

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF THE TREASURY

REQUEST FOR PROPOSALS #RM 09-003

For

Insurance and Claims Services Broker of Record

J. Braxton Powell
Treasurer of Virginia

Kelley S. Denton, VCO
Procurement Officer

August 1, 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.

Requests for Proposals: RM 09-003

Issue Date: August 1, 2008

Title: Insurance and Claims Services Broker of Record

Issuing Agency: Attn: Kelley S. Denton, Procurement Officer
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: September 1, 2008 through August 31, 2011, with two (2) one-year renewal periods.

Sealed proposals will be received until **1:00 p.m., August 19, 2008** for furnishing the services described herein.

All inquiries for information should be directed to: Kelley Denton, Procurement Officer, by phone – (804) 786-4741, by fax – (804) 225-3187 or e-mail – kelley.denton@trs.virginia.gov. Fax or e-mail inquires are preferred.

If proposals are **MAILED**, mail directly to **Issuing Agency Shown Above**, adding one line to the top of the address as follows: Insurance and Claims Services Broker of Record, RFP # RM 09-002.

If proposals are **HAND DELIVERED**, deliver to: Proposal for Insurance and Claims Services Broker of Record, RFP # RM 09-002, Commonwealth of Virginia, James Monroe Building - 3rd Floor, 101 North 14th Street, Richmond, Virginia 23219, Attn: Kelley S. Denton, Procurement Officer.

In compliance with this Request For Proposals and to all the conditions imposed therein and hereby incorporated by reference, the undersigned offers and agrees to furnish Insurance and Claims Services Broker of Record in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiations.

Offeror'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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SECTION I PURPOSE

The purpose of this Request for Proposals (RFP) is to solicit proposals to establish a three (3) year contract with two (2) one-year renewals through competitive negotiation for a Broker of Record for any insurance and claims management program of the Department of the Treasury's Division of Risk Management (DRM) on an as needed basis.

The Division of Risk Management desires to enter into a contractual partnership with a broker that will agree to acceptable levels of service and performance, to include:

- Trust and reliability.
- Providing operational efficiency, responsiveness and resourcefulness.
- Providing expert insurance consultation and assistance.
- Creating solutions to identified needs.

The Commonwealth reserves the right to make multiple awards as a result of this solicitation.

SECTION II BACKGROUND

The Division of Risk Management, in accordance of the *Code of Virginia*, as amended, provides insurance services to state agencies, statewide certified and licensed free clinic volunteers, local governments, free clinics and constitutional officers. DRM uses third party administrators, insurers and self-insured programs for insurance and claims services. The Division is responsible for providing the following insurance coverage: medical malpractice, fidelity bonds, general liability, law enforcement liability, public official's liability, automobile, aviation, watercraft, property, and boiler & machinery. DRM is also the Third Party Administrator for the Virginia Railway Express commuter railroad serving Northern Virginia and Washington, D.C.

SECTION III STATEMENT OF NEEDS

The Contractor shall perform the services listed services for any insurance program. These programs will cover programs and projects for various state agencies, local governments, various community service boards, free health clinics, as well as a variety of specialized boards, commissions and authorities. The insurance products used vary from commercial general liability, various bond instruments, property, professional and environmental liability. Most are mid-level limit policies, some use higher limits, some lower. The Contractor will also work closely with DRM to explore and develop new insurance projects and programs. The Contractor will also serve as a DRM link to the general property and casualty industry. Some specific tasks include:

A. Marketing:

1. Provide information regarding the most advantageous insurance markets from the standpoint of security, coverage, service and cost.

2. Make a diligent effort to place all insurance requested at the lowest possible price consistent with adequate breadth of coverage and stability of insurers.
3. Make a diligent effort to place all insurance requested as expeditiously as possible.
4. Assist preparing specifications for marketing.
5. Draft policy wording.
6. Verify rates and premiums.
7. Verify accuracy of policies.
8. Provide or arrange for training in a variety of property and casualty exposure areas as requested.
9. Prepare a variety of mutually agreed to reports on insurance industry experience, loss control and cost reduction issues, etc.
10. Other activities will be mutually agreed to.

SECTION IV PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

A. GENERAL REQUIREMENTS:

1. RFP Response:

Number of Copies. In order to be considered for selection, Offerors must submit a complete response to this RFP. One (1) original, so marked, and four (4) copies, so marked, of each proposal must be submitted to Treasury. Additional copies shall be provided upon request.

