CONTRACT NO. 473-19-00006
BETWEEN
THE PUBLIC UTILITY COMMISSION OF TEXAS
AND
SOLIX, INC.

The parties to this contract are the Public Utility Commission of Texas, an agency of the State of Texas, located at 1701 N. Congress Ave., Austin, Texas 78701 and Solix Inc., a corporation with offices located at 30 Lanidex Plaza West, Parsippany, NJ 07054.

Article 1. DEFINITIONS

When used in this contract, the following terms have the following meanings:

1.1 "**PUCT,**" means the Public Utility Commission of Texas, an agency of the state of Texas, acting through its Executive Director and the agency's designated contract administrator.

1.2 "**Commission**" means the governing body of the PUCT.

1.3 "**Contractor,**" or "**TUSF Administrator**" includes Solix, Inc., and any successors, heirs, and assigns.

1.4 "**Services**" means any and all services performed and any and all goods and products delivered by Contractor as specified in the Statement of Work.

1.5 "**Statement of Work**" means the description of goods and services to be provided under this contract found in Exhibit 1 to this contract.

1.6 "**Parties**" means PUCT and Contractor. "**Any Party**" means PUCT or Contractor.

1.7 "**Activity Month**" means the month in which a transaction with the TUSF occurs (e.g. money is deposited or withdrawn from the TUSF).

1.8 "**Data Month**" means the month for which a transaction is reported by an Eligible Telecommunication Provider.

Article 2. COMPENSATION

2.1 Compensation. Contractor agrees to provide all Services (including labor, expenses, and any other services) described in the Statement of Work, for the firm fixed price of $56,139 per month, with a total price not to exceed $2,694,688 for the duration of the contract. Contractor understands that the PUCT is not responsible for payment of any costs or expenses exceeding this amount.

If Contractor believes that changes in the scope of Services to be performed will require Contractor to increase its fee, it must request the PUCT's written authorization to increase its fee. Contractor must document the changes in the scope of Services and why they will require additional effort. The PUCT must approve the increase in fee by written amendment to this contract before Contractor performs any Services or may invoice the increased fee.

2.2 Payment Process. Contractor must submit an invoice to the PUCT contract administrator no later than the final day of the month after the month that all the Services have been performed

and completed. The invoice must contain the name of the person performing Services and a brief description of work performed, including a description of any applicable deadlines for deliverables during the period invoiced the date those deliverables were provided to the PUCT. No payment will be made for administrative overhead, overtime, etc

On the statement or invoice, Contractor must include a statement that the invoice accurately describes the Services performed and the Services were performed in compliance with the contract. The statement or invoice must include the vendor identification number issued by the Texas Comptroller or Contractor's federal taxpayer identification number, a description of the Services provided, and the name and division of the PUCT contract administrator.

Contractor must submit the invoice to the PUCT as follows:

By email to: Payables@puc.texas.gov

Or by mail to: Accounts Payable
Public Utility Commission of Texas
P.O. Box 13326
Austin, TX 78711-3326

The PUCT will review the invoice and any other relevant documentation to ensure the Services were performed in compliance with the contract. If Services were not performed in compliance with the contract, PUCT will notify contractor of any deductions from the payment approved. Upon approval of the invoice, the PUCT contract administrator will give contractor written approval to withdraw payment from the TUSF. Contractor may not withdraw payment prior to receiving PUCT's written approval. Contractor may only withdraw the amount authorized in writing by the PUCT.

2.3 Release of Claims. Contractor's acceptance of payment releases the PUCT of all claims for compensation owed in connection with this contract.

2.4 Refund. Contractor will promptly refund or credit within thirty calendar days any funds erroneously paid by PUCT which are not expressly authorized under the contract.

2.5 Payments Made to Subcontractors. Contractor must pay any subcontractor hereunder the appropriate share of payments received not later than the 10th day after the date Contractor receives the payment. The subcontractor's payment is overdue on the 11th day after the date Contractor receives the payment. The PUCT must approve Contractor's use of any subcontractor before Contractor engages the subcontractor (see Section 5.1 of this contract).

2.6 Records. Contractor and its subcontractors, if any, must maintain records and books of account relating to Services provided under this contract. Contractor must, for a period of seven (7) years following the expiration or termination of this contract, maintain its records (electronic and paper) of the work performed under this contract. Records include, but are not limited to correspondence concerning the subject of this contract between Contractor and the PUCT; Contractor's internal correspondence; and correspondence between Contractor and any third party. Contractor must make all records that support the performance of Services and payment

available to PUCT and/or its designees or the State Auditor during normal business hours with reasonable notice, upon the request of the PUCT contract administrator.

2.7 Sole Compensation. Payments under this Article are Contractor's sole compensation under this contract. Contractor must not incur expenses not contemplated under the Statement of Work, with the expectation that the PUCT or any other agency of the state of Texas will pay the expense.

Article 3. CONTRACT ADMINISTRATION

3.1 PUCT Contract Administration. The PUCT designates Jay Stone to serve as its primary point of contact and contract administrator throughout the term of this contract. Contractor acknowledges that the PUCT contract administrator does not have any authority to amend this contract on behalf of the PUCT, except as expressly provided herein. Contractor further acknowledges that such authority is exclusively held by the Commission exercising its authority through a vote in an open meeting, or the Executive Director of the PUCT as the Commission's authorized designee.

3.2 Contractor Contract Administration. Contractor designates its contract administrator as follows: Jean Snopkowski.

3.3 Reporting. Contractor must report directly to the PUCT contract administrator and must perform all activities in accordance with the reasonable instructions, directions, and requests conveyed to Contractor by the PUCT contract administrator.

3.4 Cooperation. The Parties' contract administrators must handle all communications between them in a timely and cooperative manner. The Parties must timely notify each other by email or other written communication of any change in designee or contact information.

3.5 Inquiries and Prompt Referral. Contractor understands that the PUCT does not endorse any vendor, commodity, or service. Contractor, its employees, representatives, other agents, or subcontractors may not issue any media release, advertisement, publication, or public pronouncement which pertains to this contract or the Services or project to which this contract relates or which mentions the PUCT without the prior approval of the PUCT. Contractor will promptly refer all inquiries regarding this contract received from state legislators, other public officials, the media, or anyone else not a Party to this contract to the PUCT contract administrator.

Article 4. REPORTS AND RECORDS

4.1 Written Reports. Contractor will provide written reports to the PUCT in the form and with the frequency specified in the Statement of Work, or as otherwise agreed in writing between the Parties.

4.2 Distribution of Consultant Reports. Contractor agrees the PUCT has the right to distribute any consultant report associated with this contract, or to allow another Texas state agency or the Texas legislature to distribute it. The PUCT will also have the right to post any consultant report associated with this contract to the PUCT's website or to the website of a standing committee of

the legislature. This provision does not waive any right to confidentiality that the PUCT may assert for the report or any portion thereof.

Article 5. SUBCONTRACTING PARTIES

5.1 Use of Subcontractors. The Parties acknowledge and agree that, at the time of execution of this contract, Contractor intends to perform the Services required under this Contract using the following subcontractor: Princeton Investment Consulting. Contractor will notify the PUCT contract administrator of any other proposed subcontract and will work with the PUCT HUB Coordinator to procure such other subcontractor and to submit appropriate subcontractor selection documentation for approval prior to engaging any other subcontractor, such approval not to be unreasonably withheld. Any subcontract not contemplated at the initiation of this contract and any subsequent substitution of a subcontractor must be approved by an amendment according to the terms of Article 7.

