

**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF THE TREASURY**

INVITATION FOR BIDS

for

**AVIATION HULL & LIABILITY INSURANCE AND LOSS CONTROL
SERVICES**

IFB # RM 08-011

**J. Braxton Powell
Treasurer of Virginia**

**Kelley S. Denton, VCO
Procurement Officer**

May 5, 2008

NOTE: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, §2.2-4343.1 or against an offeror because of race, religion, color, sex, national origin, age disability, or any other basis prohibited by state law relating to discrimination in employment.

INVITATION FOR BIDS: IFB # RM 08-011

Issue Date: May 5, 2008
Title: Aviation Hull And Liability Insurance And Loss Control Services
Issuing Agency: Attn: Kelley S. Denton, VCO, Buyer
Commonwealth of Virginia
Department of the Treasury
P.O. Box 1879
Richmond, Virginia 23218-1879

Using Agency: Commonwealth of Virginia
Division of Risk Management

Period of Contract/Agreement:

From July 1, 2008 (12:01 a.m. EST) – July 1, 2012 (12:01 a.m. EST), with an option to extend the period for one (1) successive one-year period in accordance with the terms and conditions herein.

Bids Due & Opened: Sealed bids will be received until 1:00 p.m. (EST) on Friday, May 30, 2008, and then opened in public. Bidder's names shall be publicly read aloud.

Inquiries: Any questions regarding this Invitation for Bid shall be addressed to Kelley Denton at (804) 786-4741. The issuing office shall determine whether any addendum should be issued as a result of any questions.

If Bids are Mailed: Send directly to the Issuing Agency shown above, adding one line to the top of the address as follows: IFB for Aviation Hull And Liability Insurance And Loss Control Services, IFB # RM 08-011.

If Bids are Hand Delivered: Deliver to IFB for Aviation Hull And Liability Insurance And Loss Control Services, IFB# RM 08-011, Attn: Kelley S. Denton, VCO, Buyer, Commonwealth of Virginia, Department of the Treasury, James Monroe Building, 3rd Floor, 101 North 14th Street, Richmond, Virginia, 23219.

In compliance with this Invitation For Bids and subject to all the conditions imposed herein and hereby incorporated by reference, the undersigned Bidder agrees to furnish Aviation Hull and Liability Insurance and Loss Control Services at the rates indicated in Section VII, *Pricing Schedule*.

(4) COPIES OF THIS IFB WITH ORIGINAL SIGNATURES MUST BE RETURNED.

Bidder's Name:	By (Signature in Ink):
Complete Address:	Name (please print) and Title:
	Date:
City/State/Zip:	Federal Identification Number:
Telephone Number:	Facsimile Number:

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selection and training needs; flight operations; selection and use of equipment; and maintenance activities.

7. Within 30 days and no later than August 31, 2008, of the start of the contract, the Contractor shall present to the Division of Risk Management a plan and schedule of loss control services, including inspections. Such activities shall commence by the end of the first six months of the contract date, with inspections beginning within 30 days of the second year anniversary.
8. Following each scheduled or non-scheduled loss control activity or inspection, the Contractor shall provide an electronic and written report and pictures of the activity to Division of Risk Management within 30 days.
9. At the end of each year of the contract, the Contractor shall provide a written summary or loss control activities and inspections conducted. This shall be presented within 30 days of the end of the contract period.
10. The Contractor shall provide a binder within 30 days of award of this contract. The binder shall outline coverages, including limits and deductibles. The Contractor shall submit the original copy of the policy no later than 45 days after award of the contract. Copies of subsequent endorsements shall be provided within 30 working days of approval of the endorsements.

B. AIRCRAFT UTILIZATION INFORMATION: The aircraft listed in Attachment B are used as follows:

1. Department of Military Affairs: National Guard training and administrative support. The aircraft are flown less than fifteen days annually while under Commonwealth control. The balance of the year they are under federal jurisdiction.
2. Virginia Polytechnic Institute and State University: Industrial aid and pilot training.
3. University of Virginia: Industrial aid and emergency medical services.
4. Commission of Game and Inland Fisheries: Law enforcement.
5. Marine Resources Commission: Law enforcement.
6. Virginia Institute of Marine Science: Marine research.
7. Department of State Police: Law enforcement, emergency medical services and industrial aid.
8. Department of Aviation: Industrial aid.