2. Proposal Preparation:

a. Submission of Materials. An authorized representative of the Offeror shall sign proposals. All information requested should be submitted. Failure to submit all information requested may result in the Issuing Agency requiring prompt submission of missing information and/or giving a lowered evaluation of the proposal. Proposals, which are substantially incomplete or lack key information, may be rejected by the Issuing Agency. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.

b. Small Business Subcontracting Plan. All information requested by this RFP on the ownership, utilization and planned involvement of small businesses, women-owned businesses, and minority-owned businesses must be submitted. If an Offeror fails to submit all information requested, the Issuing Agency may require prompt submission of missing

information after the receipt of the Offeror's proposal.

- c. Clarity of Proposals. Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.
- d. Organization of Proposal. Proposals should be organized in the order in which the requirements are presented in the RFP. All pages of the proposal should be numbered. Each paragraph in the proposal should reference the paragraph number of the corresponding section of the RFP. It is also helpful to cite the paragraph number, sub-letter, and repeat the text of the requirement as it appears in the RFP. If a response covers more than one page, the paragraph number and sub-letter should be repeated at the top of the next page. The proposal should contain a table of contents, which cross references the RFP requirements. Information, which the Offeror desires to present, that does not fall within any of the requirements of the RFP should be inserted at an appropriate place or be attached at the end of the proposal and designated as additional material. Proposals that are not organized in this manner risk elimination from consideration if the evaluators are unable to find where the RFP requirements are specifically addressed.
- e. Single Volume. Each copy of the proposal should be bound or contained in a single volume where practical. All documentation submitted with the proposal should be contained in that single volume.
- f. Ownership of Materials. Ownership of all data, materials and documentation originated and prepared for the State pursuant to the RFP shall belong exclusively to the State and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protection of Section 11-52D of the *Code of Virginia*, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. **THE CLASSIFICATION OF AN ENTIRE PROPOSAL DOCUMENT, LINE ITEM PRICES AND/OR TOTAL PROPOSAL PRICES AS PROPRIETARY OR TRADE SECRETS IS NOT ACCEPTABLE AND SHALL RESULT IN THE REJECTION OF THE PROPOSAL.**

3. Oral Presentation:

Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to the Issuing Agency. This provides an opportunity for the Offeror to clarify or elaborate on the

proposal. This is a fact finding and explanation session only and does not include negotiation. The Issuing Agency will schedule the time and location of these presentations. Oral presentations are an option of the Issuing Agency and may or may not be conducted.

B. SPECIFIC PROPOSAL REQUIREMENTS:

Proposals should be as thorough and detailed as possible so that DRM may properly evaluate the Offeror's capabilities to provide the required services. Offerors are required to submit the following items, separated by tabs within the proposal, as a complete proposal:

TAB 1. RFP Cover Sheet

The RFP cover sheet and all addenda acknowledgments, if any, signed and filled out as required.

TAB 2. General Qualifications

1. Statement of Scope of Work. State in succinct terms your understanding of the scope of the work required by Treasury as presented by the RFP.
2. Experience of the Firm. Provide a written narrative statement describing your firm's experience and qualifications to perform the work described in Section III. Statement of Needs of this RFP. In addition, if the Offeror anticipates using a subcontractor, the same information must be submitted concerning the proposed subcontractor. The narrative statement must address the following:
 - A. The return of the cover page to this RFP and all subsequent addenda, if applicable, signed and filled out as required.
 - B. A written narrative statement describing your firm's experience and qualifications to perform the work described in the Statement of Needs in this RFP. In addition, if the Offeror anticipates using a subcontractor, the same information must be submitted concerning the proposed subcontractor.
 - C. A brief history and description of Contractors operations to include the size, scope and nature of the firm. Specialty areas of marketing and service should be delineated. The approximate premium volume, number of accounts and length of time providing Insurance and Claims Services must be included.
 - D. Submit evidence that the Contractor is licensed in the Commonwealth of Virginia.
 - E. A copy of the Contractor's latest annual report or comparable documents.
 - F. The names of the three largest similar accounts serviced by the company and the individual that will have overall account responsibility. This should include contact information, including current telephone numbers, email addresses, approximate annual premium and the nature of services provided.

- G. Description of claim support rendered to clients, including a description of specific actions taken by the Contractor.