5.2 Sole Responsibility. Contractor is solely responsible for the quality and timeliness of the work produced by all subcontractors that Contractor may engage to provide Services hereunder and for the timely payment for all work produced by all subcontractors that the PUCT accepts and pays for in accordance with the terms of this contract.

5.3 Prime Vendor Contract. The Parties expressly agree that this Contract is intended to constitute a prime vendor contract, with Contractor serving as the prime vendor for delivery of the Services made the subject hereof. Contractor acknowledges and agrees that it is fully liable and responsible for timely, complete delivery of the Services described in this Contract, notwithstanding the engagement of any subcontractor to perform an obligation under this Contract.

Article 6. TERM AND TERMINATION

6.1 Term. The term of this Contract will begin on September 1, 2019 and will continue in effect until August 31, 2023 unless sooner terminated under Sections 6.2 or 6.3 of this Contract.

6.2 Termination for Cause by the PUCT. If Contractor fails to provide the goods or services contracted for according to the provisions of the contract, or fails to comply with any terms or conditions of the Contract, the PUCT may serve upon Contractor written notice requiring Contractor to cure such default. Unless within thirty (30) days after receipt of said notice by Contractor, said default is corrected or arrangements satisfactory to the PUCT, as applicable, for correcting the default have been made by Contractor, the PUCT may terminate this contract for default and will have all rights and remedies provided by law and under this contract. If the PUCT terminates Contractor for a violation of Section 18.12, of this contract, the PUCT need not provide any notice or opportunity for curing the default. The PUCT will not be liable for any damages and/or loss to Contractor as a result of termination for convenience.

6.3 Termination for the Convenience of the PUCT. The PUCT may, upon thirty (30) days written notice to Contractor, terminate this contract whenever the interests of the PUCT so require. The PUCT will only reimburse those expenses already incurred at the time the notice is provided or expenses approved in writing, prior to Contractor incurring those expenses, for the

purpose of wrapping up the contract. The PUCT will not be liable for any damages and/or loss to Contractor as a result of termination for convenience.

6.4 Transfer of Duties. In the event of termination, Contractor will provide reasonable cooperation to transfer its duties under the contract to another entity without disruption to the provision of Services.

6.5 Remedies for Breach. All remedies available to the PUCT for breach or anticipatory breach of this contract by Contractor are cumulative and may be exercised concurrently or separately, and the exercise of any one remedy will not be deemed an election of such remedy to the exclusion of other remedies. Actual damages, liquidated damages, cost projections, letter of credit proceeds, and injunctive relief may also be invoked either separately or combined with any other remedy in accordance with applicable law.

6.6 Survival. In the event that this Contract expires or is terminated pursuant to its terms, the rights and obligations of the Parties under it will end; provided that the provisions of Sections 2.3 through 2.6, 3.5, 4.2, 6.4 through 6.6. 7.5, 9.2, 9.4 through 9.6, 11.4, 17.2 and 19.1 through 19.5, 19.7, 19.10, 19.11 and Articles 1, 10, 12, 14, 15, 16, 20, 21, 23, 28, and 29 will survive in their entirety.

Article 7. ASSIGNMENT, AMENDMENTS, AND MODIFICATIONS

7.1 Material Change Requests. The PUCT may propose changes to the Statement of Work. Upon receipt of a written request from the PUCT for a change to the Statement of Work, Contractor must, within a reasonable time thereafter, submit to the PUCT a detailed written estimate of any proposed price and schedule adjustment(s) to this contract. No changes to the Statement of Work, will occur without the Parties' written consent as provided in accordance with the terms stated in this contract.

7.2 Changes in Law, Rules, or Rulings. Changes in federal or state legislation, rules and regulations or rulings by the PUCT after the effective date of this contract may require modification of the terms of this contract, including an increase or decrease in Contractor's duties or compensation. In the event of changes to statutes, rules, and/or regulations affecting the terms of this contract, the PUCT and Contractor must negotiate the terms of a contract modification in good faith and incorporate the modification into this Contract by written amendment.

7.3 No Assignment of Duties. This contract will be binding upon and inure to the benefit of the permitted successors and assigns of any Party (including by merger of Contractor or otherwise by operation of law); provided, however, that Contractor may not otherwise, without the prior written consent of the PUCT, assign or transfer this contract or any obligation incurred under this contract. Any attempt by Contractor to assign or transfer this contract or any obligation incurred under this contract, in contravention of this article, will be voidable at the PUCT's sole discretion.

7.4 Amendments and Modifications. This contract may not be amended or modified in any manner except by written instrument executed by authorized representatives of the Parties in accordance with the terms of this contract.

7.5 Binding on Successors. The terms of this contract will be binding on any successor organization of any of the Parties.

Article 8. REPRESENTATIONS, WARRANTIES AND COVENANTS

8.1 Warranty of Performance. Contractor represents, warrants, and covenants that it will perform the Services outlined in the Statement of Work, in a professional and workmanlike manner, consistent with professional standards of practice in the professional industry.

8.2 Warranty of Services. Contractor warrants that the Services will be rendered by the qualified personnel named in Section 19.8 of this contract. If Services provided under this contract require a professional license, then Contractor represents, warrants, and covenants that the activity will be performed only by duly licensed personnel.

Article 9. RISK OF LOSS AND PROPERTY RIGHTS

9.1 Risk of Loss. The risk of loss for all items to be furnished hereunder will remain with Contractor until the items are delivered to and accepted by the PUCT, at which time the risk of loss will pass to the PUCT.

9.2 Ownership. Except for materials where any intellectual property rights are vested in a third party, such as software or hardware, in which case such rights remain the property of the third party, all finished materials, deliverables, conceptions, or products created and/or prepared for on behalf of the PUCT and purchased by the PUCT, or on behalf of the PUCT, that the PUCT has accepted as part of the performance of Services hereunder, will be the PUCT's property exclusively and will be given to the PUCT either at the PUCT's request during the term of the Contract or upon termination or expiration of the contract. Notwithstanding the foregoing, materials created, prepared for, or purchased exclusively by the PUCT or on behalf of the PUCT are the PUCT's exclusive property regardless of whether delivery to the PUCT is effectuated during or upon termination or expiration of this contract.

9.3 Licensed Software. With PUCT's advanced written consent, Contractor may obtain software licenses as an agent of the PUCT for software that is used by Contractor solely for the purpose of providing Services under this contract. Contractor must provide the PUCT with a copy of any software license obtained by Contractor as an agent for the PUCT for the purpose of providing Services under this contract.

9.4 Prior Works. Except as provided herein, all previously owned materials, conceptions, or products remain the property of Contractor and nothing contained in this contract will be construed to require Contractor to transfer ownership of such materials to the PUCT.

9.5 Trademarks. The Parties agree that no rights to any trademark or service mark belonging to another Party or to any non-Party are granted to any other Party by this contract, unless by separate written instrument. The PUCT acknowledges and agrees that use of any trademark

associated with any software provided by Contractor under this contract does not give the PUCT any rights of ownership in the trademark or the software.

9.6 Program Information. Program information, data, and details relating to Contractor's Services under this contract must be maintained separately from Contractor's other activities. Contractor must undertake all reasonable care and precaution in the handling and storing of this information.