9. Department of Forestry: Fire patrol and industrial aid.
- C. POLICY INFORMATION:** Attachment C lists losses since July 1, 1990. Copies of current policies are available for review at TRS/DRM 101 North 14th Street, 6th Floor, Richmond, VA 23219 from 8:30 a.m. to 5:00 p.m., Monday through Friday (EST).
- D. ALLOCATION OF PREMIUM:** Upon award of the contract and annually no later than May 15 thereafter, the Contractor shall furnish TRS/DRM a recommended plan for allocation of the premium among the different exposures. This allocation shall be expressed in whole dollars and a percentage of the overall policy premium to be charged each aircraft and each state agency.
- E. PERIODIC REVIEWS:** The Contractor shall meet with TRS/DRM upon delivery of the policy and no less than 90 days prior to each anniversary of the contract date. The purpose of this meeting is to review exposures, losses, premiums, loss control activity, insurance market conditions and other issues to ensure adequacy of coverage. Meetings with individual state agencies will be scheduled as appropriate.
- F. CLAIM REPORTING REQUIREMENTS:** Loss run reports shall be submitted to TRS/DRM with the May premium allocation and in November of each contract year and/or as requested by Commonwealth. Separate reports for liability claims with reserves exceeding \$25,000 or hull damage claims of \$10,000 shall be presented as they occur and shall be included in the May and November reports. Reports shall include the agency name and aircraft involved, date of loss, reserve and paid amounts, a brief description of the claim and other pertinent information. Loss reports shall continue to be submitted until all claims are closed, regardless of the status of this contract.
- G. LOSS CONTROL:** Loss control inspections or surveys shall be coordinated with TRS/DRM. An initial and exit briefing shall be conducted with the designated representative of the state agency. All copies of the resulting report with pictures shall be forwarded to TRS/DRM within 30 days of the inspection or survey.
- H. QUALIFICATIONS:** The Contractor and Principal serving as contact for the Contractor shall have a minimum of 10 years experience in providing aviation hull and liability insurance.

SECTION III: THERE IS NO PRE BID CONFERENCE FOR THIS INVITATION FOR BID

SECTION IV: GENERAL TERMS AND CONDITIONS

- A. VENDORS MANUAL:** This solicitation is subject to the provisions of the Commonwealth of

Virginia *Vendors Manual* and any changes or revisions thereto, which are hereby incorporated into this contract in their entirety. The procedure for filing contractual claims is in section 7.19 of the *Vendors Manual*. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at www.dgs.state.va.us/dps under "Manuals."

- B. APPLICABLE LAWS AND COURTS:** This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The agency and the contractor are encouraged to resolve any issues in controversy arising from the award of the contract or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (*Code of Virginia*, § 2.2-4366). ADR procedures are described in Chapter 9 of the *Vendors Manual*. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.
- C. ANTI-DISCRIMINATION:** By submitting their proposals, offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the *Virginia Public Procurement Act (VPPA)*. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia*, § 2.2-4343.1E).

In every contract over \$10,000 the provisions in 1. and 2. below apply:

1. During the performance of this contract, the contractor agrees as follows:
 - a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
 - c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.
 2. The contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.
- D. ETHICS IN PUBLIC CONTRACTING:** By submitting their bids, bidders certify that their bids are made without collusion or fraud and that they have not offered or received any kickbacks or

inducements from any other bidder, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

E. IMMIGRATION REFORM AND CONTROL ACT OF 1986: By submitting their bids, bidders certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.

F. DEBARMENT STATUS: By submitting their bids, bidders certify that they are not currently debarred by the Commonwealth of Virginia from submitting bids or proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

G. ANTITRUST: By entering into a contract, the contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.

H. MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS FOR IFBs:

Failure to submit a bid on the official state form provided for that purpose shall be a cause for rejection of the bid. Modification of or additions to any portion of the Invitation for Bids may be cause for rejection of the bid; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a bid as nonresponsive. As a precondition to its acceptance, the Commonwealth may, in its sole discretion, request that the bidder withdraw or modify nonresponsive portions of a bid which do not affect quality, quantity, price, or delivery. No modification of or addition to the provisions of the contract shall be effective unless reduced to writing and signed by the parties.

I. CLARIFICATION OF TERMS: If any prospective bidder has questions about the specifications or other solicitation documents, the prospective bidder should contact the buyer whose name appears on the face of the solicitation no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the buyer.

J. PAYMENT:

1. To Prime Contractor:

- a. Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
- b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect

offers of discounts for payment in less than 30 days, however.