TAB 3. Professional Qualifications of Personnel Serving this Contract

Professional Qualifications of Personnel Serving this Contract. Please provide the composition of the account team, with an organization chart. This includes resumes showing the name, experience, qualifications, and area of responsibility, office location, length of tenure with firm and length of time performing services described within this RFP, for the principal persons assigned this account. Specify who is the individual with overall accountability for providing services. If more than one office is used, the principal accountable person in each office should be designated.

TAB 4. References

References. A list of names, addresses, and telephone numbers of at least three current accounts of similar size for Insurance and Claims Broker of Record service.

Provide names of at least three current accounts of similar size for Insurance and Claims Broker of Record service by the individual with overall account responsibility. This should include contact information, including current telephone numbers, email addresses, approximate annual premium and the nature of services provided.

TAB 5. Specific plans for providing the proposed services

Specific Plans. Addressing your firm's ability to provide the services noted in SECTION III, STATEMENT OF NEEDS. Please restate each requirement and discuss whether or not you can meet the requirement, how you will meet the requirement or the extent to which you can meet the requirement. Please address any applicable timeframes for establishment of any subcontracts necessary to fulfill the obligations of the contract. Proposal should include:

TAB 6. Proposed Price

Proposed price for providing the services based upon 1 - 10 placement plus renewals per year as defined in Section X. PRICING SCHEDULE.

TAB 7. Small Business Subcontracting Plan

It is the policy of the Commonwealth of Virginia to contribute to the establishment, preservation and strengthening of small businesses and businesses owned by women and minorities and to encourage their participation in State procurement activities. The Commonwealth encourages Contractors to provide for the participation of small businesses and businesses owned by women and minorities through partnerships, joint ventures, subcontracts or other contractual opportunities.

SECTION V EVALUATION AND AWARD CRITERIA

- A. EVALUATION CRITERIA: Proposals will be evaluated by the Issuing Agency using the following criteria:

1. Qualifications and experience of the Offeror demonstrating the ability to provide and perform the desired services. (Weighted at 45%)
 2. Qualifications and experience of personnel who will be assigned to provide the desired services. (Weighted at 25%)
 3. References from the three (3) similar accounts. (Weighted at 5%)
 4. Quality and completeness of the proposal. (Weighted at 5%)
 5. Small business subcontracting plan. (Weighted at 20%)
- B. **AWARD OF CONTRACT:** Selection shall be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request for Proposals, including price, if so stated in the Request for Proposals. Negotiations shall be conducted with the offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each offeror so selected, the agency shall select the offeror which, in its opinion, has made the best proposal, and shall award the contract to that offeror. The Commonwealth reserves the right to make multiple awards as a result of this solicitation. The Commonwealth may cancel this Request for Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous (*Code of Virginia*, § 2.2-4359D). Should the Commonwealth determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the contractor's proposal as negotiated.

SECTION VI REPORTING AND DELIVERY REQUIREMENTS

Contractor shall provide the following, which shall continue to be submitted until all claims are closed, regardless of the status of this Contract:

- A. All binders and policies shall be proofed, issued and presented to the Division of Risk Management unless otherwise notified.
- B. All binders shall outline the coverages, including the limits and deductibles.
- C. Binders for new policies demonstrating full coverage shall be delivered no later than 10 days after effective date of each policy.
- D. No later than 60 days prior to the expiration or non-renewal of any insurance policy, the Contractor shall issue a binder for the replacement policy.
- E. The Contractor shall submit the original copies of all policies no later than 30 days

after effective date of policy. Copies of subsequent endorsements shall be provided within 30 days of approval of the endorsement.

- F. The Contractor shall meet with DRM upon delivery of all binders, delivery of the all policies and no less than 90 days prior to each anniversary of the Contract unless otherwise notified by DRM.
- G. Loss runs shall be submitted to DRM as requested for each policy.

Reports shall include the date of loss, reserve and paid amounts, a brief description of the claim and other pertinent information. Loss reports shall continue to be submitted semi-annually until all claims are closed, regardless of the status of this Contract.

- H. FINAL ACTUAL INVOLVEMENT REPORT: The Contractor shall submit, prior to completion or at completion of the Contract and prior to final payment, a report on the actual dollars spent with small businesses and businesses owned by women and minorities during the performance of this Contract. At a minimum, this report shall include for each firm contracted with and for each such business class (i.e., small, women-owned and minority-owned) a comparison a total of the actual dollars spent on this contract with the planned involvement of the firm and business class as specified in the proposal, and the actual percent of the total estimated contract value.