9.7 Provision to be Inserted in Subcontracts. Contractor must insert a provision containing Sections 9.2 and 9.6 of this contract in all subcontracts hereunder except altered as necessary for proper identification of the contracting Parties and the PUCT under this contract.

Article 10. PUBLIC INFORMATION

10.1 Texas Public Information Act. (Texas Government Code Chapter 552). The Parties acknowledge that notwithstanding any other provisions of this contract, the Texas Public Information Act ("PIA") governs the treatment of all information held by or under the control of the PUCT. The PUCT will notify Contractor of requests for Contractor's information as required under the PIA.

10.2 Agreement Not Confidential. The Parties acknowledge that not all terms of this contract may be confidential under the PIA, regardless of whether those terms are marked "Proprietary," "Trade Secret," or "Confidential." Contractor further acknowledges that in the event of a dispute over the release of a proposal or part of a proposal the PUCT is bound by the decision made by the Office of the Attorney General of Texas.

10.3 Contractor's Duty to Provide Public Information. Contractor is required, at no additional cost to the state, to make available in a format that is accessible by the public any information created or exchanged with the state pursuant to this contract. For the purpose of Section 10.3 of this contract, paper documents, Adobe Portable Document Format files (.pdf), Microsoft Excel spreadsheets (.xls), Microsoft Word documents (.docx), and Hypertext Markup Language (.html) files will be considered "accessible by the public," unless another format is specified by the PUCT, at the PUCT's sole discretion. If information created or exchanged with the state pursuant to this contract is excepted from disclosure under the PIA, Contractor will not be required to make the information available to the public, but may be required to facilitate the PUCT's provision of the information to the Texas Attorney General for a decision on the information's confidentiality. The PUCT has no duty or responsibility to argue a defense of confidentiality to Contractor's information or data; it will be Contractor's sole responsibility to do so.

Article 11. CONFLICTS OF INTEREST AND EMPLOYMENT RESTRICTION

11.1 No Conflicting Relationships. Contractor certifies to the PUCT that no existing or contemplated relationship exists between Contractor and the PUCT that interferes with fair competition or is a conflict of interest, and that no existing or contemplated relationship exists between Contractor and another person or organization, whether or not located within the State

of Texas, that constitutes or will constitute a conflict of interest for Contractor with respect to the PUCT.

11.2 Prohibition on Transactions with Parties Adverse to the PUCT. Contractor agrees that during the term of this contract and any extensions or renewals thereof, it will neither provide contractual services nor enter into any agreement, oral or written, to provide services to a person or organization that is regulated or funded by the PUCT or that has interests that are directly or indirectly adverse to those of the PUCT. The PUCT may waive this provision in writing if, in the PUCT's sole judgment, such activities of the Contractor will not be adverse to the interests of the PUCT.

11.3 Notice of Conflict. Contractor agrees to promptly notify the PUCT of any circumstance that may create a real or perceived conflict of interest, whether arising prior to or during the term of the contract. Contractor agrees to use its best efforts to resolve any real or perceived conflict of interest to the satisfaction of the PUCT. If Contractor fails to do so, it will be grounds for termination of this contract for cause, pursuant to Section 6.2 of this contract.

11.4 Prohibited Employment. Contractor agrees that it will not hire current or former PUCT employees whose employment with Contractor would violate any of the employment restrictions in Texas Government Code Chapter 572 or Texas Utilities Code Chapter 12.

Article 12. INDEMNIFICATION

Contractor must indemnify, defend and hold harmless the PUCT, the State of Texas, and their officers, agents, employees, representatives, contractors, assignees, and designees from any and all liabilities, claims, suits, assessments, penalties, losses, damages, demands or causes of action, and all related costs, attorney fees and expenses of whatever kind or nature asserted by a third party and occurring in any way incident to, arising out of, or in connection with acts or omissions of Contractor, its agents, employees and subcontractors, committed in the conduct of this contract. Contractor will have the obligation to undertake the defense of any such claim, process, or legal proceeding at Contractor's expense; provided, however, that the PUCT may participate in the defense with counsel of its own choosing. Any defense must be coordinated by Contractor with the Office of the Attorney General when Texas State Agencies are named defendants in any lawsuit. Contractor may not agree to any settlement without first obtaining concurrence from the Office of the Attorney General. Contractor and the PUCT agree to furnish timely written notice to each other of any claim.

If all or any part of the deliverables of this contract is the subject of any claim, suit, or proceeding for infringement or misappropriation of any intellectual property right, Contractor may, and in the event of any adjudication that the deliverables or any part thereof infringes or misappropriates any patent, trademark, copyright, or trade secret, or if the licensing or use of any of the deliverables or any part thereof is enjoined, Contractor must, at its expense do one of the following things: (i) procure for PUCT the right under such patent, trademark, copyright or trade secret to fully use the deliverables or the affected part thereof; or (ii) replace the deliverable or affected part thereof with another non-infringing deliverable; or (iii) suitably modify the deliverable or affected part thereof to make it non-infringing.

Article 13. INSURANCE

13.1 Contractor Responsibility. Contractor agrees to comply with all state and federal laws applicable to the liability and payment of Contractor and Contractor's employees, including laws regarding wages, taxes, insurances, and workers' compensation. Neither the PUCT nor the State of Texas will be liable to the Contractor, its employees, agents, or others for the provision of unemployment insurance and/or workers' compensation or any benefit available to a state employee.

13.2 Minimum Insurance. Contractor must, at its sole cost and expense, secure and maintain as a minimum, from the effective date of this contract and thereafter during the term of this contract and any renewals or extensions thereof, for its own protection and the protection of the PUCT and the State of Texas:

a) commercial liability insurance, covering, at a minimum, the following categories of liability within the following limits: (i) bodily injury and property damage - $1,000,000 limit per occurrence, $2,000,000 aggregate, (ii) medical expense - $5,000 limit per person, (iii) personal injury and advertising liability - $1,000,000 limit, (iv) products/completed operations – $2,000,000 aggregate, (v) damage to premises rented - $50,000 limit;

b) automobile liability coverage for vehicles driven by Contractor's employees ($500,000 per occurrence); and

c) workers' compensation insurance in accordance with the statutory limits, as follows: (i) employer's liability - $1,000,000 each incident, (ii) disease - $1,000,000 each employee and $1,000,000 policy limit.

d) cyber incident coverage to include: privacy breach related legal expenses to review and determine responsibilities under privacy breach laws; expenses related to compliance with privacy law notification requirements; credit and identification monitoring for up to 12 months after a cyber incident; expenses related to forensic investigations to investigate a system intrusion into the Contractor's computer system; and expenses to hire a public relations firm for public communications response.

The PUCT and the State of Texas must be named an additional insured on the commercial liability and automobile policies.

Insurance coverage must be from companies licensed by the State of Texas to provide insurance with an "A" rating from A.M. Best and authorized to provide the corresponding coverage.

13.3 Certificates of Insurance. Contractor must furnish to the PUCT certificates of insurance and any applicable endorsements, signed by authorized representatives of the surety or insurers, of all such bonds and insurance and confirming the amounts of such coverage within ten (10) days of the effective date of this contract, and upon request thereafter. Contractor must provide the PUCT contract administrator with timely renewal certificates as the coverage renews. Failure to maintain such insurance coverage specified herein, or to provide such certificates or endorsements promptly, will constitute a material breach of this Contract. Contractor must provide thirty (30) days written notice of any notice for renewal and/or cancellation of insurance.

