

**COMMONWEALTH OF VIRGINIA**

**DEPARTMENT OF THE TREASURY**

**REQUEST FOR PROPOSALS #RM 07-003**

**for**

**AUTO CLAIMS THIRD PARTY ADMINISTRATOR**

**J. Braxton Powell  
Treasurer of Virginia**

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

**March 2, 2007**

Commonwealth of Virginia  
Auto Claims Third Party Administrator RFP # RM 07-003  
Issue Date: March 2, 2007

**Requests for Proposals: RM 07-003**

**Issue Date:** March 2, 2007  
**Title:** Auto Claims Third Party Administrator  
**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

Initial Period Of Contract: On or Before July 1, 2007 through June 30, 2009 With Three One-Year Renewal Periods in Accordance With the Terms and Conditions Herein.

Sealed Proposals Will Be Received Until **1:00 p.m., April 20, 2007**, For Furnishing the Services Described Herein.

All Inquiries For Information Should Be Directed To: Kelley S. 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: Auto Claims Third Party Administrator, RFP #RM 07-003.

If Proposals Are **Hand Delivered**, Deliver To: Proposal for Auto Claims Third Party Administrator, RFP #RM 07-003, 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 Auto Claims Third Party Administrator In Accordance With The Attached Signed Proposal Or As Mutually Agreed Upon By Subsequent Negotiations.

PRE-PROPOSAL CONFERENCE: A **MANDATORY** pre-proposal conference will be held on Monday, March 19, 2007 at 10:00 a.m. (EST) at the Virginia Department of the Treasury. See Section VII herein.

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 sealed proposals to establish a contract through competitive negotiations for the purpose of providing Automobile Liability and Physical Damage Claims Administration for the Commonwealth of Virginia through its Department of the Treasury, Division of Risk Management (TRS/DRM).

## **SECTION II BACKGROUND**

An automobile claims adjustment contract with Gates, McDonald and Company using Nationwide Mutual Insurance Company as third party claims administrator was in effect from July 1, 1987 to June 30, 1999. Between the period of July 1, 1999 to December 31, 2000 the automobile fleet was insured through Wausau/Liberty Mutual. Since December 31, 2000 Crawford and Company has acted as third party claims administrator for the 19,000 licensed for road use vehicles.

## **SECTION III STATEMENT OF NEEDS**

### **A. NATURE OF PROGRAM AND SERVICE:**

It is desired that the Contractor provide automobile claims adjustment services using general guidelines established by TRS/DRM. The program shall be comprehensive and shall include, but not be limited to the following:

1. Contractor shall receive all automobile liability and property claims involving Commonwealth of Virginia owned, leased or borrowed vehicles and Commonwealth employees or Commonwealth authorized personnel using vehicles on official state business.
2. Contractor shall receive all automobile liability and property claims involving VaRISK 2 Community Services Board (CSB) owned vehicles and VaRISK 2 Community Services employees using CSB vehicles on official business.
3. Contractor shall receive other automobile liability and property claims as directed by TRS/DRM.
4. Contractor shall provide a prompt and thorough investigation of all claims adhering to industry standard claims practices, §38.2-510 of the *Code of Virginia* regarding unfair claim settlement practices, and guidelines established by TRS/DRM.
5. TRS/DRM claim settlement guidelines shall include payment of all claims due claimants as provided by the *Code of Virginia* and the Commonwealth of Virginia Risk Management Plan on behalf of the Commonwealth, including the specific guidelines listed below:

- a. Contractor shall settle all claims not exceeding \$25,000.
  - b. Claims in excess of \$25,000 must be approved by TRS/DRM and/or the Office of the Attorney General prior to settlement.
  - c. Any claim concerning the Department of State Police involving public policy issues must be submitted to TRS/DRM and the Office of the Attorney General, regardless of size. Disposition of these claims shall be at the discretion of TRS/DRM and/or the Office of the Attorney General.
6. Contractor shall actively pursue subrogation and place all proceeds into fund designated by TRS/DRM.
  7. Contractor shall conduct salvage disposal and place all proceeds into fund designated by TRS/DRM.
  8. Contractor shall provide database management, including subscription and submission of reports to the Index Bureau.
  9. Contractor shall provide litigation support as requested or needed.
  10. Contractor shall agree to any existing special account handling procedures that have been developed between the parties and, perform such other general administrative and advisory services that may be necessary to assist TRS/DRM in developing and maintaining effective management controls.
  11. Contractor shall recommend a reasonable sum for reserves covering loss and expense on each claim as soon as sufficient facts have been developed, and provide a timely update of reserves for all open claims.
  12. Contractor shall maintain all claim files and have them available for inspection or audit at any time by TRS/DRM or its designated representative. Each file shall be complete and contain all necessary information concerning the particular claim.
  13. Contractor shall provide status reports to TRS/DRM on any individual claim, as requested.
  14. Contractor shall provide a payment analysis, claims stratification, and claims experience summary report as of June 30, in a format agreed by July 15 annually.
  15. Contractor shall provide TRS/DRM with a monthly listing of individual claims and a summary of experience, including claims paid, allocated

expenses, reserves, quarterly run-off reports for previous fiscal years and all other information as gathered and agreed to by the parties.

16. Should a claim managed by the Contractor result in litigation against the Commonwealth, its agencies, officials, employees, agents or authorized volunteers, the TRS/DRM and/or the Office of the Attorney General will retain qualified counsel. The Contractor shall cooperate closely with such counsel throughout all stages of any litigation. Contractor shall make settlement recommendations to TRS/DRM and/or the Office of the Attorney General, but the final decision regarding disposition shall be at the Commonwealth's sole discretion.
17. The Contractor shall make all reasonable efforts to dispose of claims submitted as amicable as possible, and prepare compromises, agreements, and/or releases for TRS/DRM and/or the Office of the Attorney General, and where required, file the same with proper public authorities.
18. The Contractor shall preserve and support any loss recovery rights of the Commonwealth arising out of transactions and cooperate with TRS/DRM and/or the Office of the Attorney General in pursuing such rights to conclusion.
19. Contractor shall examine, tabulate and recommend for payment, all expenses incident to claims, including payments in settlement of damages and/or injury, which shall be paid in the manner prescribed by TRS/DRM.
20. Contractor shall prepare basic information necessary for the completion of all reports required to be filed with the Department of Motor Vehicles.
21. Contractor shall confer with TRS/DRM, the Office of the Attorney General and any designated representative and make recommendations regarding the best manner to process, settle and/or dismiss cases of questioned or unclear liability or serious exposure.

**B. CONTRACTOR OPERATIONS:**

1. TRS/DRM shall establish an imprest fund for payment of claims. Funds will be provided for this purpose by TRS/DRM. Contractor will be authorized to sign checks from the imprest account established by TRS/DRM and will be responsible for providing TRS/Operations with advance notice of any payment which will exceed \$25,000.
2. Contractor shall have or establish one or more principal office(s) in the Commonwealth of Virginia as necessary to service state agencies during the Contract period. It is required that the Contractor provide a sufficient number of statewide drive-in claims service offices to service both first party comprehensive/collision and third party claims administration of

imprest funds for payment of claims.

3. Contractor shall have or establish a statewide toll free number for the initial reporting of claims and/or follow up of claims.
4. Contractor shall have or establish a Richmond base office or provide a supervisor or manager to be located in the offices of TRS/DRM on a full or part-time basis to oversee the satisfactory handling and reporting of claims and related information and data as well as act as a direct liaison with TRS/DRM.
5. Contractor shall use the web based Virginia Agency Auto Count System (VACCS) to verify comprehensive and collision covered vehicles.
6. TRS/DRM reserves the right to audit all Commonwealth of Virginia claim files at any time. No case will be archived until it has been closed for five years or until TRS/DRM authorizes such, whichever occurs first.
7. All cases and all files remain the property of the Commonwealth of Virginia. Such files shall be maintained, stored and archived by the Contractor for the required statutory and/or agreed to period.