- c. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which public agency is being billed.
- d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
- e. **Unreasonable Charges.** Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (*Code of Virginia*, § 2.2-4363).

2. To Subcontractors:

- a. A contractor awarded a contract under this solicitation is hereby obligated:
 - (1) To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
 - (2) To notify the agency and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason.
- b. The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.

- 3. Each prime contractor who wins an award in which provision of a SWAM procurement plan is a condition to the award, shall deliver to the contracting agency or institution, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the SWAM procurement plan. Final payment under the contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other

appropriate penalties may be assessed in lieu of withholding such payment.

- K. PRECEDENCE OF TERMS:** The following General Terms and Conditions *VENDORS MANUAL*, *APPLICABLE LAWS AND COURTS*, *ANTI-DISCRIMINATION*, *ETHICS IN PUBLIC CONTRACTING*, *IMMIGRATION REFORM AND CONTROL ACT OF 1986*, *DEBARMENT STATUS*, *ANTITRUST*, *MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS*, *CLARIFICATION OF TERMS*, *PAYMENT* shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.
- L. QUALIFICATIONS OF BIDDERS:** The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the bidder to perform the services/furnish the goods and the bidder shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect bidders's physical facilities prior to award to satisfy questions regarding the bidders's capabilities. The Commonwealth further reserves the right to reject any bid if the evidence submitted by, or investigations of, such bidder fails to satisfy the Commonwealth that such bidder is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.
- M. TESTING AND INSPECTION:** The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.
- N. ASSIGNMENT OF CONTRACT:** A contract shall not be assignable by the contractor in whole or in part without the written consent of the Commonwealth.
- O. CHANGES TO THE CONTRACT:** Changes can be made to the contract in any of the following ways:
1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
 2. The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt. The contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the following methods:
 - a. By mutual agreement between the parties in writing; or
 - b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to the Purchasing Agency's right to audit the contractor's records and/or to determine the correct number of units independently; or

- c. By ordering the contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The contractor shall present the Purchasing Agency with all vouchers and records of expenses incurred and savings realized. The Purchasing Agency shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Purchasing Agency within thirty (30) days from the date of receipt of the written order from the Purchasing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia *Vendors Manual*. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the contractor from promptly complying with the changes ordered by the Purchasing Agency or with the performance of the contract generally.

P. DEFAULT: In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.

Q. OMITTED

R. OMITTED

S. OMITTED

T. INSURANCE: By signing and submitting a proposal under this solicitation, the bidder certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. The bidder further certifies that the contractor and any subcontractors will maintain these insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS:

1. Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the *Code of Virginia* during the course of the contract shall be in noncompliance with the contract.
2. Employer's Liability - \$100,000.
3. Commercial General Liability - \$1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and

completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.

4. Automobile Liability - \$1,000,000 per occurrence. (Only used if motor vehicle is to be used in the contract.)

U. ANNOUNCEMENT OF AWARD: Upon the award or the announcement of the decision to award a contract over \$50,000, as a result of this solicitation, the purchasing agency will publicly post such notice on the DGS/DPS eVA web site (www.eva.virginia.gov) for a minimum of 10 days.

V. DRUG-FREE WORKPLACE: During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, “*drug-free workplace*” means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

W. NONDISCRIMINATION OF CONTRACTORS: A bidder, offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or offeror employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

X. eVA Business-To-Government Vendor Registration: The eVA Internet electronic procurement solution, website portal www.eVA.virginia.gov, streamlines and automates government purchasing activities in the Commonwealth. The eVA portal is the gateway for vendors to conduct business with state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution either through the eVA Basic Vendor Registration Service or eVA Premium Vendor Registration Service. All bidders or offerors must register in eVA; failure to register will result in the bid/proposal being rejected.

- a. eVA Basic Vendor Registration Service: \$25 Annual Registration Fee plus the appropriate order Transaction Fee specified below. eVA Basic Vendor Registration Service includes

electronic order receipt, vendor catalog posting, on-line registration, electronic bidding, and the ability to research historical procurement data available in the eVA purchase transaction data warehouse.

- b. VA Premium Vendor Registration Service: \$25 Annual Registration Fee plus the appropriate order Transaction Fee specified below. eVA Premium Vendor Registration Service includes all benefits of the eVA Basic Vendor Registration Service plus automatic email or fax notification of solicitations and amendments.
- c. For orders issued prior to August 16, 2006, the Vendor Transaction Fee is 1%, capped at a maximum of \$500 per order.
- d. For orders issued August 16, 2006 and after, the Vendor Transaction Fee is:
 - (i) DMBE-certified Small Businesses: 1%, capped at \$500 per order.
 - (ii) Businesses that are not DMBE-certified Small Businesses: 1%, capped at \$1,500 per order.