Article 14. DISPUTE RESOLUTION

The Parties agree to resolve disputes arising under this contract through the dispute resolution process provided for in Chapter 2260 of the Texas Government Code and Subchapter C of the PUCT Rules for Administrative Services.

Article 15. SOVEREIGN IMMUNITY

The State of Texas and the PUCT do not waive sovereign immunity by entering into this contract and specifically retain immunity and all defenses available to them under the Constitution, the laws of the State of Texas, or the common law.

Article 16. GOVERNING LAW

Notwithstanding anything to the contrary in this contract, this contract will be deemed entered into in the State of Texas and will be governed by, construed and interpreted in accordance with the laws of the State of Texas that apply to contracts executed in and performed entirely within the State of Texas, without reference to any rules of conflict of laws. The Parties consent to the exclusive jurisdiction of the State of Texas. The Parties hereby submit to the jurisdiction of the courts located in, and venue is hereby stipulated to, the state courts located in Travis County, Texas. Each Party stipulates that it is subject to the jurisdiction of the courts located in Travis County, Texas, for any cause of action arising from any act or omission in the performance of this contract. Further, each Party hereby waives any right to assert any defense to jurisdiction being held by the courts located in Travis County, Texas, for any cause of action arising from any act or omission in the performance of this contract.

Article 17. COMPLIANCE WITH LAW

17.1 General. Contractor must comply with all federal, state, and local laws, executive orders, regulations, and rules applicable at the time of performance. Contractor warrants that all Services sold hereunder will have been produced, sold, delivered, and furnished in strict compliance with all applicable laws and regulations to which they are subject, including, but not limited to, Equal Employment Opportunity laws. All laws and regulations required in agreements of this character are hereby incorporated by this reference.

17.2 Taxes. Contractor agrees to comply with any and all applicable state tax laws that may require any filing with and/or payment to the State of Texas as a result of any action taken as a result of this contract.

17.3 Workers' Compensation. Contractor agrees that it will be in compliance with applicable state workers' compensation laws throughout the term of this contract and any renewals or extensions thereof.

17.4 Conflicts. Contractor agrees to abide by the requirements of and policy directions provided by the Texas statutes and the rules and regulations of the PUCT, and will inform and consult with the PUCT when further interpretations or directions are needed in order to fully implement the rules and regulations of the PUCT. In the event that Contractor becomes aware of inconsistencies between this Contract and a Texas statute or PUCT rule, Contractor will so

advise the PUCT immediately and will cooperate fully to revise applicable provisions of this contract as necessary.

17.5 Compliance with Deceptive Trade Practices Act. Contractor must comply with Texas Business and Commerce Code Chapter 17.

17.6 Compliance with Americans with Disabilities Act. Contractor must comply with the Americans with Disabilities Act, 42 U.S.C. Chapter 126.

17.7 Prohibited Use of Appropriated/Other Funds. Contractor must comply with Texas Government Code Sections 556.005 and 556.0055 related to prohibited uses of appropriated and other funds.

17.8 Certificate of Interested Parties Form. At the time Contractor submits a signed contract to the PUCT, Contractor must submit a "Certificate of Interested Parties" form to the PUCT and file the form with the Texas Ethics Commission. The form and instructions for filing the form can be found at: https://www.ethics.state.tx.us/tec/1295-Info.htm. Contractor must not perform any work under the contract, nor receive any compensation prior to filing the form with the Texas Ethics Commission.

Article 18. CONTRACTOR'S CERTIFICATION

By accepting the terms of this Contract, Contractor certifies that, to the extent applicable, it is in compliance with the following requirements and prohibitions. Contractor understands and agrees that a false certification may lead to termination of this contract for cause.

18.1 Prohibitions on Gifts. Contractor has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this contract.

18.2 Delinquent Obligations. Contractor is not currently delinquent in the payment of any franchise or sales tax owed to the State of Texas, and is not delinquent in the payment of any child support obligations under applicable state law.

18.3 Terrorist Financing. The PUCT is federally mandated to adhere to the directions provided in the President's Executive Order (EO) 13224, Executive Order on Terrorist Financing – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, effective 9/24/2001 and any subsequent changes made to it, via cross referencing proposers/vendors with the Federal General Services Administration's System for Award Management (SAM), https://www.sam.gov/, which is inclusive of the United States Treasury's Office of Foreign Assets Control (OFAC) Specially Designated National (SDN) list.

http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx

Contractor certifies that the Contractor and its principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and that Contractor is not listed on the federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement are listed at: https://www.sam.gov/

Contractor further certifies that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization as prohibited by Section 2252.152 of the Texas Government Code.

18.4 Antitrust. Neither Contractor nor anyone acting for Contractor has violated the antitrust laws of this state, codified in Section 15.01, et seq. of the Texas Business and Commerce Code or the Federal Antitrust Laws, nor has communicated directly or indirectly to any competitor or any other person engaged in such line of business for the purpose of obtaining an unfair price advantage.

18.5 Family Code. Contractor has no principal who is ineligible to receive funds under Texas Family Code Section 231.006 and acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate.

18.6 Prohibited Compensation. Contractor has not received compensation from the PUCT, or any agent, employee, or person acting on the PUCT's behalf for participation in the preparation of this contract.

18.7 Government Code. Under Texas Government Code Section 2155.004, Contractor certifies that the individual or business entity named in this contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and/or payment withheld if this certification is inaccurate.

18.8 Outstanding Obligations. Payments due under the contract will be applied towards any debt that is owed to the State of Texas, including but not limited to delinquent taxes and child support.

18.9 Contracting with Executive Head of State Agency. Contractor certifies this contract is in compliance with Texas Government Code Section 669.003 relating to contracting with the executive head of a State agency. If Texas Government Code Section 669.003 applies, bidder will provide the following information in order for the bid to be evaluated: Name of Former Executive; Name of State Agency; Date of Separation from State Agency; Position with Bidder; and Date of Employment with Bidder.

18.10 Buy Texas. Contractor will comply with Texas Government Code Section 2155.4441, pertaining to service contracts regarding the use of products produced in the state of Texas.

18.11 Hurricane Recovery. Under Texas Government Code Section 2155.006, Contractor certifies that the individual or business entity named in this proposal is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.

18.12 E-Verify. Contractor certifies and ensures that it utilizes and will continue to utilize, for the term of this Contract, the U.S. Department of Homeland Security's E-Verify system to determine the eligibility of:

1. All persons hired to perform duties within Texas, during the term of the contract; and

2. All persons (including subcontractors) hired by the proposer to perform work pursuant to the contract, within the United States of America.

The Contractor must provide, upon request of PUCT, an electronic or hardcopy screenshot of the confirmation or tentative non-confirmation screen containing the E-Verify case verification number for attachment to the Form I-9 for the three most recent hires that match the criteria above, by the Contractor, and Contractor's subcontractors, as proof that this provision is being followed.

If this certification is falsely made, the contract may be immediately terminated, at the discretion of the state and at no fault to the state, with no prior notification. The Contractor will also be responsible for the costs of any re-solicitation that the state must undertake to replace the terminated contract.