C. CLAIMS ADMINISTRATION SERVICE IMPLEMENTATION:

Contractor shall begin processing all claims on July 1, 2007 12:01 am. Unless otherwise relieved, the Contractor shall process all accidents occurring beyond the termination of this Contract until all claims are closed. TRS/DRM will turn over incurred, but not reported claims at the rates quoted for claims handling.

D. AUTOMATION SUPPORT:

Contractor shall provide the following automation support:

- i. Accurate and timely electronic data processing hardware and software, including initial and on-going training, allowing the Commonwealth to review claims (real time), and prepare individualized custom reports (ad hoc reporting). It is understood that all database software shall be licensed to TRS/DRM.
- ii. Continuously update and correct deficiencies in the database as reported by TRS/DRM, as well as through the Contractor's own efforts.
- iii. All software provided shall be compatible with systems operated by TRS/DRM, or otherwise as agreed. All software shall provide the ability to capture data necessary to properly evaluate data and establish loss trend information.

- iv. Automation support shall continue to be provided beyond the termination of this Contract until all claims are closed.

## **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 five (5) 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, Women-Owned, and Minority-Owned Business Reports. 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 vendor proposals.

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 2.2-4342.F. 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 WILL 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 TRS/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. 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 TRS/DRM as presented by the RFP.
2. Experience of the Firm. Provide a written narrative statement describing your 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. A description of the background and experience of the Offeror and any proposed subcontractor(s). This should include years performing this service both as a third party claims administrator (TPA) as well as for their own clients if the Offeror and/or proposed subcontractor(s) are an insurance company. This description should emphasize TPA activities.
- b. Resumes of staff personnel to be assigned to this Contract.
- c. Proposed organization and staffing to service this Contract to include caseload standards of claims adjusters.
- 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.

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. Provide a list of names, addresses, and telephone numbers of at least three current automobile accounts of similar size for claims service.

Provide names of at least three current automobile accounts of similar size for claims 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 (see Bidder Data Sheet – Attachment C).

TAB 5. Specific plans for providing the proposed services includes:

Specific Plans. Address 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:

- a. Level and type of assistance proposed to be provided to TRS/DRM to establish and introduce claims handling procedures and transition to include but not limited to:
  - (1) U.S. mail contractor claims notifications to each agency/CSB.
  - (2) Designing, printing and distributing vehicle I.D. cards.
  - (3) 1-800 central claims phone number, 24 hours/7days.
  - (4) Designing, printing and distributing loss notice forms.
  - (5) Printing and distributing all accident forms.

- b. Discuss the potential impact of this Contract with existing accounts. Include impact on caseload standards for personnel.
- c. Provide a specimen copy of service contracts to be executed between the Contractor and any subcontractors.
- d. Provide one copy of Offeror's standard claims handling procedures manual and any special provisions proposed to be used for this Contract. The following procedures must be addressed:
  - (1) Investigative,
  - (2) Claims settlement,
  - (3) Subrogation, and
  - (4) Salvage.
- e. Describe your firm's approach to providing the desired automation support in Section III, STATEMENT OF NEEDS.
- f. Submit samples of all proposed formats for reports listed in Section IV.
- g. Submit a list of recommended attorneys to represent the Commonwealth and its employees in litigation. All such attorneys must be approved by the Office of the Attorney General.

TAB 6. Proposed price for providing the services on a flat fee per category basis as defined in Section XI PRICING SCHEDULE.

- a. All charges must incorporate routine office and administrative expenses including, but not limited to, check printing, postage, travel, photographic expenses, office supplies, telephone charges, training costs, etc.
- b. Charges for legal fees, appraisal fees, expert witnesses, expert accident reconstruction and rehabilitation services will be charged as an allocation against the file.

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. Summarize the planned utilization of DMBE-certified small businesses which include businesses owned by women and minorities, when they have received DMBE small business certification, under the contract to be awarded as a result of this solicitation. This is a requirement for all prime contracts in excess of \$100,000. Also summarize any good faith efforts planned to provide subcontracting opportunities to DMBE-certified small business firms. See Attachment E for reporting format. .