SECTION VII 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 proposals, offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, 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 proposals, offerors 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 proposals, offerors 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 RFPs:** Failure to submit a proposal on the official state form provided for that purpose may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.
- I. **CLARIFICATION OF TERMS:** If any prospective offeror has questions about the specifications or other solicitation documents, the prospective offeror 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 OFFERORS:** The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the offeror to perform the services/furnish the goods and the offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect offeror's physical facilities prior to award to satisfy questions regarding the offeror's capabilities. The Commonwealth further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such offeror fails to satisfy the Commonwealth that such offeror 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 offeror 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 or offeror 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.)
 5. Errors and Omissions - \$1,000,000 per occurrence, \$3,000,000 aggregate.
- 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 VIII SPECIAL TERMS AND CONDITIONS

- A. **ADVERTISING:** In the event a Contract is awarded for services resulting from this proposal, no indication of such sales or services to DRM will be used in product literature or advertising. The Contractor shall not state in any of the advertising or product literature that the Commonwealth of Virginia or any agency or institution of the Commonwealth has purchased or uses its products or services.
- B. **AWARD:** Selection shall be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request for Proposals, including price, if so stated in the Request for Proposals. Negotiations shall be conducted with the offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each offeror so selected, the agency shall select the offeror which, in its opinion, has made the best proposal, and shall award the contract to that offeror. The Commonwealth reserves the right to make multiple awards as a result of this solicitation. The Commonwealth may cancel this Request for Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous (*Code of Virginia, § 2.2-4359D*). Should the Commonwealth determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the contractor's proposal as negotiated.
- C. **AUDIT:** The Contractor hereby agrees to retain all books, records, and other documents relative to this 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.
- D. **PROPOSAL ACCEPTANCE PERIOD:** Any proposal in response to this solicitation shall be valid for ninety (90) days. At the end of the ninety (90) days the proposal may be withdrawn at the written request of the Offeror. If the proposal is not withdrawn at this time it remains in effect until an award is made or the solicitation is cancelled.
- E. **CANCELLATION OF CONTRACT:** The Issuing Agency reserves the right to cancel and terminate any resulting Contract without cause, in part or in whole, without penalty, upon sixty (60) days written notice to the Contractor. Any Contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.
- F. **PRIME CONTRACTOR RESPONSIBILITIES:** The Contractor shall be responsible for completely supervising and directing the work under this Contract and all subcontractors that he may utilize, using his best skill and attention. Subcontractors who perform work under

this Contract shall be responsible to the prime Contractor. The Contractor agrees that he is as fully responsible for the acts and omissions of his subcontractors and of persons employed by them as he is for the acts and omissions of his own employees.

G. PRICE ADJUSTMENTS: The initial price is to be in effect for three years. A subsequent adjustment shall be as determined below and will be effective on the Contract anniversary or extension date.

1. The Contractor shall submit written requests for price adjustments to DRM no less than one hundred twenty days (120) prior to the expiration date of the Contract. DRM will notify the Contractor in writing of any increase approved.

2. Price adjustment will be based on the Services, category of the CPI-W of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available. If the CPI-W indicates a price decrease for such period, this decrease shall be passed on to the TRS/DRM.

H. RENEWAL OF CONTRACT: The term of this contract is three years with two (2) one-year renewals.

I. INVOICES: Division of Risk Management desires monthly invoices for the annual flat fee. Invoices shall be submitted to the Department of the Treasury, Division of Risk Management, Attn: Program Specialist, P.O. Box 1879, Richmond, VA 23218-1879

I. CANCELLING OR AMENDING A SOLICITATION: The State may cancel or withdraw a solicitation in whole or in part and reject any and all proposals at any time prior to an award (§11.42, *Code of Virginia*).

J. IDENTIFICATION OF PROPOSAL ENVELOPE: A special envelope is not furnished; therefore, the signed proposal should be returned in a separate envelope or package, sealed and identified as follows:

From: _____	_____	_____
Name of Offeror	Due Date	Time
_____	_____	
Street or Box Number	RFP No.	
_____	_____	
City, State, Zip Code	RFP Title	

Name of Contract/Purchase Officer or Buyer _____

If a proposal not identified as shown above is mailed, the offeror takes the risk that the envelope may be inadvertently opened and the information compromised which may

cause the proposal to be disqualified. Proposals may be hand delivered to the designated location in the office issuing the solicitation. No other correspondence or other proposals should be placed in the envelope.