This term should not be construed to require Contractor to utilize E-Verify to determine the eligibility of existing employees, or otherwise use E-Verify in violation of the law.

18.13 Debarred Vendors List. Contractor certifies that it is not on the Debarred Vendors List located at http://www.window.state.tx.us/procurement/prog/vendor_performance/debarred/.

18.14 Does Not Boycott Israel. As required by Section 2270.002 of the Texas Government Code, Contractor certifies that either (i) it meets an exemption criteria under Section 2270.002; or (ii) it does not boycott Israel and will not boycott Israel during the term of the contract. If Contractor certifies that it meets an exemption criteria under Section 2270.002, Contractor must provide PUCT with a statement of any facts that make it exempt from the boycott certification along with the signed contract.

Article 19. GENERAL PROVISIONS

19.1 Relationship of Parties. Contractor is and will remain at all times an independent contractor, and nothing in this contract will be deemed to create a joint venture, partnership, employment, franchise, master-servant, or agency relationship between the Parties. Except as expressly provided to the contrary elsewhere in this contract, no Party has any right or authority to act on behalf of another Party, nor to assume or create any obligation, liability or responsibility on behalf of another Party. Under no circumstances will the relationship of employer and employee be deemed to arise between the PUCT and Contractor's personnel. Contractor will be solely responsible for achieving the results contemplated by this contract, whether performed by Contractor, its agents, employees or subcontractors.

19.2 Non-Exclusivity. Nothing in this contract is intended nor will be construed as creating any exclusive arrangement between Contractor and PUCT. This contract will not restrict PUCT from acquiring similar, equal, or like goods and/or services from other entities or sources.

19.3 Taxes and Statutory Withholdings. Contractor acknowledges that it is not a PUCT employee, but is an independent contractor. Accordingly, it is Contractor's sole obligation to report as income all compensation received by Contractor under the terms of this contract. Contractor is solely responsible for all taxes (federal, state, or local), withholdings, social security, unemployment, Medicare, Workers' Compensation insurance, and other similar statutory obligations (of any governmental entity of any country) arising from, relating to, or in connection with any payment made to Contractor under this contract. Contractor must defend, indemnify and hold the PUCT harmless to the extent of any obligation imposed by law on the

PUCT to pay any tax (federal, state, or local), withholding, social security, unemployment, Medicare, Workers' Compensation insurance, or other similar statutory obligation (of any governmental entity of any country) arising from, relating to, or in connection with any payment made to Contractor under this contract. Further, Contractor understands that neither it nor any of its individual employees is eligible for any PUCT employee benefit, including but not limited to holiday, vacation, sick pay, withholding taxes (federal, state, local), social security, Medicare, unemployment or disability insurance, Workers' Compensation, health and welfare benefits, profit sharing, 401(k) or any employee stock option or stock purchase plans. Contractor hereby waives any and all rights to any such PUCT employment benefit.

19.4 Notice. Except as otherwise stated in this contract, all notices provided for in this contract must be (a) in writing, (b) addressed to a Party at the address set forth below (or as expressly designated by such Party in a subsequent effective written notice referring specifically to this contract), (c) sent by FedEx, with proper postage affixed and (d) deemed effective upon the third business day after deposit of the notice in the U.S. Mail.

IF TO THE PUCT:
ATTENTION: Executive Director
1701 N. Congress Ave., 7th Floor
Austin, TX 78701

With copies to the PUCT contract administrator, and Jay Stone, CTCD, CTCM, at the same address.

IF TO CONTRACTOR:
ATTENTION: Jean Snopkowski, Director – Government Programs
30 Lanidex Plaza West
Parsippany, NJ 07054

19.5 Headings. Titles and headings of articles and sections within this contract are provided merely for convenience and must not be used or relied upon in construing this contract or the Parties' intentions with respect thereto.

19.6 Export Laws. Contractor represents, warrants, agrees and certifies that it (a) will comply with the United States Foreign Corrupt Practices Act (regarding, among other things, payments to government officials) and all export laws and rules and regulations of the United States Department of Commerce or other United States or foreign agency or authority and (b) will not knowingly permit any non-Party to directly or indirectly, import, export, re-export, or transship any intellectual property or any third Party materials accessed by Contractor during the course of this contract in violation of any such laws, rules or regulations.

19.7 Preprinted Forms. The use of preprinted forms, such as purchase orders or acknowledgments, in connection with this contract is for convenience only and all preprinted terms and conditions stated thereon are void and of no effect. The terms of this contract cannot be amended, modified, or altered by any conflicting terms, provisions, or conditions contained in a proposal or a preprinted form, such as purchase orders or acknowledgements. If any conflict

exists between this Contract and any terms and conditions on a proposal, purchase order, acknowledgment, or other preprinted form, the terms and conditions of this Contract will govern.

19.8 Specific Personnel. Contractor has identified the personnel for this assignment ("Team"), as follows: Eric D. Seguin; Jean Snopkowski; Gregory J. DiSarno; Allen Lane, CPA; Monique Robinson, CPA, CFE; Marcia C. DeCruz, CPA; Bill Ingersoll; Mike Quinn; and Jack Dougher, PMP, MCAD, MCSC.

Contractor warrants that it will use its best efforts to avoid any changes to the Team during the course of this Contract. Should personnel changes occur during the term of this Contract or any extensions or renewals thereof, Contractor will recommend to the PUCT personnel with comparable experience and required qualifications and training. The PUCT must approve any change in personnel on this project in writing. Contractor must provide individuals qualified to perform the tasks assigned to such individual. At the PUCT's request, Contractor must remove from the project any individual whom the PUCT finds unacceptable for any reason in the PUCT's sole discretion. Contractor must replace such individual with another individual satisfactory to the PUCT as soon as practicable.

19.9 No Felony Criminal Convictions. Contractor represents and warrants that neither Contractor, nor any of its employees, agents, or representatives, including any subcontractors and employees, agents or representatives of such subcontractors, has been convicted of a felony criminal offense or that if such a conviction has occurred Contractor has fully advised PUCT of the facts and circumstances surrounding the conviction.

19.10 Publicity. Contractor understands and agrees that the PUCT does not endorse any vendor, commodity, or service. Contractor understands and agrees that Contractor, its employees, representatives, other agents, or subcontractors may not issue any public disclosure, media release, advertisement, or publication without prior written approval of the PUCT: which pertains to this contract or any services or project to which this contract relates; or which pertains to any results or findings based on information provided, created, or obtained to fulfill the requirements of this contract; or which mentions the PUCT.

19.11 No Third Party Beneficiaries. Nothing contained in the contract, either express or implied, is intended to confer on any person other than the Parties, or their respective permitted successors, assigns, or transferees any interests, rights, remedies, obligations or liabilities.

19.12 Prompt Payment. All payments to Contractor by PUCT, any payments by Contractor to any subcontractor, and any payments by a subcontractor to any other person or entity that provides goods or services under this contract must be made in compliance with Chapter 2251 of the Texas Government Code, commonly known as the Texas Prompt Payment Act.

Article 20. NO IMPLIED WAIVER

The failure of any party, at any time, to enforce a provision of this contract will not constitute a waiver of that provision; will not affect the validity of this contract or any part of it; and will not affect the right of any party to enforce each and every provision.

