assess adequately the accuracy, efficiency and completeness of BellSouth's performance measurement and reporting processes. *See* Appendix A to Attachment A for guidance. The Contractor also should indicate, as precisely as possible, the types and amount of interviews and preliminary analyses that the firm would need to conduct prior to submitting the final Audit Work Plan. The Bidder should include a time line indicating the dates for submission of an initial and a final Audit Work Plan. The work plan submitted with this proposal should be in sufficient detail to enable the Project Manager, BellSouth and AT&T to have a thorough understanding of the effort the Contractor will undertake to develop the final Audit Work Plan. The work plan shall include milestone dates, task descriptions and methods, deliverables, and completion dates for a draft and the final Audit Work Plan.

2.6 PRELIMINARY PHASE II WORK PLAN

An audit work plan for Phase II also shall be included in the proposal. Phase II of the work involves implementation of the Audit Work Plan developed under Phase I and the conduct of the audit. This audit work plan should include descriptions of each major functional area to be examined and the associated tasks and subtasks that the Contractor would expect to review in the normal course of the audit described in Attachment A to this RFP. A Bidder should provide a description of how it proposes to carry out the work set out in the Audit Work Plan, including a narrative description summarizing the proposed audit, the work paper tracking system, the audit trail, the quality review process, and a description of the reports and other deliverables that will be produced for this contract. These descriptions should be sufficient to afford a clear understanding of the work to be performed by the Bidder, including a description of techniques, data sources and analytical methods which the Bidder plans to use in performing the audit. This section also should include a statement of the Bidder's willingness to work with the Project Manager, BellSouth and AT&T under the terms set forth in this RFP.

The audit work plan for Phase II should encompass as much information as the Bidder can determine without conducting interviews and preliminary analyses. For those areas that require more utility-specific knowledge, a generic description of the types and amount of analyses to be conducted should be included.

2.7 ESTIMATED CHARGES

A. Bidders should provide price proposals for both Phases I and II: development of the Audit Work Plan and execution of the audit of BellSouth's performance measurement system in conformance with the Audit Work Plan. Provide in a **separate sealed envelope** the following information regarding compensation for services by areas of investigation identified in the Work Plans provided under Paragraphs 2.5 and 2.6 above.

1. The categories of staffing to be provided (include name and title);

2. Estimated hours for each category;

3. The hourly rate for each category;

4. Total estimated charges for each category;

5. Total estimated labor charges;

6. Total estimated travel expenses;

7. Any other direct costs;

8. Any general administrative overhead costs;

9. Total estimated cost of supplies and materials to produce the final Audit Work Plan, including 25 copies of a redacted version (excluding any proprietary BellSouth or CLEC data), 25 copies of confidential version, plus a master copy (for both the redacted and confidential versions) suitable for reproduction,

10. Total estimated cost of supplies and materials of the Final Audit Report, including 25 copies of a redacted version (excluding any proprietary BellSouth or CLEC data), 25 copies of confidential version, plus a master copy (for both the redacted and confidential versions) suitable for reproduction, and

11. Total estimated not-to-exceed price for both Phases I and II.

B. The Bidder shall provide a not-to-exceed price, separately stating the price of professional services and out-of-pocket expenses. The proposal must include the current professional fee rates for each individual. The bid shall provide a breakout of the price associated with Phase I work and the price associated with Phase II work. The vendor shall detail any assumptions going into the price bid. The price proposal should identify key milestones associated with payment(s). The total estimated price in A.11. above shall be considered the total, maximum, not-to-exceed price. The total estimated price for the audit should include all tasks and activities from the commencement of the audit through the issuance of the final audit report.

2.8 CONTRACTOR EXPERIENCE AND STAFFING PROPOSAL

The Contractor selected to develop the Audit Work Plan and perform the audit should be familiar with the provisions of the Telecommunications Act of 1996; FCC decisions or orders regarding performance measurement plans; statistical sampling methodologies; and data retention processes. Proposals should include:

1. A detailed description of the Bidder's and subcontractors' qualifications to perform the work described for Phases I and II of the project, including general experience in developing and implementing audit plans for clients in the telecommunications industry and any other service quality performance measurements audits or other work performed for or regarding public utilities.