Y. AVAILABILITY OF FUNDS: It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

SECTION V: SPECIAL TERMS AND CONDITIONS

- A. **AUDIT:** The Contractor hereby agrees to retain all books, records, and other documents relative to the contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The agency, its authorized agents, and/or State auditors shall have full access to and the right to examine any of said materials during said period.
- B. **CANCELLATION OF CONTRACT:** The Commonwealth reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 60 days written notice to the Contractor. Any contract cancellation notice shall not relieve the Contractor of the obligation to perform on all outstanding transactions entered into prior to the effective date of cancellation.
- C. **BID ACCEPTANCE PERIOD:** Any bid in response to this solicitation shall be binding upon the Bidder for thirty (30) working days following the bid opening date. Any bid on which the Bidder shortens the acceptance period may be rejected. At the end of the thirty days the bid may be withdrawn at the written request of the Bidder. If the bid is not withdrawn at that time it remains in effect until an award is made or the solicitation is canceled.
- D. **BID EVALUATION AND AWARD PROCEDURE:** Awards will be made to the responsive and responsible Bidder(s) whose bid results in the lowest cost to the Commonwealth for Aviation Hull and Liability Insurance and Loss Control Services.
- E. **RENEWAL OF CONTRACT:** This contract may be renewed upon mutual written agreement between the Commonwealth and the Contractor for one (1) successive one-year period. Price increases may be negotiated only at the time of renewal. The price may be adjusted for each

additional renewal period by written request. Any determination to extend the contract shall be made in writing prior to the end of the contract period based upon the terms and conditions of the original contract.

- F. **SUBCONTRACTS:** No portion of the work shall be subcontracted without prior written consent of the purchasing agency. Subcontracts shall be bound by the same terms and conditions as a contract with a Contractor.
- G. **OWNERSHIP OF MATERIAL:** Ownership of all data, material and documentation originated and prepared for the Commonwealth pursuant to the IFB shall belong exclusively to the Commonwealth. Bid records are subject to inspection in accordance with the Virginia Public Procurement Act and the Virginia Freedom of Information Act. **Trade secrets or proprietary information submitted by a Bidder shall not be subject to public disclosure under the Virginia Freedom of Information Act, provided the Bidder invokes the protection of Section 11-52(D) of the Code of Virginia prior to or upon submission of the data or other materials, and must identify the specific data or other materials to be protected and state the reasons why protection is necessary.**
- H. **RIGHT TO REJECT BIDS AND WAIVE INFORMALITIES:** The Commonwealth reserves the right to reject any or all bids. The Commonwealth also reserves the right to waive any informality. Incomplete bids may be the basis for rejection.
- I. **RESPONSIBLE BIDDER:** The Bidder must, in the reasonable judgment of the Commonwealth:
1. Possess the ability, capacity and skill to perform its obligations under the contract,
 2. Possess the appropriate character, integrity, reputation, judgment and experience, and;
 3. Possess sufficient financial resources to perform its obligations under the contract.

The Contractor shall provide the Commonwealth such information and certificates, as the Commonwealth shall deem sufficient to establish compliance with the above-enumerated conditions.

- J. **IDENTIFICATION OF BID ENVELOPE:** Each Bidder must submit four (4) original signed Invitations For Bid (which consist of this complete document, including the Bid Forms, and all attachments) and required affidavits and certificates, if any, in a **SEALED** envelope. The name and address of the Bidder must be marked on the outside of the envelope, and the envelope must be clearly marked as "IFB for Aviation Hull and Liability Insurance and Loss Control Services." Late bids will be returned unopened.

IF BIDS ARE SENT U.S. POSTAL SERVICE REGULAR MAIL, SEND TO:

IFB for Aviation Hull and Liability Insurance and Loss Control Services, IFB RM # 08-011
Department of the Treasury
P.O. Box 1879
Richmond, VA 23218-1879
Attention: Kelley S. Denton, VCO

IF HAND DELIVERED OR VIA ANY COURIER SERVICE INCLUDING U.S. POSTAL

SERVICE "EXPRESS MAIL", DELIVER TO:

IFB for Aviation Hull and Liability Insurance and Loss Control Services, IFB RM # **08-011**
Department of the Treasury
101 North 14th Street, 3rd Floor
Richmond, VA 23219
Attention: Kelley S. Denton, VCO

If a bid is mailed, the Bidder takes the risk that the envelope, even if marked as described above, may be inadvertently opened and the information compromised which may cause the bid to be disqualified. Bids may be hand delivered to the designated location in the office issuing the solicitation.