K. 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 offerors are required to submit a Small Business Subcontracting Plan. Unless the 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 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 yearl 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.

- L. eVA Business-To-Government Contracts and Orders: The solicitation/contract will result in multiple purchase order(s) with the eVA transaction fee specified below assessed for each order.
- a. For orders issued prior to August 16, 2006, the Vendor Transaction Fee is 1%, capped at a maximum of \$500 per order.
 - b. 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.

The eVA transaction fee will be assessed approximately 30 days after each purchase order is issued. Any adjustments (increases/decreases) will be handled through eVA change orders.

Internet electronic procurement solution, website portal www.eva.virginia.gov, streamlines and automates government purchasing activities in the Commonwealth. The portal is the gateway for vendors to conduct business with state agencies and public bodies.

Vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution and agree to comply with the following:

If this solicitation is for a term contract, failure to provide an electronic catalog (price list) or index page catalog for items awarded will be just cause for the Commonwealth to reject your bid/offer or terminate this contract for default. The format of this electronic catalog shall conform to the eVA Catalog Interchange Format (CIF) Specification that can be accessed and downloaded from www.eVA.virginia.gov. Contractors should email Catalog or Index Page information to eVA-catalog-manager@dgs.virginia.gov.

SECTION IX METHOD OF PAYMENT AND BILLING

The standard form of payment utilized by the Commonwealth is by Electronic Data Interchange (EDI) (See Attachment B 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 X PRICING SCHEDULE

1.	Annual Service Charge	\$ _____
2.	Other (Explain)	\$ _____
	TOTAL	\$ _____

SECTION XI ATTACHMENTS

- ATTACHMENT A Commonwealth of Virginia Contract
- ATTACHMENT B Electronic Data Interchange (EDI)
- ATTACHMENT C Non-Collusive Bidding Certification
- ATTACHMENT D Small Business Subcontracting Plan

**ATTACHMENT A
FORM OF COMMONWEALTH OF VIRGINIA CONTRACT**

Appendix A represents the proposed Contract, which the Commonwealth would expect the Contractor to sign. Please note any suggestions or additions you would like considered.

COMMONWEALTH OF VIRGINIA
Department of the Treasury
Contract Number **RM 08-018**

This Contract is entered into this ___ day of ___, 2008, by _____, hereinafter called the "Contractor", and the Commonwealth of Virginia, Department of the Treasury, Division of Risk Management, hereinafter called the "Issuing Agency".

WITNESSETH that the Contractor and the Issuing Agency, 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: July 1, 2003 through June 30, 2006, with two (2) one-year options to renew the Contract under the terms and conditions stated herein.

CONTRACT DOCUMENTS: The Contract Documents shall consist of:

- (1) This signed Contract;
- (2) The following portions of the Request for Proposals dated **[June 11, 2008]**:
 - (a) The Statement of Needs
 - (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 proposal dated **[XXXX ##, 2008]** and all written modifications to the Proposal, all of which documents are incorporated herein.

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

ISSUING AGENCY

(Signature)

(Signature)

(Printed Name)

(Printed Name)

(Title)

(Title)

(Date)

(Date)

ATTACHMENT B
ELECTRONIC DATA INTERCHANGE (EDI)

Financial Electronic Data Interchange Guide (EDI).

http://www.doa.virginia.gov/General_Accounting/EDI/TradingPartnerGuide.pdf

ATTACHMENT C
NON-COLLUSIVE BIDDING CERTIFICATION

By submission of this bid, the offeror and person signing on behalf of the same certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of the bidder's, broker's or person's knowledge and belief:

1. The prices in this bid have been arrived at independently and without collusion, consultation, communication or agreement, for the purpose of restricting competition, as to any matter relating to such prices, with any other offeror or person, or with any competitor;
2. Unless otherwise required by law, the prices quoted in this bid have not been knowingly disclosed by the offeror or person and will not knowingly be disclosed by the offeror or person prior to opening, directly or indirectly, by any other offeror or person, and
3. No attempt has been made or will be made by the offeror or person to induce any other person, partnership, or corporation to submit or not to submit a bid for the purpose of restricting competition.

ORGANIZATION: _____

BY: Name: _____

Title : _____

Date: _____

**ATTACHMENT D
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.dmbv.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

Commonwealth of Virginia
Insurance and Claims Services Broker of Record RFP # RM 09-003
Issue Date: August 1, 2008

Totals \$					