Article 21. ORDER OF PRECEDENCE

In the event of conflicts or inconsistencies between the provisions of this contract and its attachment(s) and exhibit(s), the following are given preference in the order listed below:

1) The terms and conditions of this contract;

2) The Statement of Work, including any exhibits;

3) The Request for Proposals;

4) The Contractor's proposal.

Article 22. FORCE MAJEURE

Neither the PUCT nor Contractor will be considered in default in the performance of its obligations under this contract to the extent that the performance of such obligations is prevented or delayed by any cause beyond the reasonable control of the affected party, which such party could not, by due diligence have avoided, including but not limited to acts of God, severe weather, explosions, riots, acts of war, or orders of legal authority. Such causes will not relieve either party of liability in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner, with all reasonable dispatch, and to give notice and full particulars of the same in writing to the other party as soon as possible after the occurrence of the cause that prevented or delayed performance of the obligations. If the event of Force Majeure continues for a period of more than one hundred and eighty (180) days, either party thereafter may terminate this contract upon giving at least ten (10) days prior written notice to the other party.

Article 23. SEVERABILITY

If any provision of this contract is held unlawful or otherwise unenforceable, that provision will be severed and deemed deleted and the remainder of this contract will continue in full force and effect, as if the provision had never existed.

Article 24. FUNDING OUT CLAUSE

This contract is contingent upon the continued availability of funding. If funds become unavailable through lack of appropriations, legislative or executive budget cuts, amendment of the Appropriations Act, state agency consolidations, or any other disruptions of current appropriations, provisions of Section 6.3 of this contract will apply. Any contract resulting from this solicitation is contingent upon the continued availability of lawful appropriations by the Texas Legislature. See Texas Constitution, Article III Section 49, State Debts; and Texas General Appropriations Act for the 2014-2015 Biennium, Article IX, Section 6.03, Excess Obligations Prohibited.

Article 25. DRUG FREE WORKPLACE POLICY

Contractor must comply with the applicable provisions of the Drug-Free Work Place Act of 1988, 41 U.S.C. § 8102, et seq., and 48 CFR § 52.223-6 Drug-Free Workplace) and maintain a drug-free work environment. The requirements of the Drug Free Workplace Act and the rules

interpreting it are incorporated by reference and Contractor must comply with the relevant provisions thereof, including any amendments that may hereafter be issued.

Article 26. SUBSTITUTIONS

Substitutions are not permitted without written approval of the PUCT.

Article 27. RIGHT TO AUDIT

Pursuant to Section 2262.003 of the Texas Government Code, the State Auditor may conduct an audit or investigation of Contractor or any other entity or person receiving funds from the state directly under this Contract or indirectly through a subcontract under this contract. The acceptance of funds by Contractor or any other entity or person directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, Contractor or any other entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. Contractor will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through the vendor and the requirement to cooperate is included in any subcontract awards.

Article 28. SIGNATORIES

The undersigned signatories represent and warrant that they have full authority to enter into this contract on behalf of the respective parties.

Article 29. ENTIRE AGREEMENT

This contract, including the Statement of Work, constitutes the entire agreement and understanding between the parties with regard to its subject matter and supersedes and merges all prior discussions, writings, negotiations, understandings, and agreements concerning the provision of these Services. Any terms and conditions attached to a solicitation will not be considered unless incorporated into this contract by specific reference.

In WITNESS WHEREOF both parties by their duly authorized representatives have executed this contract effective as of September 1, 2019.

The Public Utility Commission of Texas	**Contractor**
By:	By:
John Paul Urban Executive Director	Jack Miller President and Chief Executive Officer
Date Signed: 3/30/19	Date Signed: 8/30/19

ATTACHMENT A
STATEMENT OF WORK

I. Introduction

a. The PUCT is the agency charged with administering the Texas Universal Service Fund. The PUCT currently contracts with a vendor to assist in performing that function. The PUCT monitors and supervises the TUSF Administrator's activities related to the operation and administration of the TUSF. The TUSF Administrator is subject to annual performance audits and financial audits at the PUCT's discretion. Pursuant to Texas Utilities Code § 56.023, the PUCT has adopted rules that address the administration of the TUSF. The PUCT maintains the exclusive power to revise rules related to the operation and administration of the TUSF and to monitor and supervise the implementation of its rules.

b. The duties of the TUSF Administrator are generally described in Texas Utilities Code Chapter 56, Subchapter B, and PUCT Substantive Rule 26.420. The TUSF Administrator will be responsible for administering the program and performing related duties as determined by the PUCT. Activities the TUSF Administrator will be expected to perform to carry out its duties include, but are not limited to, the following:

i. The TUSF Administrator must maintain databases and record keeping processes and procedures for the TUSF that are separate and distinct from the databases and processes and procedures for any other funds that may be managed by the TUSF Administrator. If the chosen vendor is other than the incumbent, the TUSF Administrator will also be responsible for developing the databases and record keeping processes and procedures it will use to administer the TUSF.

ii. The TUSF Administrator will receive inquiries from legislators, telecommunications providers, the PUCT, the media and the general public. The TUSF Administrator must be appropriately staffed to respond to such inquiries in a professional, consistent manner, and in accordance with PUCT directives. The TUSF Administrator may respond directly to inquiries from telecommunications providers and STAP vendors to assist them in paying into or receiving funds from the TUSF. The TUSF Administrator must refer all other requests from third parties to the PUCT.

iii. The TUSF Administrator will report monthly on debt collection activities as authorized by the PUCT.

iv. Undistributed fund monies must be invested in secure short-term instruments designed to minimize risk while providing maximum liquidity and return on investment. The TUSF Administrator must propose investment strategies to the PUCT annually or if secure, high

yield investment options come available and manage an investment plan approved by the PUCT. The TUSF Administrator must be staffed or sub-contract with one or more persons qualified to propose investment strategies and manage an investment plan.

v. The TUSF Administrator must perform incidental tasks necessary to support administration of the TUSF such as development and maintenance of mailing lists, development and maintenance of procedures manuals, reconciliation of mailing lists, maintenance, testing and upgrades of the computer system, establishment of budgets, schedules and cost tracking systems.

vi. From time to time, the TUSF Administrator will be involved in resolving disputes regarding assessments and disbursements. If the TUSF Administrator cannot resolve the dispute, the TUSF Administrator must refer the dispute to the commission.

vii. The TUSF Administrator will receive reports from Eligible Telecommunication Providers ("ETPs"), local exchange companies ("LECs"), and other entities eligible to receive disbursements. The TUSF Administrator must verify that all appropriate information has been provided by each ETP, LEC, and other entity eligible to receive disbursements, and must issue the disbursements within 45 days of the due date of the reports except as otherwise provided.