The Commonwealth will publicly open all bids received on May 30, 2008.

- K. AWARD TO OTHER THAN THE LOWEST PRICED BIDDER(S):** An award(s) will be made to the lowest responsive and responsible bidder(s) however; the award may be made to a reasonably priced DMBE-certified small business bidder(s) that is other than the lowest priced bidder(s). Evaluation will be based on net prices. Unit prices, extensions and grand total must be shown. In case of arithmetic errors, the unit price will govern. If cash discount for prompt payment is offered, it must be clearly shown in the space provided. Discounts for prompt payment will not be considered in making awards. The right is reserved to make a separate award of each item, a group of items or all items, and to make an award either in whole or in part, whichever is deemed in the best interest of the Commonwealth. The State reserves the right to reject any and all bids in whole or in part, to waive any informality, and to delete items prior to making an award.

L. SMALL BUSINESS SUBCONTRACTING AND EVIDENCE OF COMPLIANCE:

1. It is the goal of the Commonwealth that 40% of its purchases be made from small businesses. This includes discretionary spending in prime contracts and subcontracts. All potential bidders/offerors are required to submit a Small Business Subcontracting Plan. Unless the bidder/offeror is registered as a DMBE-certified small business and where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the contractor is encouraged to offer such subcontracting opportunities to DMBE-certified small businesses. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received DMBE small business certification. No bidder/offeror or subcontractor shall be considered a Small Business, a Women-Owned Business or a Minority-Owned Business unless certified as such by the Department of Minority Business Enterprise (DMBE) by the due date for receipt of bids or proposals. If small business subcontractors are used, the prime contractor agrees to report the use of small business subcontractors by providing the purchasing office at a minimum the following information: name of small business with the DMBE certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product/service provided.
2. Each prime contractor who wins an award in which provision of a small business subcontracting plan is a condition of the award, shall deliver to the contracting agency or institution on a quarterly basis, evidence of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the small business subcontracting plan. When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the purchasing office at a minimum the following information:

name of firm with the DMBE certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product or service provided. Payment(s) may be withheld until compliance with the plan is received and confirmed by the agency or institution. The agency or institution reserves the right to pursue other appropriate remedies to include, but not be limited to, termination for default.

3. Each prime contractor who wins an award valued over \$200,000 shall deliver to the contracting agency or institution on a yearly basis, information on use of subcontractors that are not DMBE-certified small businesses. When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the purchasing office at a minimum the following information: name of firm, phone number, total dollar amount subcontracted, and type of product or service provided.

M. **PREMIUM ADJUSTMENTS:** Premium adjustments shall be based on the Commonwealth of Virginia loss experience, changes in aircraft valuation, additions or deletions of aircraft, changes in aircraft use, changes in coverage or insurance market. Yearly premium adjustments must be approved by TRS/DRM no less than 90 days in advance of the anniversary of the contract or contract renewal date. Premium adjustments for changes in aircraft valuation or for addition/deletion of aircraft will be effective on the date of the change order. All other adjustments will be on the anniversary date or contract renewal date.

N. **INDEMNIFICATION:** Contractor agrees to indemnify, defend and hold harmless the Commonwealth of Virginia, its officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, arising from or caused by the use of any materials, goods, or equipment of any kind or nature furnished by the Contractor/any services of any kind or nature furnished by the Contractor, provided that such liability is not attributable to the sole negligence of the using agency or to failure of the using agency to use the materials, goods, equipment in the manner already and permanently described by the Contractor on the materials, goods or equipment delivered.

SECTION VI: METHOD OF PAYMENT

The standard form of payment utilized by the Commonwealth is by Electronic Data Interchange (EDI) (See Attachment D for description). Unless a different method is agreed upon through negotiations, the contractor must complete the EDI agreements required by the Department of Accounts.

SECTION VII: PRICING SCHEDULE

The Bidder agrees to provide Aviation Hull and Liability Insurance and Loss Control Services for the initial period of one (1) year with renewals, and any fees associated with the services procured under this Invitation For Bids, in compliance with all terms and conditions of this Invitation for Bids at the firm premium of: \$ _____, by indicating a separate attachment of allocation per agency per aircraft as shown in Attachment B, Schedule of Aircraft.