2. Qualifications and experience by project of all individuals who will be engaged in the work for both Phase I and Phase II (including any subcontractor personnel). Include each individual's education, specific experience in auditing and management evaluations, and expert witness experience, if applicable. The staffing proposal must include up-to-date, detailed resumes of the proposed staff. These resumes are to include a description of responsibilities in other assignments that are used as examples.

3. Names of lead personnel. No substitution of lead personnel or substantial change in percentage of time to the audit will be permitted without prior approval of the Project Manager and the Project Coordinators.

4. The organizational structure for Contractor team: the Bidder must provide the structure of its resources that will be involved in the project. If this structure differs for Phase I and Phase II, two organizational structures should be provided. The Bidder should provide information regarding the specific personnel who will work on each Phase of this project, the expected time commitment for each and the defined role each will have in the project. These personnel should be available for pre-selection interviews. The Bidder also should note which resources in the organizational structure will be dedicated to the project and which ones will be shared, and specify the percentage of time each shared resource will devote to this project. The approximate percentage of time to be devoted to the audit by each key project member who will be participating.

5. All subcontractor areas of responsibility shall be fully identified and explained.

6. Two samples of similar work performed by the Contractor and the subcontractors. These work samples should be submitted at the same time as the proposal.

7. References from previous projects performed by the Contractor and the subcontractors.

2.9 STATEMENT OF POTENTIAL CONFLICTS OF INTEREST

Current Employment by Related Groups:

Proposals should state whether the Bidder and/or its affiliates or subsidiaries are currently employed by, or with proposals before, BellSouth or any of its affiliates or subsidiaries, AT&T or any of its affiliates or subsidiaries, or any other telecommunications services providers and explain why the Bidder believes that such employment does not present a conflict of interest.

Prior Employment by Related Groups:

Proposals must include a list of prior and/or existing contracts or relationships in any category with BellSouth, any of its affiliates or subsidiaries, AT&T or any of its affiliates or subsidiaries or any other telecommunications services providers during the last five years. To the extent the Bidder and/or its subcontractors have had prior engagements with BellSouth or any of its affiliates or subsidiaries, AT&T or any of its affiliates or subsidiaries, or any other telecommunications service providers within the last two years, the Bidder should describe the work performed and explain why any prior engagement does not present a conflict of interest.

2.10 TIMETABLE AND REPORTING

The time required for completion should be estimated for each major functional area, task and subtask in the preliminary work plan. The number of staff hours allocated to each major functional area, task and subtask should be indicated with a proposed project schedule timeline, showing each event in the preliminary work plan. Include also a summary time estimate indicating the total time required from date of commencement through date of completion of the final report. This timeline should be accompanied by a description of proposed arrangements to provide periodic updates, the analysis, a draft report with a briefing, and a final report with a briefing.

2.11 OTHER INFORMATION AND UTILITY CONFIDENTIAL DATA

Contractor may submit any supplemental information essential to clearly convey the intent of its proposal. Clarity and brevity should be observed, however.

During the development of the Audit Work Plan and while the audit is being conducted, the Contractor and its employees shall not disclose the progress or preliminary findings of the review to any parties other than the Project Manager and Project Coordinators. Actively participating CLECs may submit a written request to the Project Manager for a copy of the preliminary findings. The Contractor shall have full access to all books, records and documentation relating to BellSouth's performance measurements processes, provided the Contractor executes an appropriate confidentiality agreement, if requested to do so. To the extent that the Contractor is exposed to proprietary and confidential information of BellSouth or any CLEC, the Contractor, Contractor's employees and/or agents will not disclose that information to any outside party, except as may be required by law or as directed by the Commission, provided however, that the Contractor has no obligation to preserve the

confidentiality of any information that (1) was previously known to the Contractor free of any obligation to keep such information confidential; (2) is disclosed to third parties by the proprietor of the information without restriction; or (3) becomes otherwise publicly available by other than authorized disclosure.