II. Program Information

The TUSF program is described in Chapter 56 of PURA and consists of the programs described below. Numbers of recipients and amounts of money involved with each program have been provided as estimates only and are not intended to bind the PUCT. The chosen contractor will be expected to administer programs despite variance in the number of recipients or amount of money involved. The PUCT will not be required to change the pricing amount or structure if numbers vary from the estimates.

a. Telecommunication Provider Programs

ETPs can claim money from the TUSF using Remittance and Support Worksheets ("RMT Forms") that provide information demonstrating eligibility for the various programs listed below. Those programs are:

i. **Texas High Cost Universal Service Plan (THCUSP)** (Approximately 19 recipients & $7 million per month.) PUCT Subst. R. 26.403. Under this program, the TUSF Administrator is required to calculate and disburse monthly support payments to ETPs qualified to receive funds under the THCUSP. The TUSF Administrator will receive monthly access line information from each ETP, including the total number of eligible lines

for which each ETP seeks THCUSP support. Additionally, the TUSF Administrator will receive reports from each ETP detailing the rates each ETP is charging for residential and single-line business customers under this section along with a calculation of each ETP's base support, as adjusted to take federal support into account. The TUSF Administrator will pay according to the following reported adjustments in the determination of the actual support payment each ETP may receive each month: access revenues adjustment (if necessary), decrease payment based upon Federal USF high cost support received. Finally, the TUSF Administrator will ensure that it receives an annual statement from each ETP that it is qualified to participate in the THCUSP before disbursing funds to the ETP;

ii. **Small and Rural Incumbent Local Exchange Company (ILEC) Universal Service Plan** (Approximately 61 Recipients & $6.8 million per month.) PUCT Subst. R. 26.404. The TUSF Administrator is responsible for computing and distributing monthly support payments to ETPs under the Small and Rural ILEC Universal Service Plan. The TUSF Administrator must calculate the monthly support amount for each ETP by multiplying the per-line amount established by the PUCT times the number of eligible lines for the month. The TUSF Administrator will receive a monthly report from the company detailing each ETP's number of eligible lines. Additionally, each ETP is required to provide the TUSF Administrator an annual certification from each ETP that it is qualified to participate in the Small and Rural ILEC Universal Service Plan and the TUSF Administrator must not disburse funds to the ETP until the TUSF Administrator receives the ETP's certification;

iii. **Implementation of the Public Utility Regulatory Act §56.025** (Approximately 5 Recipients and $190,000 per month.) PUCT Subst. R. 26.406. The TUSF Administrator will receive copies of PUCT final orders from ILECs awarded support under PURA § 56.025 indicating the amount of support granted to the ILEC under PUCT Sub. R. 26.406. The TUSF Administrator must disburse the support payments to the eligible ILECs;

iv. **Additional Financial Assistance** (There are no current recipients.) PUCT Subst. R. 26.408.The TUSF Administrator may receive copies of PUCT final orders from ILECs awarded additional financial assistance under this section. The order will indicate the amount of support granted to the ILEC under PUCT Sub. R. 26.408. The TUSF Administrator must disburse the support payments to eligible ILECs;

v. **Universal Service Fund Reimbursement for Certain IntraLATA Service** (Approximately12 Recipients and $24,000 per month), PUCT Subst. R. 26.410. The TUSF Administrator will receive proper backup

information from the company requesting reimbursement to calculate the proper support payments from non-electing chapter 58 companies;

vi. **Lifeline Service Program** (Approximately 85 recipient TSPs and $200k per month.) PUCT Subst. R. 26.412. The TUSF Administrator will receive information from each ETP related to its Lifeline programs. Each ETP will file a copy of its ETP designation with the TUSF Administrator indicating that its Lifeline program meets the requirements of this rule. Each ETP will report the total number of qualified low-income consumers provided Lifeline service each month. Lifeline Support is broken down in 4 categories, for which expenditures must be reported: Total Service Resale (TSR), Non-Total Service Resale (Non-TSR, Lifeline), Lifeline Service Agreement (LSA) and Small Rural Lifeline. The TUSF Administrator is responsible for disbursing support payments to eligible ETPs;

vii. **Service to Uncertificated Areas** (2 recipients and $17,000 a month) PURA §56.209. The TUSF Administrator will receive information from each eligible ETP establishing its eligibility for this program.

b. Telecommunications Relay Service (TRS) (1 recipient and approximately $400,000 per month), PUCT Subst. R. 26.414. The TUSF Administrator will receive invoices approved by the PUCT from the Relay Texas carrier and reimburse the Relay Texas carrier at rates, terms, and conditions established in the PUCT's contract with the carrier;

c. Specialized Telecommunications Assistance Program (STAP) (Approximately 400 recipients and $1 million per month), The TUSF Administrator will make disbursements to STAP vendors as processed and approved by the Department of Rehabilitative Services;

d. Audio Newspaper Assistance Program (1 recipient and $37,000 per month), PUCT Subst. R. 26.424. The TUSF Administrator will receive monthly invoices approved by the PUCT from the Audio Newspaper Assistance contractor and make payments to the Audio Newspaper contractor from the TUSF at rates, terms, and conditions established in the PUCT's contract with the carrier.

III. Reporting Functions

The following is a list of the reports the contractor will be required to provide with an explanation of each report. These reports must be provided to the PUCT contract administrator on a monthly basis unless otherwise noted. In addition to the reports listed below, the contractor will be required to provide ad hoc reports requested by the PUCT. The PUCT is entitled, but not required, to verify all reports by reviewing (as applicable) bank statements, detailed general ledger accounts, cash flow statements and back up, reports from the collection agency, letters to aging accounts, Data Month and Activity Month reports, RMT forms, or any other information

available. To facilitate this, all RMT forms must be processed in the month they are received.

a. Monthly Reports

i. Statement of Fund Performance – Describes information processed by the TUSF Administrator for the previous Activity Month by category. The report includes revenues, assessments for the current period, and disbursements listed by category as required by PUCT Substantive Rules and PURA. Information for all expenditure categories must be listed. In addition, fund balance tracking must be provided in the report.

ii. Aging – Complete history of accounts receivable aging by 30, 60, 90, 120, 150 and over 150 days.

iii. Collections Activity – Reporting of any collection activities that have occurred during the previous month through the collection agency.

iv. Bank Reconciliation – Consists of a schedule of investments, annualized yield, detailed general ledger transactions from contractor database by account, bank statements, and outstanding check list.

v. Cash Flow – A breakdown of cash analysis for fiscal year by month. This report includes actual cash activity for: receipts from contributors, payments by support program, cash from investments by market, and the ending cash and cash equivalents.

vi. Cash Flow with backup – A detailed summary of each category that is listed on the cash flow. Each category listed is broken down by tab and lists the company contributing or receiving funds.

vii. Data Month and Activity Month files – Reports providing every line item reported by each telecommunication company paying into or receiving funds from the TUSF each month; items included in the reports from the telecommunication companies to be reported in Data Month and Activity Month files:

1. Total taxable telecommunications receipts (reported under Chapter 151 of the Texas Tax Code,

2. Interstate telecommunications services receipts reported by each telecommunication service provider,

3. Intrastate telecommunications services receipts reported by each telecommunication service provider,

4. TUSF Assessments Payable by each telecommunication service provider,

5. High Cost Support Disbursements to eligible ETPs,

6. FUSF High Cost Support,
7. Small and Rural ILEC Support Disbursements to eligible ETPs,
8. Small and Rural ILEC Support Eligible Lines,
9. Small and Rural Lifeline Support
    a. Lifeline Count
    b. Lifeline Disbursements
    c. Additional Lifeline Count
    d. Additional Lifeline Amount
    e. Total Lifeline Disbursement ,
10. Non-TSR Lifeline Support Disbursements to eligible ETPs ,
11. Non-TSR Lifeline Counts ,
12. TSR Lifeline Support Disbursements to eligible RETPs,
13. TSR Lifeline Support Counts ,
14. TSR Lifeline Support Adjustment Amounts ,
15. Lifeline Settlement Agreement Disbursements by Territory
    a. Summary of total LSA Lifeline Support
    b. Summary of total LSA Lifeline Counts
    c. AT&T Territory –
        i. Total Count of Lifeline Customers Receiving Additional Lifeline and
        ii. Total Disbursements,
    d. Century Tel Central Territory –
        i. Total Count of Lifeline Customers Receiving Additional Lifeline and
        ii. Total Disbursements,
    e. Century Tel United Territory –
        i. Total Count of Lifeline Customers Receiving Additional Lifeline and
        ii. Total Disbursements,
    f. Frontier Territory –

i. Total Count of Lifeline Customers Receiving Additional Lifeline and

ii. Total Disbursements,

g. Windstream SW Territory

i. Total Count of Lifeline Customers Receiving Additional Lifeline and

ii. Total Disbursements,

h. Lifeline Total of all Territories Disbursements,

16. Tel-Assistance Support count and amount,

17. Implementation of the Public Utility Regulatory Act §56.025,

18. IntraLATA Amount Disbursement,

a. IntraLATA Hospital Disbursement,

b. IntraLATA School Disbursement,

c. IntraLATA Telemedicine Disbursement,

19. IntraLATA Count Summary,

a. IntraLATA Hospital Count,

b. IntraLATA School Count,

c. IntraLATA Telemedicine Count,

20. High Cost Uncertified areas amount,

21. FUSF Loss Recovery

22. Additional Financial Assistance amount,

23. Total Support

24. Net Remittance

25. Lines for which ETP seeks support.

viii. STAP Check Register – Listing of monthly processed STAP payments processed by the TUSF Administrator by vendor and voucher number.

ix. Disbursement Memo Copies for the Activity Month – A PDF file to include all disbursements made to agencies for the Activity Month.

x. General Ledger Trial Balance

xi. Payment Register – An Excel spreadsheet for all disbursements that were made out of the fund for the activity month broken down by category

(Support Payment, STAP Payment, Agency Payment, Refunds and Total Payment).

xii. Disbursement Reconciliation Report of Support – Comparison of Cash Flow and Activity Month Support Disbursements used to ensure reports reconcile.

xiii. Texas USF Interest Breakdown – Running report of interest income broken down by investment type and amount per month.

xiv. Statement letters –PDF file of Statements mailed to providers for outstanding or credit balances.

b. Quarterly Reports

i. Delinquent Filers – Listing of all participants that have not reported Form RMT-1 or RMT-2 worksheets to the TUSF Administrator. Report lists Company ID, Name and Address, Carrier Type, Last Reported date, and Delinquent months not reported.

ii. Transparency Reports – Quarterly listing of all cash flow information for the quarter as required for PUCT Project Number 39939

c. Ad Hoc Reports – TUSF Administrator must provide additional reports regarding the administration of the TUSF as requested by the PUCT contract administrator.

IV. Verification Tasks

a. Annual Support Verification – Provide Annual Support form to carriers that receive High Cost and Small and Rural Support to attest that they are still entitled to the support they are receiving.

b. Quarterly Database Scrubs

i. Compare PUCT database to TUSF Administrator's database to ensure that everyone who is required to report TUSF is doing so. Follow up to resolve any carrier listed in the database that did not report.

ii. Compare FCC database to TUSF Administrators database to ensure that everyone who is required to report did so. Follow up to resolve any carrier listed in the database that did not report.

c. Annual IntraLATA verification by circuit. Carriers to provide contact name, email and phone to verify that the circuits are still running.

V. Contractor Deadlines and Other Requirements

a. All reports are due to the PUCT by the 25th of the month following the reporting period. (For example, a monthly report on the Statement of Fund Performance for January, is due February 25.) All invoices are due to the PUCT by the 25th of the month following the month in which fees or costs are incurred. Invoices will not

be paid in full until both the invoice and all reports are received. If there are any reports outstanding at the time of invoice, 50% of contractor's monthly payment will be withheld until all reports due that month are received. Late reports are a breach of contract and may be addressed through the notice to cure and termination for cause provisions of the contract.

b. Eligible Telecommunication Providers that are due money from the TUSF, who have submitted RMT forms by the 25th of the month must be paid by the 10th of the following month. If the 10th falls on a weekend, the deadline is the last business day before the 10th. Contractor and the PUCT agree that failure by Contractor to meet the payment deadline would result in damages to the PUCT that are impossible to calculate in advance. Therefore, Contractor must pay $25,000 in liquidated damages to the PUCT per occurrence plus $1,000 for each additional day the payment is delayed.

c. Contractor must have an on-line system for entities to submit their RMT forms. The PUCT must have access to that system and have the ability perform research and run reports.

d. Contractor must pay all invoices presented to Contractor for payment from the TUSF and approved by the PUCT within 10 days of approval. Contractor and the PUCT agree that failure by Contractor to meet the payment deadline would result in damages to the PUCT that are impossible to calculate in advance. Therefore, Contractor must pay $10,000 in liquidated damages to the PUCT per occurrence plus $1,000 for each additional day the payment is delayed.

e. Contractor must open and maintain for the duration of the contract a bank account separate from any other account for the sole purpose of administering the TUSF.

f. Contractor must obtain and maintain a current $2,000,000 letter of credit or irrevocable letter of credit payable to the PUCT for the duration of the contract. Contractor must provide this letter of credit or irrevocable letter of credit to the PUCT at the time of contract signing.

g. Contractor must submit an investment policy to the PUCT by October 1 each year, and implement it upon approval by the PUCT contract administrator. If the PUCT's contract administrator does not approve the investment policy, Contractor must modify recommendations.

VI. Security Policy

a. Each proposal must describe the proposer's strategies for maintaining security of sensitive TUSF data in sufficient detail for the PUCT to evaluate their sufficiency, while not providing information in such detail as to compromise the program's or proposer's security, recognizing that proposals may be public information under the Texas Public Information Act.

b. Contractor must provide notice to PUCT's contract administrator and PUCT's Information Security Officer as soon as possible following Contractor's discovery or reasonable belief that there has been unauthorized use, exposure, access, disclosure, compromise, modification, or loss of sensitive or confidential information ("Security Incident").

c. Within twenty-four (24) hours of the discovery or reasonable belief of a Security Incident, Contractor must provide a written report to PUCT's Information Security Officer detailing the circumstances of the incident and actions taken. Contractor must comply with agency policies regarding building access and physical security as appropriate. Contractor must comply with the PUCT's Computer Services Security Policies if accessing PUCT computer resources. The PUCT will provide Contractor with such policies after the award has been made, if policies are deemed applicable to this contract.

d. Contractor acknowledges that no personally identifiable or private information collected will be used, sold or shared by the contractor for any purpose other than the intended purpose for collecting the information.

e. In the event of a security breach where names, mailing addresses, birthdates, social security numbers, credit card information or driver's license data are disclosed, Contractor must notify anyone affected by such a security breach. Failure to comply with security standards may lead to the suspension or termination of this contract.

VII. Transition

a. Contractor must be prepared to administer the TUSF programs beginning September 1, 2019.

b. At the end of the contract period contemplated by this RFP (September 1, 2019 through August 31, 2023), if a new contractor is chosen, Contractor must assist with the transition to a new contractor to ensure all program data and records are transferred.