## **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 30%)
    - a. Experience of the Contractor in providing the desired services.
    - b. Personnel qualification and experience.
    - c. Maximum caseload on claims staff.
    - d. Favorable references.
    - e. Number and geographical office locations.
  2. Proposed Scope of Work. (Weighted at 15%)
    - a. Proposed claim and field investigation procedures.
    - b. Proposed Risk Management Information System and Data Management System.
    - c. Subrogation Standards, abilities and plans.
    - d. Assistance to legal counsel
  3. Implementation Plan. The completeness of, and the extent to which the operation information and specific action plans meet the goals and requirements of the proposal. (Weighted at 25%)
  4. Pricing. Complete section XI (Weighted at 10%)
  5. Proposed participation of Small, Women-Owned, and Minority-Owned Business in the contract. (Weighted at 20%)
- B. **AWARD OF CONTRACT:** Selection may 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. 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 Issuing Agency shall select the Offeror, which, in its opinion, has made the best proposal, and shall award the Contract to that Offeror however; the contract may be awarded to a reasonably ranked DMBE small business offeror that is other than the highest ranking offeror. The Commonwealth may cancel this Request of Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reason why a particular proposal was not deemed to be the most advantageous (Section 2.2-4359 D, *Code of Virginia*). 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. (See Attachment A.)

## **SECTION VI REPORTING AND DELIVERY REQUIREMENTS**

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

A. LITIGATION SUPPORT:

Provide defense counsel with all requested full-captioned reports and all enclosures to assist in defense on behalf of the Commonwealth in all trials, depositions and similar activities.

B. REPORTS:

It is desired that the following quarterly reports be submitted as indicated:

1. Claims Status reports:

On a quarterly basis, beginning with October 1, provide written reports to TRS/DRM on the current status of all claims to include the cumulative totals by year of numbers of claims and the amounts of compensation, medical and other expenses on both incurred and paid basis. These reports should be arranged by state agency code, and in some cases, by location, gender, age, cause, description and other distinctions as may be desired by TRS/DRM.

2. Open Claims Review:

On a quarterly basis, submit a written report summarizing each accident with a value of \$25,000 or more. The report should include information such as: type of injury, the claims status, control steps taken (or not taken) to mitigate the loss, claim reserves and other related items which have been taken (or not taken) to date and why, as well as actions planned that will control and bring each case to a satisfactory, timely conclusion.

3. Agency Experience Reports:

Provide reports of claims to covered parties as indicated by TRS/DRM. Reports should list all losses for the current and all prior years. The reports are to contain all claims, claims payment, loss adjustment expenses and totals broken down into the following categories:

- a. For record only (no claims)
- b. Bodily injury
- c. Property damage
- d. Uninsured motorists bodily injury
- e. Uninsured motorists property damage
- f. Comprehensive and collision

g. Cause of the accident

4. Provide other reports as deemed necessary in needed timeframes.

C. FINANCIAL:

Submit monthly detailed accounting and reconciliation of all payments made on behalf of the Commonwealth. This report should include all charges and other expenditures made as a result of this contract.

D. INDEPENDENT OR INTERNAL AUDIT REPORTS:

Submit copies of any reports prepared by an independent or internal auditing organization concerning the administrative services.

E. ANNUAL COMPLIANCE AUDITS:

Submit an audit report for all claims files concerning the technical aspects of claims handling. Examples of areas to be reviewed and reported include but are not limited to:

1. Prompt response to initial reports to accidents and nature of follow-up.
2. Reserves and reserving practices.
3. Proper utilization of standards established for investigations.
4. Proper technical, legal and medical knowledge utilization.
5. Proper utilization of field investigations and statements.
6. Claimant relations.
7. Subrogation activities and results.
8. Subcontractor service contract compliance.
9. File organization and completeness.
10. Timely payment of losses.
11. Follow-up procedures.
12. Proper supervision and management.