SECTION VIII: ATTACHMENTS

ATTACHMENT A	Form of Commonwealth of Virginia Contract
ATTACHMENT B	Schedule of Aircraft
ATTACHMENT C	Loss History
ATTACHMENT D	Electronic Data Interchange (EDI)
ATTACHMENT E	Bidder's Report on Small, Women-Owned, and Minority Owned Businesses
ATTACHMENT F	Bidder Data Sheet

**ATTACHMENT A
COMMONWEALTH OF VIRGINIA CONTRACT
DEPARTMENT OF THE TREASURY**

**AVIATION HULL AND LIABILITY INSURANCE
AND LOSS CONTROL SERVICES
Contract # RM 08-011**

This Contract is entered into this __ day of _____, 2008, by _____, hereinafter called the "Contractor", and the Commonwealth of Virginia Department of the Treasury, hereinafter called the "Purchasing Agency".

WITNESSETH that the Contractor and the Purchasing, in consideration of the mutual covenants, promises, and agreements herein contained, agree as follows:

SCOPE OF CONTRACT: The Contractor shall provide the services to the Commonwealth as set forth in the Contract Documents.

PERIOD OF CONTRACT: From July 1, 2008 (12:01 a.m. EST) – July 1, 2012 (12:01 a.m. EST), with an option to extend the period for two (2) successive one-year periods upon mutual written agreement.

CONTRACT DOCUMENTS: The Contract Documents shall consist of:

- (1) This signed Contract;
- (2) The following portions of the Invitation for Bids dated _____:
 - (a) The Scope of Service
 - (b) The General Terms and Conditions
 - (c) The Special Terms and Conditions, together with any negotiated modifications of those Special Conditions
- (3) The Contractor's Bid dated [XXXX ##, 20##]; and
- (4) _____.

Any contractual claims shall be submitted in accordance with the contractual dispute procedures set forth in the Commonwealth of Virginia's Vendor's Manual.

IN WITNESS WHEREOF the parties have caused this Contract to be duly executed intending to be bound thereby, and certify they are authorized to sign this Contract for the Contractor or the Commonwealth.

CONTRACTOR

PURCHASING AGENCY

(Signature)

(Signature)

(Printed Name)

(Printed Name)

(Title)

(Title)

(Date)

(Date)

Note: This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, Section 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

**ATTACHMENT B
Aircraft Exposures**

<u>NUMBER</u>	<u>MAKE & MODEL</u>	<u>YEAR</u>	<u>SEATS</u>	<u>HULL VALUE</u>	<u>LOCATION</u>
<u>123 – Department of Military Affairs</u>					
83-24150	King Air C-12F		8/2		Richmond
One (1)	UH1V				Richmond
Seven (7)	OH58A				Richmond
Twenty (20)	UH1H				Richmond
Fourteen (14)	UH60A				Richmond

No hull coverage.

Additional Insured: 1) Virginia Army National Guard and the City of Richmond as respects to the operations of the operations of the Commonwealth of Virginia National Guard at Richmond International Airport.

2) Capitol Regional Airport Commission as respects to the Department of Military Affairs for the Commonwealth of Virginia Army National Guard.

Limit of Liability: \$25,000,000. for the Beech craft.
\$5,000,000. for the helicopters.

156 – Department of State Police

N29VA	66 CESSNA 182	1966	3/1	\$25,000	Chesterfield
N30VA	00 BELL 407	2000	5/1	\$2,196,600	Manassas
N31VA	00 BELL 407	2000	5/1	\$2,196,600	Abingdon
N32VA	74 CESSNA 182	1974	3/1	\$30,000	Manassas
N33VA	79 CESSNA 182	1979	3/1	\$45,000	Abingdon
N34VA	00 BELL 407	2000	5/1	\$2,196,600	Abingdon
N35VA	82 CESSNA 182	1982	3/1	\$74,000	Chesterfield
N36VA	01 BELL 407	2001	5/1	\$2,196,600	Abingdon
N37VA	02 AMER. EURO.	2002	3/2	\$4,951,000	Chesterfield
N38VA	93 AMER. EURO.	1993	3/2	\$2,000,000	Chesterfield
N39VA	93 AMER. EURO.	1993	3/2	\$2,000,000	Abingdon

Limit of Liability: \$20,000,000. American Euro Copters
\$25,000,000. Fixed Wing Aircraft
\$10,000,000. Rotorcraft

Deductibles: Rotorcraft: 2% of value-rotors in motion.
\$1,000. Rotors not in motion.

