

DRAFT STATEMENT OF REQUIREMENTS

ABOUT NTIA

The National Telecommunications and Information Administration (NTIA) in the United States Department of Commerce is the President's principal adviser on telecommunications and information policy issues, and in this role frequently works with other Executive Branch agencies to develop and present the Administration's position on these issues.

In addition to representing the Executive Branch in both domestic and international telecommunications and information policy activities, NTIA also manages the Federal use of spectrum; performs cutting-edge telecommunications research and engineering, including resolving technical telecommunications issues for the Federal government and private sector; and administers infrastructure and public telecommunications facilities grants.

More information on the Agency may be found at www.ntia.doc.gov.

LEGISLATION CREATING THE DIGITAL TO ANALOG CONVERTER BOX COUPON PROGRAM

The Deficit Reduction Act of 2005 (the Act) was signed by President Bush on February 8, 2006, and directs the Federal Communications Commission (FCC) to require full-power television stations to cease analog broadcasting by February 18, 2009 (see Attachment A). Recognizing that consumers may wish to continue receiving broadcast programming over the air using analog-only televisions not connected to cable or satellite service, the bill directs NTIA to create the Digital to Analog Converter Box Coupon Program (the Coupon Program). Specifically, section 3005 of the Act authorizes the Assistant Secretary for Communications and Information to “implement and administer a program through which households in the United States may obtain coupons that can be applied toward the purchase of digital-to-analog converter boxes.” Among other things, the Act requires NTIA to promulgate regulations to implement the Coupon Program. NTIA issued a Notice of Proposed Rulemaking (NPRM) which seeks public comment on a wide range of issues related to the Coupon Program. This Rulemaking will result in Final Rules for the operation of the Coupon Program which is the subject of this RFI.

Specific to this RFI, section 3005 of the Act directs NTIA to implement and administer a program through which eligible U.S. households may obtain two coupons of \$40 each to be applied towards the purchase of a digital-to-analog (DTA) converter box. The bill defines “converter box” to mean a stand-alone device used solely for digital-to-analog conversion. It does not define “eligible household.” The bill authorizes NTIA to use up to \$990 million from the Fund for the Coupon Program, including \$100 million for program administration. NTIA is also authorized to expend up to \$1.5 billion for the Coupon Program, including \$160 million for administration, upon a 60-day notice and certification to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate that the \$990 million is insufficient to fulfill coupon requests for eligible U.S. households. This section also authorizes NTIA, beginning on October 1, 2006, to

borrow not more than \$1.5 billion from the Treasury to implement the Coupon Program. NTIA, however, is required to reimburse the Treasury for this amount, without interest, as recovered analog television spectrum auction proceeds are deposited into the Fund.

OBJECTIVES OF DTA CONVERTER BOX COUPON PROGRAM

NTIA's goal is to fulfill the responsibilities assigned to it in Section 3005 of the Act by meeting the following objectives. As a result of the Coupon Program:

- Financial assistance for the purchase of a DTA converter box must be available to households relying on analog over the air (OTA) broadcasting who will lose service after the digital transition.
- Households relying on OTA and needing a \$40 subsidy to purchase a DTA converter box will have available consumer education explaining:
 - analog televisions can remain operational after the transition using the DTV converter box;
 - the government will help defray the cost of the box;
 - how to request this financial assistance;
 - which DTA boxes can be purchased with the subsidy;
 - where the boxes can be purchased; and
 - how to redeem coupons.
- Coupons will be available for household requests by January 1, 2008. The Coupon Program will ensure:
 - consumer requests are received and fulfilled in a timely manner;
 - consumer requests are verified for household eligibility; and
 - coupons and information on eligible boxes are sent timely through the US mail.
- Manufacturers will be aware of the specifications of eligible boxes so that an adequate number of eligible boxes are widely available for households to purchase with coupons before the transition date.
- Certified retailers will carry an adequate number of eligible DTA converter boxes that are widely available for households to purchase with coupons. Retailers must be aware of the Coupon Program as well as:
 - DTA converter boxes that are eligible for the subsidy;
 - how to accept coupons;
 - how to redeem coupons; and
 - the audit requirements for the Coupon Program.
- Retailers (including store management and sales staff and cashiers) will complete a certification program documenting their knowledge and ability to execute the above.

- Coupon operations will experience the minimum levels of waste, fraud and abuse (WFA) expected for the investment in security. To meet this objective:
 - the coupon design will minimize the occurrence of WFA;
 - household verification method will minimize the occurrence for WFA;
 - retailer certification will minimize the occurrence of WFA;
 - management information systems will provide daily tracking of coupon requests, distribution and redemption; and
 - audit functions will provide timely tracking and alerts to threats of WFA.

- Finally, there will be no adverse effects either actual or perceived to DOC/NTIA or the digital transition due to problems in coupon operations.