## **SECTION VII MANDATORY PRE-PROPOSAL CONFERENCE**

A **mandatory** pre-proposal conference will be held on Monday, March 19, 2007, at 10:00 a.m. (EST) at the Virginia Department of the Treasury, 3<sup>rd</sup> Floor, James Monroe Building, 101 N. 14th Street, Richmond, VA 23219. The purpose of this conference is to allow potential Offerors an opportunity to present questions and obtain clarification relative to any facet of this solicitation.

Due to the importance of all Offerors having a clear understanding of the scope of work and requirements of this solicitation, **attendance at this conference will be a prerequisite to submitting a proposal. Proposals will only be accepted from those Offerors who are represented at this pre-proposal conference.** Attendance at the conference will be evidenced by the representative's signature on the attendance roster. No one will be admitted after 10:00 a.m. (EST). Any changes resulting from this conference will be issued in a written addendum to the solicitation and mailed to only those Offerors in attendance.

## **SECTION VIII 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](http://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 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. **INSURANCE:** By signing and submitting a bid or 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 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. Insurance/Risk Management - \$1,000,000 per occurrence, \$3,000,000 aggregate

- R. **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.state.va.us](http://www.eva.state.va.us)) for a minimum of 10 days.
- S. **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.

- T. **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.
- U. **eVA Business-To-Government Vendor Registration:** The eVA Internet electronic procurement solution, website portal [www.eVA.virginia.gov](http://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. eVA 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.
- V. **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 IX SPECIAL TERMS AND CONDITIONS**

- A. **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.
- B. **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.
- 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 Issuing 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. **BID ACCEPTANCE PERIOD:** Any bid in response to this solicitation shall be valid for ninety (90) days. At the end of the ninety (90) days the bid may be withdrawn at the written request of the Bidder. If the bid 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, 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.
1. Upon cancellation of Contract all, open and closed, claims will continue to be reported to Commonwealth as tail coverage as indicated by this document and last signed contract/contract modification.
  2. All open files will be worked until closure of the claim.
  3. Payment will continue to be rendered in accordance with the last approved schedule for open claims.
  4. Invoices for tail coverage of claims shall be submitted in duplicate for all work performed under this RFP and last signed contract/contract modification.
  5. All work performed by Contractor or subcontractors shall begin on the first day after termination of the Contract and shall expire twelve (12) months later, with year to year automatic renewals. Either party may give three (3) months notice prior to the expiration of the initial Contract term.

All claim files, claim logs and computerized data files shall be and remain the property of the Commonwealth of Virginia. The Commonwealth may request all claim information or any part thereof in a format determined by the Commonwealth, without fee, upon providing thirty (30) days written notice.

- 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 two years. Subsequent adjustments shall be as determined below. All adjustments will be effective on the contract anniversary or extension date.
1. The Contractor shall submit written requests for price adjustments to TRS/DRM no less than one hundred twenty days (120) prior to the expiration date of the contract. TRS/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 initial term of this Contract is two years. The Commonwealth may renew the Contract for three successive one (1) year periods under the terms and conditions of the original Contract.
- I. **INVOICES:** The Contractor's payment shall be paid on the basis of invoices submitted for claims processed. Division of Risk Management desires monthly invoices. Invoices shall be submitted to the Department of the Treasury, Division of Risk Management, Attn: Joyce Palmer, 101 North 14<sup>th</sup> Street, 6<sup>th</sup> Floor, Richmond, VA 23219. Invoices for services rendered shall be delivered with a report of claims paid by type during the specified period.
- J. **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 (§2.2-4319 *Code of Virginia*).
- K. **POSTAGE:** All proposals should be weighed and the postage verified before mailing. The U.S. Postal Service does not deliver or return unstamped mail. Postage due mail may be delivered, but the State will not assume the responsibility for paying the amount due and may return or refuse mail.
- L. **CLAIMS:** Contractual claims whether for money or other relief shall be submitted in writing no later than sixty days after final payment; however, written notice of the

Contractor's intention to file such claim must be given at the time of occurrence or beginning of the work upon which the claim is based. Nothing herein shall preclude a contract from requiring submission of an invoice for final payment within a certain time after completion and acceptance of the work. Pendency of claims shall not delay payment of amounts agreed due in the final payment.