**ATTACHMENT B
Aircraft Exposures**

<u>NUMBER</u>	<u>MAKE & MODEL</u>	<u>YEAR</u>	<u>SEATS</u>	<u>HULL VALUE</u>	<u>LOCATION</u>
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207 – University of Virginia

N800VA	CESSNA CITATION BRAVO	2001	8/2	\$4,250,000	Char'ville
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Limit of Liability: \$25,000,000.

Baggage Liability: \$1,000. per passenger; \$12,000. any one occurrence.

Extra Expense of Substitute Aircraft Endorsement: \$4,000. daily limit with maximum of \$100,000. with respects to Cessna Citation Bravo after five days.

Loss Payee and Additional Insured: Virginia Student Aid Foundation, P. O. Box 7525, Charlottesville, VA 22906.

402 – Marine Resources Commission

N5141Y	CESSNA 182 Skylane	2001	3/1	\$277,300	Weirwood
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Limit of Liability: \$25,000,000.

411 – Department of Forestry

N48VF	CESSNA 310	1960	3	*\$N/A	Weyers Cave
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Limit of Liability: \$25,000,000.

*No hull coverage.

841 – Department of Aviation

N1VA	BEECH KING AIR 350	2007	11/2	\$6,150,000	Richmond
N5VA	CESSNA 206	1976	5	\$31,000	Richmond
N2VA	BEECH KING AIR 350	2007	11/2	\$6,150,000	Richmond

Limit of Liability: \$25,000,000.

Baggage Liability: \$1,000. per passenger with \$12,000. any one occurrence per aircraft.

Extra Expense of Substitute Aircraft Endorsement: \$4,000. daily limit with maximum of \$100,000. with respects to BEECH KING AIR N1VA, BEECH KING AIR N2VA, and BEECH KING AIR N7VA after five days.

Additional Interest Endorsement for Hawker Beechcraft Corporation and Tom Sifford, 10511 E. Central, Wichita, KS 67206 aspects to N2VA - 2007 BEECH KING AIR 350.

Physical Damage Waiver of subrogation for Hawker Beechcraft Corporation and Tom Sifford, 10511 E. Central, Wichita, KS 67206 aspects to N2VA - 2007 BEECH KING AIR 350.

ATTACHMENT C

Loss History

Aviation Claims from July 1, 1990 to December 31, 2007

<u>DATE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>	<u>AGENCY</u>
March 26, 1991	\$14,413.	Minor foreign object damage	Department of Aviation
September 9, 1991	\$10,055.	Damage to plane in landing	VA Tech
December 5, 1991	\$6,470.	Damage to plane in landing	VA Tech
September 29, 1992	\$65,545.	Ice ingestion to left engine	Department of Aviation
June 4, 1993	\$25,000.	Hail damage	VA Tech
April 27, 1994	\$579.	Broken windshield	VA Tech
January 10, 1995	\$3,204.	Damage to plane in ground handling	VA Tech
July 27, 1995	\$5,547.	Multiple bird strikes	Department of Aviation
August 22, 1995	\$1,200.	Liability: Damage to crops	Department of Military Affairs
January 20, 1997	\$9,663.	Damage to plane in ground handling	Department of Aviation
July 28, 1997	\$804.	Helicopter rotorwash damage	VA State Police
August 2, 1997	\$1,196.	Liability: Field/trees/vegetation/structure damage	VA State Police
September 10, 1997	\$761.	Liability: Prop damage during ground handling	Marine Resources Commission
December 4, 1997	\$841.	Prop damage during taxing	Marine Resources Commission
July 23, 1998	\$4,056.	Liability: Towing damage to aircraft	Department of Aviation
August 19, 1999	\$13,402.	Fire	Department of Aviation
January 6, 2001	\$47,248.	Ingestion/F.O.D.	Department of Aviation
January 16, 2002	\$4,232.	Bird strike	Marine Resources Commission
August 2, 2002	\$17,203.	Bird strike	Marine Resources Commission
January 23, 2003	\$9,512.	Property damage in ground handling	Department of Aviation
March 15, 2004	986.	Lightning strike	Department of Aviation
March 31, 2006	\$55,325.	Ingestion/F.O.D	Department of Aviation

ATTACHMENT D
ELECTRONIC DATA INTERCHANGE (EDI)

Financial Electronic Data Interchange Guide (EDI). Also found on Web location below, please note you will need Adobe Acrobat Reader Software to view this document.