SCOPE OF WORK

The purpose of this contract is to provide assistance to the Government in implementing and administering the Coupon Program. Task Assignments will be generated by project/technical personnel and issued by the Contracting Officer (CO) to the Contractor for performance pursuant to the contract. Individual tasks will vary in scope and complexity. The most complex project assignments may require special expertise in a range of subject matters, facilities, and project management capabilities and encompass many of the functions described below.

The Contractor shall provide the necessary resources and support to meet the task requirements of the Statement of Work. Management efforts for these tasks and assignments shall be provided by the Contractor. Support shall include the appropriate planning and coordination necessary to staff and perform the activities selected, including developing solutions, making personnel assignments, tracking progress and preparing required reports. The Contractor shall be responsible for maintaining full technical coordination and interchange of information with NTIA tasks and project assignment leaders.

The Government also requires the Contractor to have the ability to support urgent, unforeseen project assignments directly related to this program. In such cases, the Contractor will be required to respond quickly, mobilizing an adequate workforce to initiate performance of the new assignment.

The Contractor will possess, or have access to, multi-disciplined professional expertise such that a multitude of project assignments can be performed simultaneously without compromise in technical quality.

NTIA would prefer to award a contract for end to end execution of the Coupon Program. End to end execution emphasizes NTIA's desire for an integrated solution that will encompass early planning activities, programming, project management, budget formulation, budget execution, performance reporting and analysis, and program closeout.

Potential contractors, however, may offer either to provide an end to end solution or bid separately on one or more of the components of the Coupon Program. As the Coupon Program

components require expertise across a variety of fields, NTIA also recommends that potential Contractors work together to form high quality teams to provide the best mix of resources to enable NTIA to operate the Coupon Program in a well-managed and timely manner.

OPERATING METHODS REQUIRED BY LEGISLATION

The Act mandates that certain methods be used to implement and administer the Coupon Program. Certain coupon systems, such as rebates and distributing coupons via the Internet, will not be possible in the Coupon Program. Potential offerors are required to provide information related to the methods required by the Act. Proposals to operate the Coupon Program in a manner inconsistent with the Act will be considered unresponsive.

TIME LINE AND SCHEDULES REQUIRED BY LEGISLATION

The Act requires that television stations cease analog broadcasts and only transmit digital signals beginning on February 18, 2009. The time limits prescribed in legislation are designed to ensure that households have converters in place and operational before that date. Potential bidders are required to submit proposals consistent with the time limits specified in the Act. Proposals that do not meet the time limits specified in the Act will be considered unresponsive.

To assist in preparing proposals, the following is a list of time limits and deadlines required in the Act:

- the Coupon Program may begin no earlier than October 1, 2006;
- consumers may request coupons beginning in January 2008;
- television stations must begin digital only broadcasts on February 18, 2009, and analog sets relying on broadcast signals will not work on band after this date;
- March 31, 2009, is the last day for requesting coupons;
- coupons are only good for three months after they have been issued; and
- the Coupon Program may operate only through Fiscal Year 2009.

Complete information about many aspects of the Coupon Program's operations will be determined through the Notice of Proposed Rulemaking which was issued by NTIA on July 25, 2006 (see Attachment B). Potential contractors must consider the issues raised in the NPRM in preparing their response to the RFI. For example, the definition of eligible households will be determined via rulemaking. This definition will affect what information a household must supply on their application/request for a coupon and the systems that must be in place in order to verify the eligibility of a coupon request. As another example, the rulemaking will identify the specifications of the converter boxes eligible for subsidy which will determine the exact model of boxes that can be purchased with a coupon. This information will be needed to prepare educational materials for the consumer education program, retailer certification and other communication media related to the Coupon Program.

NTIA requests that bidders recognize that many task requirements such as those mentioned above will be identified when the Final Rules are published. Nevertheless, we ask that bidders

provide the best estimates of the rough order of magnitude for various tasks. We also ask that bidders provide comparative information for options that might be available to implement the Coupon Program. For example, the actual coupon might be paper, a plastic card or some other medium. NTIA is interested in determining the comparative costs of different solutions that could be used to implement and administer the Coupon Program and its component activities.

NTIA also realizes that costs will differ depending on the level of security and avoidance of WFA inherent in proposed methods of producing, distributing and redeeming coupons. NTIA, therefore, is interested in learning about what options exist for implementing the elements of the Coupon Program and rough order of magnitude estimates comparing available options.

The General Accounting Office (GAO) studied a wide range of issues related to the creation of a program to subsidize DTA converter boxes. The studies contain extensive background information about eligibility criteria, coupon distribution, and security issues. The reports are appended for potential contractors to reference in preparing responses (see Attachments C through G).