A Contractor may not institute legal action prior to receipt of the purchasing office's decision on the claim unless that office fails to render such decision within thirty days. The decision of the purchasing office shall be final and conclusive unless the Contractor, within six months of the date of the final decision on the claim, institutes legal action as provided in §11-70, *Code of Virginia*.

- M. **SMALL BUSINESS SUBCONTRACTING AND REPORTING:** 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 small businesses. This shall include DMBE certified woman owned and minority owned businesses when they have received DMBE small business certification. 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, phone number, total dollar amount subcontracted, category type (small, woman or minority owned), and type of product/service provided.
- O. **BEST AND FINAL OFFER (BAFO):** At the conclusion of negotiations, the offeror (s) may be asked to submit in writing, A Best and Final Offer (BAFO). After the Best and Final Offer is submitted, no further negotiations shall be conducted with the offeror (s) . The offeror (s) proposal will be rescored to combine and include the information contained in the BAFO. The decision to award will be based on the final evaluation including the BAFO.
- P. **ADDITIONAL INSURANCE:**
1. Commercial General Liability - \$5,000,000 per occurrence. Such liability shall be written on the Insurance Services Office (ISO) occurrence form or a substitute form providing equivalent coverage and shall cover liability arising from premises operations, independent contractors, products completed operations, broad form property damage, personal and advertising injury, cross liability coverage, and liability assumed in contract (including the tort liability of another assumed in a contract). The Commonwealth of Virginia must be named as an additional insured with respect to the services being procured.
  2. Insurance Professional's Errors and Omissions Insurance with a limit of not less than \$5,000,000 per loss. If coverage is written on a claims made policy, the contractor warrants that any applicable retroactive date precedes the effective date of this contract.
  3. The contractor shall require that any subcontracts involved in this Contract shall carry insurance with the same limits and provisions provided herein.

**SECTION X 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.

Contractor will be paid monthly on the basis of invoices submitted. Invoices shall list charges for all fees in categories as shown in Section XI PRICING SCHEDULE with accompanying report.

**SECTION XI PRICING SCHEDULE**

1.	For record only	No charge
2.	Bodily injury:	\$ _____ /claim
3.	Property damage:	\$ _____ /claim
4.	Uninsured motorist bodily injury:	\$ _____ /claim
5.	Uninsured motorist property damage:	\$ _____ /claim
6.	Comprehensive and collision:	\$ _____ /claim
7.	Subrogation:	\$ _____ /claim
8.	Appraisal Fee:	\$ _____ /monthly

**SECTION XII ATTACHMENTS**

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

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

**Attachment 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 07-003**

This Contract is entered into this \_\_\_ day of \_\_\_, 2007, 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, 2007 through June 30, 2009, with three 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 [**April 20, 2007**]:
  - (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 [**April 20, 2007**] 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)

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**  
**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 C  
BIDDER DATA SHEET**

- A. Bidder Qualification: The Bidder must have the capability and capacity in all respects to fully satisfy all of the contractual requirements.
- B. Years in Business: Indicate the length of time your company has been in business providing Auto Claims as Third Party Administrator \_\_\_\_\_

Address of servicing office:

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- C. Number of years this office has providing Auto Claims Third Party Administrator \_\_\_\_\_

- D. Principal person serving as contact for this account:

Name: \_\_\_\_\_

Email Address: \_\_\_\_\_ Telephone: \_\_\_\_\_

Principal's experience providing Auto Claims Third Party Administrator \_\_\_\_\_ (Number of Years).

- E. Client References:

Indicate largest governmental or commercial references for which your company is currently providing Auto Claims Third Party Administrator.