2.12 NEWS RELEASES

Each Bidder agrees not to release advertising or publicity matter pertaining to this RFP and/or any proposals submitted in response thereto or pertaining to the performance of the audit, without prior approval of the Project Manager, BellSouth and AT&T.

2.13 SIGNATURE ON PROPOSAL

It is mandatory that proposals contain the signature of any officer or agent of the Bidder duly empowered to execute such a document. Proposals without such a signature will not be considered.

ARTICLE III

3. CRITERIA FOR SELECTION

All proposals received shall be subject to evaluation by the Project Manager, BellSouth, AT&T, and the actively participating CLECs. The proposal which most closely meets the requirements of the RFP shall be selected. The following areas are the major areas of consideration in making the selection.

3.1 UNDERSTANDING OF THE PROBLEM

This refers to the Contractor's understanding of the needs that generated this RFP, the objectives in asking for the services and undertaking the study, and the nature, scope and objectives of the work involved.

3.2 SOUNDNESS OF APPROACH

Emphasis here will be on the techniques for collecting and analyzing data, sequence and relationships of major steps, methods of managing the study, and quantification of recommendations.

3.3 CONTRACTOR QUALIFICATIONS

This includes the ability of the Contractor to meet the terms of the RFP, especially the time constraints and the quality, relevancy and recency of studies and projects completed by the Contractor. Technical expertise and operational auditing techniques, knowledge of the telecommunications industry will be considered.

3.4 PROFESSIONAL PERSONNEL

This refers to the competence of the professional personnel who would be assigned to the job by the Contractor. Qualifications of professional personnel will be measured by education and experience, with particular reference to experience on service quality performance measurements audits similar to that described in this RFP and Attachment A.

3.5 CONTRACTOR EVALUATION AND SELECTION

Only proposals received from prospective consultants (bidders) before the deadline stated in paragraph 1.13 (Timetable of Events) will be accepted and evaluated for this analysis.

Proposals will be reviewed and evaluated according to the criteria in the following paragraphs.

1. Conceptual approach to handling the analysis, analytical techniques to be employed, thoroughness and specificity of the Audit Work Plan developed for the evaluation, and quality of prior audit reports;

2. Experience in auditing processes for service quality performance measurement, reporting, data collection, and data retention for regulated utilities;

3. Contractor's demonstration of competence to perform the analysis with respect to the points listed above, and the merits of their proposed approach to the analysis, including elaboration in response to questions from the selection panel; and

4. Quality and experience of the project team.

The award of the contract will be made in accordance with the schedule included in Section 1.13.

3.6 POTENTIAL CONFLICTS OF INTEREST

To insure a completely independent study and provide maximum credibility to the resultant report, the Project Manager, BellSouth and AT&T may reject proposals submitted by Bidders who have performed work (including financial audits) for BellSouth and AT&T and their affiliates or subsidiaries, and other telecommunications services providers.

ARTICLE IV

4. WORK STATEMENT

By this RFP, BellSouth and AT&T intend to secure an Audit Work Plan to conduct an independent service quality performance measurements audit of BellSouth that is (1) performed objectively, (2) supported adequately with proper working papers and documentation, and (3) reported constructively in its findings, conclusions and recommendations.

4.1 AUDIT SCOPE

The scope of the contemplated audit which the Audit Work Plan will describe is a comprehensive review of BellSouth's performance measurements processes, data, and data retention associated with pre-ordering, ordering, provisioning, maintenance, billing, collocation, and other issues addressed in Attachment A to this RFP.

The Contractor shall construct the Audit Work Plan to follow generally accepted auditing standards, practices and procedures in auditing data. The Audit Work Plan should be designed to gather sufficient evidence to support its findings, conclusions and recommendations.