PLANNED ACQUISITION APPROACH

NTIA has not yet determined the specific approach to acquiring the services needed to execute the Coupon Program. NTIA anticipates that the acquisition will be a mixture of performance based and fixed price services with variable prices for services where the level of effort is related to the actual number of coupons requested and redeemed. Also, NTIA anticipates that, as a part of the project approach, all project deliverables will be reviewed by an independent verification and validation contractor.

QUALIFICATIONS TO PERFORM PROGRAM ACTIVITIES

NTIA is requesting information on the responder's capability to provide total end to end execution of the Coupon Program. This would include qualifications to conduct a public information campaign, develop and operate coupon distribution and redemption systems, as well as to develop and operate a retailer education and certification program. While NTIA would prefer to acquire an end to end solution we are also interested in responder's capable of providing one or more of the major components of the Coupon Program. NTIA expects responders to identify their best practices for implementing the Coupon Program within the features of the Coupon Program prescribed in legislation.

The following are examples of the activities. Responders should not limit their best practices to these activities. Qualifications not related to these activities, but to others that the Responder believes to be related to successful execution of the Coupon Program should be provided.

NTIA is particularly interested in a responders ability to operate the Coupon Program in a manner that minimizes waste, fraud, and abuse.

LIST OF ACTIVITIES FOR THE COUPON PROGRAM

NTIA expects the following activities to be associated with the Digital to Analog Converter Box Program:

Coupon Distribution

- Design the coupon and related materials such as instructions for redeeming coupons and description of eligible boxes for mailing to eligible households.
- Develop and operate system and facilities for intake of consumer requests for coupons.
- Develop and operate system to screen for duplicate requests.
- Develop and operate system to track coupons distributed and redeemed.
- Maintain records as required for audit.
- Provide security throughout all systems to minimize opportunities for waste, fraud and abuse.

Coupon Redemption

- Develop and operate systems for retailers to accept and redeem coupons.
- Validate, accept, reject and settle disputes related to coupon redemption.
- Develop and operate system to track coupons distributed and redeemed.
- Maintain records as required for audit.
- Provide security throughout all systems to minimize opportunities for waste, fraud and abuse.

Retailer Certification

- Develop and operate a program to educate retailers about the Coupon Program.
- Develop and operate a system to certify retailers as eligible to participate in the program.
- Develop and operate a system to inform consumers of eligible retailers.
- Develop and operate a system to assure that only certified retailers can redeem coupons.
- Provide security throughout all systems to minimize opportunities for waste, fraud and abuse.

Consumer Education

- Facilitate participation of interested stakeholders/partners in a campaign to educate consumers about the Coupon Program.
- Facilitate the development of consistent messages and information to be distributed by all interested stakeholders/partners.
- Where appropriate produce materials in a wide variety of media to be used in the consumer education campaign.

RESPONSE CONTENT

NTIA is issuing this RFI to determine the extent to which the vendor community can provide services and solutions to implement and administer the Coupon Program. NTIA requires two

types of information: information that will substantiate the capability of industry to provide services and solutions necessary to implement and administer the Coupon Program, and a rough order of magnitude (ROM) cost information to assist NTIA with budgeting for and planning the acquisition.

In their responses to the RFI, responders should provide separate sections that comment on NTIA's proposed project objectives and time frames, corporate capability and approach, proposed commercial, off-the-shelf (COTS) products and solutions, past performance on similar work, and rough order of magnitude for cost estimates associated with the Coupon Program's activities.

The following subsections discuss the format and content in more detail.

SECTION 1----COMMENTS ON PROJECT OBJECTIVES AND TIME FRAME

Responders are requested to comment on their ability to achieve NTIA's business requirements for the Program, their approach for implementing and administering the Coupon Program, and their target dates and deadlines for the Coupon Program. Responders should provide information based on their experience and knowledge of the activities, services and solutions in similar projects. Responders also should comment on possible risks associated with implementation of each component of the Coupon Program and suggest mitigation techniques. NTIA is especially interested in the mitigation of WFA in all components of the Coupon Program.

SECTION 2-----CORPORATE CAPABILITY AND APPROACH

Responders should describe their corporate capability to serve as an end to end provider for this Program or their capability to provide one or more of the individual segments of the Coupon Program. Responders should describe their established approaches for accomplishing projects similar to each of the components of the Coupon Program. Responders should describe their approach to fielding a cohesive team with combined experience needed to deliver a successful Program.

Responders proposing to provide service only for one or more program components should describe their established approaches for accomplishing projects related to these components as well as their approach to fielding a cohesive team with combined experience needed to deliver the component(s).

Corporate capability descriptions should emphasize the responder's ability to conduct the Coupon Program activities identified under the above "List of Activities for the Coupon Program" as well as any other activities that would assist NTIA with planning for and acquiring the services needed to implement and administer the Coupon Program.