<b>Client</b>	<b>Contact Person</b>	<b>Telephone (include area code)</b>
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\_\_\_Number of Years of Service Provided to Above

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\_\_\_Number of Years of Service Provided to Above

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\_\_\_Number of Years of Service Provided to Above

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\_\_\_Number of Years of Service Provided to Above

**ATTACHMENT D**  
**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 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: DMBE-certified women- and minority-owned businesses shall also be considered small 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) to participate in the SWAM program. Certification applications are available through DMBE online at [www.dmbv.virginia.gov](http://www.dmbv.virginia.gov) (Customer Service).**

**Bidder/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 include DMBE-certified women-owned and minority-owned businesses when they have received DMBE small business certification.
- B. If you are not certified by DMBE as a small business and plan to subcontract part of this contract with a DMBE certified business, complete only Section B of this form.
- C. If you are not certified by DMBE as a small business and cannot identify any subcontracting

opportunities to subcontract part of this contract with a DMBE-certified business, only provide the information requested in Section C of this form.

**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 include DMBE-certified women-owned and minority-owned businesses that meet the small business definition and 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 Contract Involvement	Planned Annual Contract Dollar Expenditure Amount

<b>Totals \$</b>					

**Section C**

Respond to how your business has met or exceeded at least two of the following indicators within the past 24 months. Your response may include any good faith efforts made regarding this procurement.

**C. Good Faith Effort Indicators by the Bidder/Offeror**

1. Identify areas of work your business has subcontracted to DMBE-certified small businesses for other contracts. Include company names, dates, dollar amounts, and percentages on a per contract basis.
  
2. List research efforts conducted by your business in the past to locate DMBE-certified small businesses by advertising in publications or in the classified section of the newspaper where small businesses are likely to see it. List specific publications and dates.
  
3. List small business outreach meetings, conferences, or workshops conducted by your firm to locate DMBE-certified small businesses—including the dates, participation numbers, and results.
  
4. Provide documented correspondence (i.e., certified mail, email, receipt of fax transmissions, etc.) to small businesses from the lists provided by DMBE and other outreach agencies and

organizations which indicates your solicitation of such for utilization of subcontracting opportunities on other contracts for which your business has competed.

5. List areas of work which your business has subcontracted with DMBE-certified small businesses for upcoming contracts—including the name of the business, certification number, dates, dollar amounts, and percentages on a per contract basis.
  
6. Provide documentation of any assistance offered to interested small businesses in obtaining bonds, lines of credit, and/or insurance for any present or past contracts your business has in place.
  
7. Provide documentation of follow-up on initial contacts with DMBE-certified small businesses (e.g., telephone call logs, emails, certified letters, etc.). Be sure to list the small business name and dates of contact.

**DEFINITIONS OF CERTAIN TERMS**  
**DEFINITIONS**

For the purpose of this RFP, the following shall serve as definitions:

PERIOD is the specified 12-month period for which the information provided in this list is applicable and valid. The period will be specified as month and year.

FIRM NAME, ADDRESS AND PHONE NUMBER is the name address and business phone number of the small business, women owned business or minority owned business with which the Offeror has contracted or done business over the specified period or plans to involve on this Contract, as applicable.

CONTACT PERSON is the name of the individual in the specified small business, women owned business or minority owned business who would have knowledge of the specified contracting and would be able to validate the information provided in this list.

TYPE GOODS OR SERVICES is the specific goods or services the Offeror has contracted for from the specified small, women owned or minority owned business over the specified period of time or plans to use in the performance of this contract, as applicable. The Offeror will asterisk (\*) those goods and services that are in the Offeror's primary business or industry.

DOLLAR AMOUNT is the total dollar amount (in thousands of dollars) the Offeror has contracted for or has done business with the listed firm during the specified period or plans to use on this Contract, as applicable.

% TOTAL COMPANY EXPENDITURES FOR GOODS AND SERVICES is calculated by dividing the dollar amount of business conducted or contracted for with the indicated firm over the specified period by the total expenditure of the Offeror over the specified period for goods and services.

% OF TOTAL CONTRACT is calculated by dividing the estimated dollars planned for the indicated firm on this Contract by the total Offeror estimated price of this Contract.