4.2 PROJECT CONTROL

There will be no direct reporting by the Contractor to BellSouth and/or AT&T except through the Project Coordinators in the presence of the Project Manager without prior approval by the Project Manager and the Project Coordinators. The Project Manager and Project Coordinators shall be kept abreast of the audit progress by the Contractor. Therefore, periodic oral and written reports will be necessary in addition to frequent informal contact between the Contractor and the Project Manager and Project Coordinators. Specifically, the Contractor will be required to maintain the follow reporting schedule and documentation systems:

A. BI-MONTHLY INFORMAL REPORTS

Every second week, the Contractor should report to the Project Manager and Project Coordinators on progress and indicate any obstacles that could jeopardize the contract schedule.

B. MONTHLY WRITTEN STATUS REPORTS

Based on the task plan submitted with its proposal, the Contractor shall submit monthly interim reports which include the following:

1. A general narrative briefly describing progress to date and outlining reasons for any discrepancies between the task plan schedule and progress to date. This narrative

should include a statement indicating the status of the study in relation to time (*e.g.* ahead, behind or on schedule).

2. Status sheet indicating actual hours logged by category (*e.g.* audit manager, senior analyst, junior analyst, etc.), material and supplies cost, and other costs, showing the percentage of each in relation to costs presented in the Contractor's proposal.

4.3 DEVELOPMENT OF THE FINAL AUDIT WORK PLAN

The final Audit Work Plan will be produced after an initial draft has been circulated to, reviewed, and approved by the Project Manager, BellSouth and AT&T.

1. **DRAFT PLAN** - A draft plan will be sent to the Project Manager, Project Coordinators, and actively participating CLECs for review. The Contractor should include copies of pertinent supporting documentation/workpapers in this submission. The Project Manager, AT&T, BellSouth, and actively participating CLECs will submit comments in accordance with the schedule in Attachment A.

2. **FINAL PLAN** - The final Audit Work Plan should incorporate the reasonable suggested changes and additions to the plan. The Work Plan must be written in terminology that will be understandable to persons generally familiar with the subject areas. It may be necessary to have two versions of the final report, a confidential and a non-confidential version.

4.4 AUDIT WORK PLAN COPIES

The Contractor shall provide 25 copies of the final Audit Work Plan, including one unbound copy suitable for reproduction to the Commission. If there is more than one version of the final report, 25 copies of the confidential version shall be provided to the Commission in addition to 25 copies of the non-confidential version.

Audit Plan Exhibit I

Average OSS Response Interval
Determine whether or not BST retail ordering representatives have access to facilities availability information (*e.g.* ISDN, XDSL & IDLC) that LCSC representatives do not have. Determine how BST's systems reject queries from CLECs and BST. Determine if the rejects are handled in the same manner for CLECs as they are for BST's retail operations so that CLECs receive the same service as BST's retail operations.

OSS Interface Availability
Determine whether or not SOCS, BOCRIS, ATLAS, COFL, RSAG, DSAP, and HAL are parity by design.

Percent Flowthrough
Determine what orders actually flow through for BST's retail operations and CLEC operations. Do BST retail business orders flow through? Are complex orders for BST's retail operations treated the same as complex orders for CLECs?

Average Jeopardy Interval % Orders Given Jeopardy Notices
Determine the accuracy and reasonableness of BST classification of orders cancelled due to BST failures and the exclusion of CLEC end user reasons.

Coordinated Customer Conversions
Determine whether or not the method used by BST to determine exclusions is valid and accurately reflects the categorization of the exclusions.

OSS Response Interval
Determine if adequate sampling is performed for purposes of developing this measurement.

Maintenance Average Duration
Determine if the notification to CLECs of the closing of a trouble ticket is consistent with how BST notifies its customers.

Determine if there are any inconsistencies between how BST reports this measurement for its retail operations and how it reports this measurement for CLEC operations.

Percent Repeat Troubles Within 30 days
Determine if the formula used by BST is consistent with the intent/meaning of the FCC's NPRM on performance measurements.

Average Answer Time-Repair Centers
Determine if abandoned calls are appropriately treated for purposes of developing this measurement.

Determine how in capturing data to calculate this measurement voice mail is handled, if at all. Determine if this measurement accurately reflects the average answer time for a human representative to answer the call for BST's retail operation and CLEC operations.

Average Speed to Answer-Toll - % Answered Within X Seconds - DA % Answered Within X Seconds - Toll Average Speed To Answer-DA
Determine if the systems used for BST's retail operations and CLECs' operations are parity by design.

911 Timeliness - E911 Accuracy - E911 Mean Interval
Determine if the systems used for BST retail operations and CLECs operations are parity by design.

LCSC and Retail Unit Hours of Operation
Determine if the hours of operation for the CLECs to access the LCSC are the same as the hours of operation available to BST's retail units.

ATTACHMENT A

AUDIT PLAN

I. Overview

The Louisiana Public Service Commission ("Commission") opened Docket No. 22252 to examine and verify BellSouth Telecommunication Inc.'s ("BellSouth") pre-application compliance with Section 271 of the Telecommunications Act of 1996, including the fourteen requirements set forth in Section 271(c)(2)(B), and to provide a recommendation to the FCC regarding BellSouth's application to provide in-region, interLATA telecommunications services. On September 5, 1997, the Commission issued Order No. 22252-A, in which it concluded that (1) BellSouth's Statement of Generally Available Terms and Conditions ("SGAT") should be approved, subject to certain modifications; (2) BellSouth's SGAT, upon modification, satisfies the 14-point checklist in Section 271(c)(2)(B); and (3) BellSouth's entry into the interLATA long distance market in Louisiana is in the public interest. In Order No. 22252-B dated July 1, 1998, the Commission approved certain modifications to BellSouth's SGAT, including the adoption on an interim basis of BellSouth's proposed Service Quality Measurements ("SQM"). The Commission further ordered the opening of a rulemaking docket to evaluate the interim SQM, with a Staff Recommendation addressing final SQM to be submitted prior to the Commission's meeting on August 19, 1998.

On August 31, 1998, the Commission issued a General Order adopting Staff's Recommendation, which included the SQM attached as Exhibit A to the Recommendation. The General Order also required that "an annual audit of BellSouth's performance measurements for both BellSouth and CLECs will occur for each of the next five years, that the audit be conducted by an independent third party, the results of the audit be made available to all parties, that the costs be borne 50% by BellSouth and 50% by the CLECs, that the selection of the independent third party audit be done with input from BellSouth and the CLECs, that the scope of the audit be jointly determined by BellSouth and the CLECs, [and] that the audit be done on a company-wide basis".

CLECs and BellSouth shall jointly select an auditor to conduct an audit of BellSouth's performance measurement processes, data and data retention associated with pre-ordering, ordering, provisioning, maintenance and billing. The audit represents an initial independent validation of BellSouth's performance measurements data collection, analysis, and reporting. The audit will assist in assessing whether BellSouth's performance measurement results are accurate and whether what is being reported and measured matches agreed upon calculations and performance definitions.

II. Purpose

The selected auditor will: (a) develop a comprehensive Audit Work Plan that will be used to review the performance measurement processes, reporting, data, and data retention associated with pre-ordering. ordering, provisioning, maintenance, billing, collocation, and other support provided by BellSouth to CLECs, and (b) conduct a detailed audit of those processes and data based on the designed Audit Work Plan.

The project described in this proposal will be divided into two phases. In Phase I, the auditor will develop the Audit Work Plan. In Phase II, the auditor will assess whether BellSouth's procedures for performance measurement data generation, collection, analysis, retention and reporting are sound, and whether data

generation, collection, analysis, retention and reporting are timely, accurate and complete and adhere to documentation that faithfully reflects the content of the SQM. The proposed schedule for each phase is outlined below. In the response to the Request for Proposals, the auditor should provide a total fixed-price, not-to-exceed response for Phase I, an estimated statement of resources for Phase II of the project, and break out the price for Phase I and Phase II.

A. Phase I

Phase I of the audit must produce an Audit Work Plan detailed enough to allow the parties reviewing the audit plan to see clearly how it will demonstrate the following:

- that the requirements of the appropriate orders and agreements reached at the Louisiana workshops are reflected in the SQM at the initiation of the audit;
- that BellSouth's performance measurement processes and data are capable of producing accurate results.
- that those measures which BellSouth asserts are "parity by design" are in fact "parity by design" as reflected in Exhibit 1 and develop findings on other issues set forth in Exhibit 1.

At a minimum, the Audit Work Plan should address documentation validation, end-to-end transaction tracking, report generation, data retention, and data extraction which are detailed in Appendix A (Proposed Audit Program Steps). In developing the plan, the auditor will need to consult with the Commission Staff, BellSouth, the CLECs, and any other appropriate organizations.

Appendix A provides a high-level outline of some program steps for auditing the performance measurement processes and data. While not intended as a comprehensive list, it provides general background regarding the types of factors that must be considered in developing an Audit Work Plan. The purpose for providing Appendix A is to give the auditor a framework for understanding the factors that must be addressed in the audit plan. Once an auditing firm is selected, the Commission, BellSouth and AT&T will make their respective staffs available, as needed, to provide supplemental information and explanation.

Phase II

Phase II includes a detailed audit of BellSouth's processes and data based on the designed Audit Work Plan. This aspect of the evaluation is conducted to address the items listed below.

1. Determine whether procedures exist for initial documentation and maintenance of performance measurements documentation and determining whether the documentation conforms to reasonable levels of quality and provides for ongoing quality control.

2. Determine what supporting documentation exists for performance measurements, including calculations, exclusions, performance standards and disaggregation, and whether such documentation faithfully reflects Commission order(s) and meets reasonable standards for clarity and completeness.

3. Determine whether data calculations comply with the documentation,

including any provisions for exempting particular data from calculations and whether adequate classification parameters *(e.g.* for disaggregation of results) are reflected.

4. Determine whether data collection (including appropriate sampling) is comprehensive, that appropriate data is entered into the performance measurement calculations, and that data excluded from any result calculation is captured and stored with a designation of the reason for exclusion.

5. Determine whether detailed documentation exists for procedures to extract data from relevant data stores, whether for BellSouth or CLECs, that operational procedures adhere to such documentation, and that change control procedures are reasonable and fully implemented.

6. Determine whether the performance measurement process starts with complete and accurate data.

7. Determine whether procedures for data storage, back-up, and retrieval, including CLEC access to the data are sufficiently documented.

8. Determine that procedures exist for protecting proprietary information for both detailed data and the results produced for performance measurement reporting and that operational practices conform to such procedures.

9. Determine whether stored and reported performance measurement results are an accurate reflection of the documented methodologies.

10. Determine whether the methodology used to compare CLEC monthly results, whether for an individual CLEC or CLECs in the aggregate, is complete and accurately reflects the Louisiana Public Service Commission's order(s), and that the ordered methodology is correctly applied in drawing conclusions regarding conformance of the performance to performance standards where such performance standards have been established, either by agreement of the parties or order of the Commission.

11. Determine whether reported results match the specified report details represented in BellSouth's SQM.

12. Determine whether those measures which BellSouth asserts to be "parity by design" are in fact "parity by design," as reflected in Exhibit I to this Audit Plan.

13. Develop findings on other open issues set forth in Exhibit I to this Audit Plan.

III. Scope

The major support categories to be addressed in the Audit Work Plan are as follows:

- Pre-Ordering
- Ordering
- Provisioning
- Maintenance
- Billing
- Trunk Group Performance

- E911
- Collocation
- Operator Services and Directory Assistance

The Audit Work Plan is intended to design an audit to validate BellSouth's performance data collection, analysis and reporting systems/processes to ensure that the performance reports are accurate. Therefore, the Audit Work Plan should enable the verification of the following:

- Existence of procedural documentation specifying performance measurement definitions, calculations, performance standards, exclusions, disaggregation, data sources, data acquisition and data retention procedures.
- Compliance of documentation with Commission order(s) and adherence and completeness of the implementation of data collection, calculation, and retention with the documentation relied upon by BellSouth.
- Implementation of ordered statistical methodology for determining BellSouth's compliance with performance requirements.[1]
- Accuracy, timeliness and completeness of reported results including data retention and protection and raw data access afforded CLECs.

The audit will address the performance reporting BellSouth provides for itself, its affiliates and for individual CLECs and CLECs in the aggregate. BellSouth, the auditor, the Commission Staff and the CLECs shall work jointly to determine how to avoid wasteful duplication of resources by adopting or incorporating, where appropriate, the results of the on-going audit of performance measurements ordered by the Georgia Public Service Commission and that portion of the independent third-party test ordered by the Florida Public Service Commission that deals with review of BellSouth's performance measurements.

Where a particular measurement is intended to measure Louisiana-specific performance and there is insufficient Louisiana data, the auditor will review either another state's data or Louisiana-specific data from surrogate orders generated by AT&T or another agreed upon party, as deemed appropriate by the auditor, AT&T, and BellSouth. Any questions or problems related to this issue will be directed to the Project Manager.

IV. Specific Deliverables

A. Phase I

The vendor will be expected to provide an initial, detailed Audit Work Plan which shall provide a comprehensive plan to verify that BellSouth's performance measurement processes produce accurate empirical data to make valid performance determinations about the support BellSouth provides to CLECs. The Audit Work Plan should, at a minimum, address the full breadth of issues shown in Appendix A and the additional details that may be provided to the auditor by the Commission, BellSouth, and the CLECs.

Prior to delivery of the final Audit Work Plan, the auditor will produce an initial Audit Work Plan that will be given to AT&T, the Commission, and BellSouth. There will be a two-week period allowed for comments on the initial Audit Work Plan. At the end of the comment period, the auditor will incorporate the reasonable recommended changes and additions to the Audit Work Plan. The auditor then will be expected to deliver the final Audit Work Plan. AT&T, BellSouth and the Commission will have the right to delay the commencement of Phase II or terminate

[1] A statistical methodology will not be addressed in this audit, but will be addressed in future audits.

Phase II, until the time Phase II begins.

B. Phase II

The auditor will be expected to validate BellSouth's performance data collection, analysis and reporting systems/processes. Further, the auditor will be required to ensure that the performance reports are accurate. The auditor will be expected to perform the assessment in full compliance with the Audit Work Plan produced in Phase I.

At the conclusion of the audit, the auditor will be expected to provide an audit report. The report will provide results of the validation and will provide details as to where BellSouth has met or has not met requirements specified in the audit plan. The report also will highlight any areas where BellSouth's processes or data inhibit the ability to make accurate performance determinations.

The auditor also is expected to include supporting documents that describe the underlying approach of the audit and the methodologies used for validation and list the results of each validation. The supporting documentation should provide sufficient detail to allow parties to understand fully how the results of the audit were derived.

V. Schedule

The proposed schedule for the implementation of Phases I and II of the audit shall be determined by the parties, with input from the selected auditor along the lines set forth below:

Vendor Selection

a. Sept. 24, 1999	Issuance of RFP
b. Oct. 8, 1999	Bidders Conference
c. Oct. 22, 1999	Vendor Proposals Due
d. Oct. 25, 1999	Vendor Selection Meetings
e. Nov. 8, 1999	Vendor Selected

Phase I

a. Nov. 29, 1999	Initial Audit Work Plan Due
b. Dec. 15, 1999	Comments on Initial Audit Work Plan Due
c. Jan. 4, 2000	Phase I Deliverable Due

Phase II
Phase II dates will be set upon the completion of Phase I

APPENDIX A - PROPOSED AUDIT PROGRAM STEPS

The following highlights some key steps that may be taken to effectively address the audit request:

<u>Step I General CLEC/BellSouth Orientation</u>

<u>Participate in a Review Session Covering the Following Topics</u>:
⇒ History
⇒ Impacted parties.
⇒ Audit goal and purpose
⇒ Critical timeframes

⇒ Key contacts
⇒ Available resources (*e.g.* office space, computer access)

Step 2 General Understanding of the Processes

Obtain and Review the Following Documentation:
⇒ BellSouth Service Quality Measures ('SQM")
⇒ CLEC User's Guide
⇒ Performance Measurement Methods and Procedures relied upon by BellSouth ("M&P's")
⇒ Supporting documentation for the measures prepared by BellSouth
⇒ System documentation, such as flowcharts, narratives, etc. for Pre-ordering, Ordering, Provisioning, Billing, Maintenance, Collocation, and OS/DA employed by BellSouth
⇒ Obtain and review any and all reports used to monitor the overall process
⇒ Data Extraction Methods & Procedures
⇒ Data Retention Methods & Procedures

Formulas Overview Including the Following:
⇒ Define the formulas that are being used for all performance result calculations
⇒ Define the separate components (*e.g.* data elements) that make up each formula including sources
⇒ Identify any and all exclusions and reasons for exclusions, the basis for the exclusion, and the decision rule(s) for determining that a particular exclusion is applicable.
⇒ Describe start and end points for calculations

Step 3 General Understanding of ITIOSS

System Information
⇒ Obtain and review system flowcharts and narratives

Network Architecture
⇒ Interfaces to BellSouth systems
⇒ Overall architecture design

Change Management
⇒ Obtain and review change management policies and procedures (if company information is differentiated)
⇒ Obtain and review the latest relevant changes made to the system

Step 4 End-To End Transaction Tracking[2]

Select Orders For Tracking

Obtain & Review the Following:
⇒ M&P's for ordering, preordering, preordering, provisioning, billing and maintenance
⇒ Review orders' progression through all applicable service areas up to the point of inclusion in data warehouse, which represents the data source for performance measurement processes
⇒ Document results of tracking

[2] The purpose of the contemplated audit is not to audit BellSouth's provisioning of nondiscriminatory Operational Support Systems.

Step 5 Report Generation

Obtain & Review the Following:
⇒ Report generation M&P's
⇒ BellSouth SQM
⇒ Raw data associated with a specific report
⇒ Sampling methodologies

Recreate A Designated Performance Measurements Report
⇒ Manually prepare report using acquired raw data
⇒ Compare prepared report to BellSouth PMAP version of report
⇒ Review and document results of testing

Step 6 Data Retention

Data Retention
⇒ Determine standards regarding record retention (*i.e.* which data elements are to be retained)
⇒ Determine sample type and size to be retained (*i.e.* statistical, random, judgmental, etc.)
⇒ Review and document results of testing

Data Retention Policies and Procedures
⇒ Obtain and review record retention policies and procedures
⇒ On a sample basis test retention policies and procedures
⇒ Document results of retention policies and procedures testing

Other
⇒ Confirm data is stored in sufficient detail to permit subsequent independent review and analysis
⇒ Assess CLECs' ability to access detail in a timely and accurate manner (including security protections for individual CLEC data)

Step 7 Data Extraction

Data Extraction
⇒ Determine standards regarding record extraction (*i.e.* which data elements are to be extracted)
⇒ Determine sample type and size to be extracted
⇒ Review and document results of testing

Record Extraction Policies and Procedures
⇒ Obtain and review record extraction policies and procedures
⇒ On a sample basis, test extraction policies and procedures
⇒ Document results of extraction policies and procedures testing

Step 8 Document Findings and Issue Final Report

Issue Final Report and Findings
⇒ Document any open issues
⇒ Document adequacy of documentation, etc. (each of the eleven objectives of this audit is to be addressed, including recommended corrective actions)
⇒ Document any potential claims (variance between documentation and practice)

and gather documentation to support claim

⇒ Integrate report and finding into overall audit report, including any exception of BellSouth, any CLEC or the Commission