SECTION 3-----PROPOSED COTS PRODUCTS AND SOLUTIONS

Responders are requested to identify available commercial, off-the-shelf products and solutions that can be utilized in the execution of the Coupon Program in sufficient detail to identify product capability and limitations.

SECTION 4-----PAST PERFORMANCE

Responders are asked to provide information about their approach and experience for implementing projects comparable in nature, size, scope, and complexity to the Coupon Program. They should also provide information about post-implementation maintenance and operations support requirements issues and approaches. Respondents should provide a description of the project, the contract number, the dollar value of the contract, the sponsoring agency/organization and a contact name and phone number.

By obtaining information on past projects, NTIA expects to evaluate the feasibility of its approach and schedule and to use the lessons learned in other projects to refine its approach and develop mitigation strategies to reduce schedule, cost and performance risks.

SECTION 5—ROUGH ORDER OF MAGNITUDE COST ESTIMATES

Cost information is needed to assist NTIA with preparing a realistic project schedule and budget to support the Coupon Program and eventual acquisitions.

INSTRUCTIONS TO RESPONDERS

All information provided in response to this RFI will become the property of the U.S. Government and will not be returned.

The U.S. Government does not intend to award a contract on the basis of the RFI or to otherwise pay for the information solicited. Your response will be treated as information only.

NOTICE OF INTEREST

NOAA/NTIA will maintain a list of all private-sector organizations that are interested in possibly supplying the end-to-end solution or any major component of the Coupon Program. Companies are encouraged to register their interest by providing the following information to

Teyonna.T.Queen@noaa.gov:

- Company name
- Point of contact (name, telephone number, and e-mail address)

DIRECTIONS TO SITE FOR INDUSTRY DAY

NTIA will hold an “Industry Day” at 10AM on August 11, 2006, at the NOAA Auditorium at 1305 East West Highway, Silver Spring, Maryland 20910. Contact Catherine Holland for more details and directions.

RFI QUESTIONS

Questions about this RFI should be e-mailed to Catherine.Holland@noaa.gov as text in the email message (not as an attachment). Questions must be clearly stated with references to the appropriate RFI text, where appropriate, and with examples, where helpful to amplify the question. Companies are encouraged to submit preliminary questions by 5P.M., August 8, 2006, so they can be addressed at the Industry Day meeting. The identification of the source of the questions will be removed from responses.

RFI RESPONSE PREPARATION AND SUBMISSION

Response to the RFI must be submitted to NOAA, Acquisition and Grants Office, Attn: Catherine Holland, 1335 East West Highway, Suite 6300, Silver Spring, MD 20910 by 5:00 pm on September 15, 2006. Three printed copies and a CD containing an electronic copy of all response files are to be provided.

Electronic versions of response must be submitted in Microsoft Word 97 or later version or Excel, as appropriate.

No limits are placed on the number of pages, but NOAA/NTIA expects clear and concise responses that address the specific questions and requests in each section.

RFI REVIEW

NOAA/NTIA will protect and safeguard against inappropriate disclosure, information marked as proprietary.

NTIA is planning to use the services of a support contractor to assist NTIA with reviewing submitted responses. Responders will be advised at the Industry Day of the name of that contractor.

COVER LETTER

The cover letter must contain the following information:

- company name;
- company point of contact: name title, address, telephone number, fax number, e-mail address;
- date submitted;
- available contract vehicles, such as General Services Administration schedules; and
- business size/status, for example, large business, small business, certified 8(a), veteran owned, HUBZone, or women owned.

ATTACHMENTS

- A Deficit Reduction Act/Digital Television Transition and Public Safety Act of 2005
www.ntia.doc.gov/otiahome/dtv/S1932_titleIII.pdf

- B Notice of Proposed Rulemaking (7/25/2006)
www.ntia.doc.gov/ntiahome/frnotices/2006/couponprogram_nprm_07202006.htm
- C GAO Letter to Congress on Digital Television Transition: Questions on Administrative Costs of an Equipment Subsidy Program (6/20/2005)
www.gao.gov/new.items/d05837r.pdf
- D GAO Letter to Congress on Digital Television Transition: Issues Related to an Information Campaign Regarding the Transition
www.gao.gov/new.items/d05940r.pdf
- E GAO May 26, 2006, Testimony—Digital Broadcast Television Transition: Several Challenges Could Arise in Administering a Subsidy Program for DTV Equipment
www.gao.gov/new.items/d05623t.pdf
- F GAO February 17, 2005, Testimony—Digital Broadcast Television Transition: Estimated Cost of Supporting Set-Top Boxes to Help Advance the DTV Transition
www.gao.gov/new.items/d05258t.pdf
- G GAO July 21, 2004, Testimony—Telecommunications: German DTV Transition Differs from U.S. Transition in Many Respects, but Certain Key Challenges Are Similar
www.gao.gov/new.items/d04926t.pdf