

Request for Proposal

The Qwest Regional Oversight Committee (ROC), an organization of 14 state public utility commissions from states where Qwest provides local exchange service, is seeking an Independent Auditor (IA). The IA will perform duties as described in the participating state Performance Assurance Plans¹ (PAPs or QPAPS) adopted by Qwest Corporation. The IA's main duty will be to perform an independent audit of the 2004 Performance Indicator Definitions² (PID) results (January - December 2004) of the performance sub measurements and financial payments identified in Attachment 1 – PIDs and Payments to be Audited.

Qwest PID and Performance Assurance Plan System is a SAS based system that uses complex equations and algorithms to generate performance measurements and associated payments. Thus the IA must be able to understand and evaluate complex SAS based programming, statistical algorithms and financial equations and system to verify accurate reporting. The IA must be able to act on short notice and produce written results within tight timeframes. The ability to act in a fair, efficient and impartial manner is of paramount importance.

The QPAP audit will be funded jointly by Qwest and states in accordance with the terms of each state PAP. Based upon the outlined scope of work found in Attachment 1, the IA should provide a not-to-exceed proposal. This RFP could result in an award of a contract, another RFP, a solicitation, or a competitive negotiation. It is anticipated that work under the contract ultimately entered into will commence approximately April 1, 2005. It is also anticipated that the initial contract length would be for a period of one year, with a possibility of 2 one-year renewable options.

¹ Performance Assurance Plans can be found at <http://www.qwest.com/wholesale/clecs/sgatswireline.html> using the pull down menus review the Exhibit K Section 15.0 for each participating state.

² PID definitions can be found at: <http://www.qwest.com/wholesale/results/roc.html>

QUESTIONS

Be sure to number each response according to the question to which it applies.

1. Describe your background and experience in the telecommunications field including any specific experience auditing performance measurements and processes and calculation systems. Be sure to document your experience related to auditing SAS based systems involving complex statistical and or financial calculations
2. Describe your background in commercial or consumer auditing practices.
3. Describe the auditing methodology you would employ to accomplish the scope of work shown in Attachment 1. (e.g. auditing a sample versus the entire population). What data processing capabilities and systems do you have and plan to employ in this audit?
4. Provide a not-to-exceed proposal with an audit plan that outlines the work steps as well as the applicable rates. (Please complete Attachment 2 – Bid Sheet)
5. What system of records management would you use? For example, would all documents be filed and retained in electronic format only? What security would be provided to ensure the integrity of filings? Would there be hard copy back-up or electronic back-up?
6. Do you currently have a physical presence in the ROC Region? If not, would you anticipate procuring one if awarded the contract?
8. Provide a list of the personnel titles, experience, and qualifications, including the number you would employ, consistent with the Attachment 2 – Bid Sheet.
9. Provide the names, addresses, and telephone numbers of at least three business references that are familiar with your abilities as they pertain to the position of an auditor in this project.
10. Identify any potential conflicts of interests that could cause you to be viewed as less than impartial when performing your work in this collaborative.

Attachment 1 – PIDs and Payments to be audited

The scope of work at will include:

1.. Verification of the accuracy of performance results for the following PIDs:

- GA-2 - Gateway Availability EDI
- BI-4 - Billing Completeness
- PO-6 - Work Completion Notification Timeliness
- PO-7 - Billing Completion Notification Timeliness
- PO-20 - Service Order Accuracy
- OP-5A - Installation New Service Quality
- MP-1 - Minimum Payments

Note: MP1 is the minimum payment Qwest pays to small CLECs described in Section 6.4 of the QPAP.

2. . The audit will focus on the differences between these states' plans and the previously audited CPAP using one state plan as an exemplar of each category. The differences to be reviewed are as follows:

- (a) Measures included in the PAP and Tier 1 and Tier 2 levels (i.e., H, M, L)
- (b) benchmark rounding and lookback (section 2.4),
- (c) payment tables,
- (d) tier 2 triggers and occurrence calculations,
- (e) CLEC opt-in (no payments are calculated for CLECS not opted in),
- (f) special fund portion of Tier 2 - a portion of Tier 2 payments goes to a special fund (not all states), and
- (g) minimum payment calculations – minimum payments are calculated at the end of the year (section 6.4),
- (h) low-volume developing markets – special payments are made for certain PID/product combinations under section 10.0.