<http://www.doa.state.va.us/procedures/GeneralAccounting/EDI/tradingpartnerguide.pdf>

**ATTACHMENT E
SMALL BUSINESS SUBCONTRACTING PLAN**

Definitions

Small Business: "Small business " means an independently owned and operated business which, together with affiliates, has 250 or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years. Note: This shall not exclude DMBE-certified women- and minority-owned businesses when they have received DMBE small business certification.

Women-Owned Business: Women-owned business means a business concern that is at least 51% owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, or in the case of a corporation, partnership or limited liability company or other entity, at least 51% of the equity ownership interest is owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, and both the management and daily business operations are controlled by one or more women who are citizens of the United States or non-citizens who are in full compliance with the United States immigration law.

Minority-Owned Business: Minority-owned business means a business concern that is at least 51% owned by one or more minority individuals or in the case of a corporation, partnership or limited liability company or other entity, at least 51% of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals and both the management and daily business operations are controlled by one or more minority individuals.

All small businesses must be certified by the Commonwealth of Virginia, Department of Minority Business Enterprise (DMBE) by the due date of the solicitation to participate in the SWAM program. Certification applications are available through DMBE online at www.dmbc.virginia.gov (Customer Service).

Offeror Name: _____

Preparer Name: _____ **Date:** _____

Instructions

- A. If you are certified by the Department of Minority Business Enterprise (DMBE) as a small business, complete only Section A of this form. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received DMBE small business certification.
- B. If you are not a DMBE-certified small business, complete Section B of this form. For the offeror to receive credit for the small business subcontracting plan evaluation criteria, the offeror shall identify the portions of the contract that will be subcontracted to DMBE-certified small business in this section. Points will be assigned based on each offeror's proposed subcontracting expenditures with DMBE certified small businesses for the initial contract period as indicated in Section B in relation to the offeror's total price.

Section A

If your firm is certified by the Department of Minority Business Enterprise (DMBE), are you certified as a **(check only one below)**:

- _____ Small Business
- _____ Small and Women-owned Business
- _____ Small and Minority-owned Business

Certification number: _____ Certification Date: _____

Section B

Populate the table below to show your firm's plans for utilization of DMBE-certified small businesses in the performance of this contract. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received the DMBE small business certification. Include plans to utilize small businesses as part of joint ventures,

partnerships, subcontractors, suppliers, etc.

B. Plans for Utilization of DMBE-Certified Small Businesses for this Procurement

Small Business Name & Address DMBE Certificate #	Status if Small Business is also: Women (W), Minority (M)	Contact Person, Telephone & Email	Type of Goods and/or Services	Planned Involvement During Initial Period of the Contract	Planned Contract Dollars During Initial Period of the Contract
Totals \$					

ATTACHMENT F

Bidder Data Sheet

I. Bidder Qualification: The Bidder must have the capability and capacity in all respects to fully satisfy all of the contractual requirements.

A. Years in Business: Indicate the length of time company has been in business providing each of the following:

Aviation Hull and Liability Insurance _____
Aviation Loss Control Services _____

B. Address of servicing office:

C. Number of years this office has been providing each of the following:

Aviation Hull and Liability Insurance _____
Aviation Loss Control Services _____

D. Principal person serving as contact for this account:

Name: _____

Title/Position: _____

Email Address: _____

Telephone: _____ Fax Number: _____

Principal's experience providing Aviation Hull and Liability Insurance and Loss Control Services (Number of Years) _____

E. Client References:

Indicate, on the attached, four (4) largest governmental or commercial organizations for which your company has provided Aviation Hull and Liability Insurance and Loss Control Services.

II. Proposed Insurance Company (Sub-Contractor) for this contract:

1. Name: _____

2. Number of years in aviation insurance: _____

ATTACHMENT F

Bidder Data Sheet

III. Attach a specimen of the policy and any anticipated endorsements:

Client References: Indicate below the four (4) largest governmental or commercial organizations for which your company has provided the services requested by this procurement, indicating Client/Organization, Date of contract with Client/Organization, Contact Person, Telephone and Fax numbers, and Number of Aircraft.

1. Client/Organization:

2. Client/Organization:

Client/Organization:

4. Client/Organization:
