

REQUEST FOR PROPOSALS (RFP)

ISSUE DATE: February 1, 2007
TITLE: Actuarial Services
RFP NUMBER: TRSDHRM07-1
ISSUING AGENCY: Commonwealth of Virginia
Department of Human Resource Management
James Monroe Building, 13th Floor
101 North 14th Street
Richmond, Virginia 23219

USING AGENCIES:

Commonwealth of Virginia Department of the Treasury Division of Risk Management P.O. Box 1879 Richmond, VA 23218-1879	Commonwealth of Virginia Department of Human Resource Management Office of Worker's Compensation 101 North 14th Street, 6th Floor Richmond, VA 23219
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PERIOD OF CONTRACT: From May 1, 2007 through April 30, 2010, with two one-year renewal options.

Sealed proposals for furnishing services described herein will be received subject to the conditions cited herein until 2:00 p.m., March 1, 2007

All Inquiries Must Be In Writing And Should Be Directed To:

Mr. William G. Gregory
Department of Human Resource Management
James Monroe Building, 13th Floor
101 North 14th Street
Richmond, Virginia 23219
Fax Number: 804-225-2790

SEND ALL PROPOSALS DIRECTLY TO THE ISSUING AGENCY ADDRESS SHOWN ABOVE.

Note: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, § 11-35.1 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.

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 materials and services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiation.

Name and Address of Firm:

_____	Date: _____
_____	By: _____
_____	(PRINTED NAME)
_____	(SIGNATURE IN INK)
_____ Zip Code: _____	Title: _____
Fax Number: () _____	Telephone: () _____

PRE-PROPOSAL CONFERENCE: An optional pre-proposal conference will be held at 10:00 a.m. on Tuesday, February 13, 2007, at the James Monroe Building. (Reference Paragraph VII herein.)

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I. PURPOSE:

The purpose of this Request For Proposals (RFP) is to solicit proposals to establish a contract through competitive negotiation to provide actuarial services to the Department of the Treasury, Division of Risk Management (TRS/DRM) and the Department of Human Resources Management, Office of Worker's Compensation (DHRM/OWC). Actuarial services include assisting in the evaluation of funding, reserving, claim payment, premium allocation and dividend calculation practices for its various programs. TRS/DRM's programs include automobile liability, general liability, medical malpractice, fidelity, property, local government liability, Constitutional Officer and commuter rail liability. DHRM/OWC's program is worker's compensation.

II. BACKGROUND

All programs are self-insured except property. The actuarial work performed under the expiring contract is identical for the programs, although there were special studies conducted periodically. Copies of previous studies, exposures, premium and loss exhibits will be provided to the Contractor if necessary after the award.

III. STATEMENT OF NEEDS:

A. **CONTRACT REQUIREMENTS:** The Contractor shall perform actuarial studies for TRS/DRM and DHRM/OWC with the objective of providing information leading to fiscally sound risk management programs. The Contractor shall, in addition, provide advisory and consulting services as may be required by TRS/DRM and DHRM/OWC. These services should include, but are not limited to:

1. Development of financial requirements related to the maintenance of a stable reserve fund in excess of individual program funds.
2. An annual actuarial analysis and recommendations performed as of December 31 and June 30 of each year and should include elements listed below for each program. The December 31 report should contain the estimated reserve and reserve position as of June 30 of the following year. TRS/DRM will not require the formal December 31st analysis except as needed as a special project.
 - a. Estimated unpaid loss and allocated loss adjustment expenses (ALAE). Estimates are to be provided on a

nominal basis and discounted basis. Estimates are to be provided on an expected value basis and at various confidence levels.

- b. Projections of prospective year losses and ALAE.
 - c. Cash flow projections based on anticipated receipt of funds and payment of financial obligations.
 - d. Total funding requirements for claims, loss control and administrative expenses under various scenarios as directed by the Commonwealth.
 - e. Pro-forma accounting exhibits for five years under various funding scenarios.
 - f. Benchmark graphs
3. The contractor shall provide estimates and exhibits to meet GASB requirements.
4. Premium allocations and individual premium statements among approximately 175 state agencies and 600 local governmental entities annually. The draft is due by August 1 and the final by August 20. Premium allocations are based on a combination of individual agency loss experience and exposures for programs. Programs annually include
- a. DHRM/OWC - Workers' compensation
 - b. TRS/DRM - Automobile liability, general liability, medical malpractice, fidelity, property, local government liability, Constitutional Officer and commuter rail liability
5. Special projects involving premiums, funding, legislation initiatives and studies.
- B. **CONTRACTOR PERFORMANCE:** The requirements of this contract should be performed in the most cost-effective manner following good business practices and procedures. In order to ensure effective communications the Contractor should meet with Commonwealth staff and officials no less than three times per year. These meetings should involve a discussion and explanation of aspects of the various reports submitted by the Contractor, as well as current situations and other information...
- C. **INFORMATION TO BE PROVIDED BY TRS/DRM and DHRM/OWC:** TRS/DRM and DHRM/OWC will provide the Contractor with reserve,

payment, administrative expenses, exposure and third party administrators reports by August 15 of each year. Projections of future year's administrative expenses, exposure data, and payroll data will also be provided as needed.

IV. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS:

A. GENERAL REQUIREMENTS:

1. RFP Response: In order to be considered for selection, Offerors should submit a complete response to this RFP. It is desired that one original and eight copies of each proposal be submitted to the Issuing Agency. The Offeror shall make no other distribution of the proposals.
2. Proposal Preparation:
 - a. An authorized representative of the Offeror shall sign proposals. All information requested should be submitted. Failure to submit all information requested might result in the Issuing Agency requiring prompt submission of missing information and/or giving a lowered evaluation of the proposal. Mandatory requirements are those required by law or regulations or are such that they cannot be waived and are not subject to negotiation.
 - b. 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 proposal.
 - c. Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.
 - d. Proposal 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. Each copy of the proposal should be bound in a single volume where practical. All documentation submitted within the proposal should be bound in that single volume.
- f. Ownership of all data, material 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 protections of Section 2.2-4342 of the Code of Virginia, in writing, either before or at the time the data 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 rejection and return of the proposal.

B. **SPECIFIC REQUIREMENTS:** Proposals should be as thorough and detailed as possible so that TRS/DRM and DHRM/OWC may properly evaluate your capabilities to provide the required services. Offerors are requested to submit the following items as a complete proposal:

1. The return of the cover page to this RFP and all subsequent addenda, if applicable, signed and filled out as required.

2. A written narrative statement describing your 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. The narrative statement should include:
 - a. The number of years performing actuarial services for organizations involved with claims payment and investigation. This includes workers' compensation, automobile liability, medical malpractice, fidelity, various public entity errors and omissions, general liability and property exposures. If studies have been conducted for state governments, this should be stated, including the subject, date and the name and phone number of a point of contact.
 - b. A list of at least three current and three terminated accounts of similar size and exposure. Provide names, addresses and phone numbers for the points of contact for these accounts.
 - c. Resumes of staff personnel to be assigned to the contract by office, including office location. Identify the person who will be the principal contact for contract administration. Provide the name of the principal actuary and any other actuaries that will support the different products covered by this RFP. Include any professional certifications held by these persons.
3. Proposed billing cycle for providing services. All charges must incorporate routine office and administrative expenses, travel, reproduction, office supplies, telephone charges, etc.
4. Specimen copies of reports, premium recommendations and analysis, and graphs provided to clients for same lines of coverage. This will enable TRS/DRM and DHRM/OWC to evaluate the readability of the Offeror's reports. These may be sanitized to protect the identity of the client.
5. Participation of Small, Women, and Minority Owned Businesses

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, and other contractual opportunities. Submission of a report of past efforts to utilize the goods and services of such businesses and plans for involvement on this contract are required. By submitting a proposal, offerors certify that all information provided in response to this RFP is true and accurate.

Failure to provide information required by this RFP will ultimately result in rejection of the proposal.

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 purchasing agency will require prompt submission of missing information after the receipt of vendor proposals in order for a non-compliant proposal to be considered.

V. EVALUATION AND AWARD CRITERIA:

A. EVALUATION CRITERIA: Proposals shall be evaluated using the following criteria:

30% Qualifications and experience of the Offeror in providing the desired services.

40% Qualifications and experience of personnel who will be assigned to provide the desired services.

10% References.

10% Readability of reports and other information submitted.

10% Proposed participation of Small Businesses and Businesses Owned by Women and Minorities in the contract.

B. AWARD: The purchasing agency shall engage in individual discussions with two or more Offerors deemed fully qualified, responsible and suitable on the basis of initial responses and with emphasis on professional competence, to provide the required services. Repetitive informal interviews shall be permissible. Such Offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternate concepts. At the discussion stage the purchasing agency may discuss non-binding estimates of price for services. Proprietary information from competing Offerors shall not be disclosed to the public or to competitors. At the conclusion of the informal interviews, on the basis of evaluation factors published in the Request for Proposals and all information developed in the selection process to this point, the purchasing agency shall select, in the order of preference, two or more Offerors whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted; beginning with the Offeror ranked first. If a contract satisfactory and advantageous to the purchasing agency can be negotiated at a price considered fair and reasonable, the award shall be made to that Offeror. Otherwise, negotiations with the Offeror ranked first shall be formally terminated and negotiations conducted with

the Offeror ranked second, and so on, until such a contract can be negotiated at a fair and reasonable price. Should the purchasing agency determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that Offeror.

VI. REPORTING AND DELIVERY REQUIREMENTS:

- A. INFORMATION TO BE PROVIDED: The Contractor shall submit the information listed below to the TRS/DRM and DHRM/OWC on an annual basis. A separate set of reports (minimum of 10 copies) shall be provided to each Agency. All information should be provided no later than September 15 of each year unless otherwise stated or agreed. Information shall also be provided in electronic format.
1. Programs Annual actuarial Analysis and Recommendations: The contractor shall compile all TRS/DRM programs in one document with the information organized by program. Stability reserve fund status should be included with this information. A separate program document for the Workers' Compensation Program shall be provided to the DHRM/OWC.
 2. Incurred but Not Reported (IBNR): An analysis of factors needed to apply to year-end reserves shall be provided. These factors should reflect claims that have been incurred, but have not been reported to the respective agency (TRS/DRM or DHRM/OWC).
 3. Premium Delivery: Premium allocations and individual premium statements are due in draft before August 1 and in final form by August 20.
- B. READABILITY OF INFORMATION: Any information or reports submitted by the Contractor must be readable by a varied audience. Emphasis is placed on the fact that the reports will be read by non-insurance, non-financial, as well as, financial persons. It is imperative that reports and other information be presented in a straightforward, non-technical manner.
- C. 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. A suggested format is as follows:

<u>Business Class:</u> (Small, Women-Owned or Minority-Owned)				
<u>FIRM NAME, ADDRESS & PHONE NO.</u>	<u>TYPE GOODS/ SERVICES</u>	<u>ACTUAL DOLLARS</u>	<u>PLANNED DOLLARS</u>	<u>% OF TOTAL CONTRACT</u>

<u>TOTALS FOR BUSINESS CLASS</u> -----				

VII. PRE-PROPOSAL CONFERENCE: An optional pre-proposal conference will be held in Conference Room E, Lobby Level at 10:00 a.m. on February 13, 2007 at 101 North 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.

While attendance at this conference will not be a prerequisite to submitting a proposal, Offerors who intend to submit a proposal are encouraged to attend. Any changes resulting from this conference will be issued in a written addendum to the solicitation. Please bring a copy of the solicitation with you.

VIII. GENERAL TERMS AND CONDITIONS:

A. MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS: Failure to submit a proposal on the official State form provided for that purpose may be cause for rejection of the proposal. Modification of or additions to the 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 or not to reject such a proposal.

B. APPLICABLE LAWS AND COURTS: This solicitation and any resulting contract shall be governed in all respects by the law of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The Contractor shall comply with applicable federal, state and local laws 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 Section 11-51 of the Virginia Public Procurement Act.

In every contract over \$10,000.00 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 or disabilities, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor exists. 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 the requirements of this Section.
 2. The Contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000.00, 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, the 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 from submitting bids or proposals on contracts by any agency of the Commonwealth of Virginia, nor are they an agent of any person or entity that is currently debarred from submitting bids or proposals on contracts by any agency of the Commonwealth of Virginia.
- 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 the 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. CLARIFICATION OF TERMS: If any prospective Offeror has questions about the statement of needs 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.
- I. PAYMENT TO THE SUBCONTRACTORS: 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 agencies and the subcontractor(s), in writing, of the Contractor's intention to withhold payment and the reason.

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 b. 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.

- J. PRECEDENCE OF TERMS: Except for paragraphs A through J of the General Terms and Conditions, which shall apply in all instances, in the event there is a conflict between the General Terms and Conditions and

any Special Terms and Conditions used in a particular procurement, the Special Terms and Conditions shall apply.

- K. INVOICES: Invoices for services rendered and accepted shall be submitted by the Contractor directly to either TRS/DRM or DHRM/OWC for services provided respectively. All invoices shall show the state contract number and/or purchase order number, to whom services provided, and a summary of the services provided.
- 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 work/furnish the item(s) 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 complete the work/furnish the item(s) contemplated therein.
- M. ASSIGNMENT OF CONTRACT: A contract shall not be assignable by the Contractor in whole or in part without the written consent of the Commonwealth.
- N. CHANGES TO THE CONTRACT: The parties may agree in writing to notify 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.
- O. 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.
- P. PROMPT PAYMENT OF BILLS: (Sections 2.2-4347 through 2.2 4353, Code of Virginia)
 - 1. Every State agency that acquires services or conducts any other type of contractual business with non-governmental, privately owned enterprises shall promptly pay for the completed services by the required payment date.
 - 2. Definitions – As used in this paragraph, unless the context clearly shows otherwise, the term or phrase:

- a. "Payment date" means either (1) the date on which payment is due under the terms of a contract for provision of goods or services, or (2) if such date has not been established by contract, thirty days after receipt of a proper invoice for the amount of payment due, or thirty days after the receipt of services, whichever is later.
 - b. "State agency" means any authority, board, department, instrumentality, agency or other unit of State government.
3. Separate payment dates – Separate payment dates may be specified for contracts under which services are provided in a series of partial executions to the extent that such contract provides for separate payment for such partial execution.
 4. Defect or impropriety in the invoice or services received – In instances where there is a defect or impropriety in an invoice for services received, the State agency shall notify the Contractor of the defect or impropriety within fifteen days if such defect or impropriety would prevent payment by the payment date.
 5. Date of postmark is deemed to be the date payment is made – In those cases where payment is made by mail, the date of postmark shall be deemed to be the date payment is made.
 6. The payment date for items in disagreement shall be 30 days after the resolution of such disagreement.

Q. OPEN RECORDS:

1. Procurement proceedings, records, contracts and orders are public records, open to the inspection of any citizen or any interested person, firm, or corporation, in accordance with the Virginia Freedom of Information Act. Cost estimates relating to a proposed procurement transaction prepared by or for a State agency shall not be open to public inspection (Section 11-52B, Code of Virginia).
2. Any competitive negotiation Offeror, upon request, shall be afforded the opportunity to inspect proposal records within a reasonable time after the evaluation and negotiations of proposals are completed, but prior to award except in the event that the public body decides not to accept any of the proposals and to reopen the contract.
3. Despite the proceeding restrictions as to when Offerors and the general public may inspect proposal records, the identity of Offerors submitting proposals in the competitive negotiation process may be disclosed.

4. Any inspection of records under this paragraph shall be subject to reasonable restrictions to ensure the security and integrity of the records (Section 11-52C, Code of Virginia).
 5. A procuring agency may make reasonable charges for the copying and search time expended in the supplying of a public request for procurement records. The charge shall not exceed the actual cost the procuring agency of supplying such records. Upon the request the procuring agency will furnish in advance an estimate of the charges for supplying procurement records (Section 2.1-342, Code of Virginia).
- R. 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 (Section 2.2-4319, Code of Virginia).
- S. 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.
- T. PROTEST OF AWARD OR DECISION TO AWARD: Any Offeror submitting a proposal in response to a solicitation may protest the award or decision to award a contract by submitting such protest in writing no later than ten days after the award is made or the notice of intent to award is posted, whichever occurs first. The written protest must be received in the purchasing office no later than 5:00 p.m. on the tenth day. If the tenth day falls on a weekend or an official State holiday, the ten-day period expires on the next regular work day. The protest shall include the specific basis for the protest and the relief sought. The head of the purchasing office concerned shall issue a decision in writing within ten days stating the reason for the action taken. This decision shall be final unless the Offeror appeals within ten days of the written decision by invoking the agencies' appeals procedure, or institutes legal action as provided in Section 2.2-4364, Code of Virginia. If the protest of any Offeror depends in whole or in part upon information contained in public records pertaining to the procurement transaction which are subject to inspection, then the time within which the protest must be submitted shall expire ten days after those records are available for inspection by such Offeror, or at such later time as provided in this section. No protest shall lie for a claim that the selected Offeror is not a responsible Offeror.
- U. TERMINATION FOR CONVENIENCE OF THE COMMONWEALTH: A purchase order or contract may be terminated for the convenience of the Commonwealth by delivering to the Contractor a notice of termination

specifying the extent to which performance under the purchase order or contract is terminated, and the date of termination. After receipt of a notice of termination, the Contractor must stop all work under the purchase order or contract on the date and to the extent specified. Within 120 days after receipt of the notice of termination, or such longer period as the State for good cause may allow, the Contractor must submit any termination claim. This claim will be in a form and with certifications prescribed by the purchasing office that issued the purchase order. The claim will be reviewed and forwarded with the appropriate recommendations to the requisitioning agency and/or the appropriate assistant attorney general for disposition in accordance with Section 2.1-127 of the Code of Virginia.

- V. 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 Section 11-70, Code of Virginia.

- W. ANNOUNCEMENT OF AWARD: Upon the award or the announcement of the decision to award a contract as a result of this solicitation, the issuing agency will publicly post such notice on the Issuing Agency's web site for a minimum of 10 days.

- X. INSURANCE: By signing and submitting a proposal under this solicitation, the offeror certifies that if awarded the contract, it will have the following insurance coverages at the time the contract is awarded. The offeror further certifies that the contractor and any subcontractors will maintain these insurance coverages during the entire term of the contract and that all insurance coverages will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

INSURANCE COVERAGES AND LIMITS REQUIRED:

1. Worker's Compensation - Statutory requirements and benefits.
2. Employers Liability - \$100,000.

3. Commercial General Liability - \$500,000 combined single limit . Commercial General Liability is to include Premises/Operations Liability, Products and Completed Operations Coverage, and Independent Contractor's Liability or Owner's and Contractor's Protective Liability. The Commonwealth of Virginia must be named as an additional insured with respect to the services being procured.

<u>Profession/Service</u>	<u>Limits</u>
Accounting	\$1,000,000 per occurrence, \$3,000,000 aggregate

Z. eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION

The eVA Internet electronic procurement solution, web site portal www.eva.state.va.us, 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.

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, and complete the Ariba Commerce Services Network registration.

- A. eVA Basic Vendor Registration Service: \$25 Annual Fee plus a Transaction Fee of 1% per order received. The maximum transaction fee is \$500 per order. eVA Basic Vendor Registration Service includes electronic order receipt, vendor catalog posting, on-line registration, and electronic bidding, as they become available.
- B. eVA Premium Vendor Registration Service: \$200 Annual Fee plus a Transaction Fee of 1% per order received. The maximum transaction fee is \$500 per order. 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, and ability to research historical procurement data, as they become available.
- C. Ariba Commerce Services Network Registration. The Ariba Commerce Services Network (ACSN) registration is required and provides the tool used to transmit information electronically between state agencies and vendors. There is no additional fee for this service.

Note: Vendors are strongly encouraged to register your company prior to submitting a bid or offer. Failure to register will result in your bid or offer being found non-responsive and rejected. All vendors must register in both the eVA and the Ariba Commerce Services Network Vendor Registration Systems.

IX SPECIAL TERMS AND CONDITIONS:

- A. ADVERTISING: In the event a contract is awarded for services resulting from this RFP, no indication of such services to TRS/DRM, DHRM/OWC, or the Commonwealth of Virginia or any of its agencies will be used in any advertising. The Contractor shall not state in any advertising literature that the Commonwealth of Virginia or any agency or institution of the Commonwealth has purchased or uses its services.
- B. AUDIT: The Contractor hereby agrees to retain all books, records and other documents relative to this contract for five years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. Each 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.
- C. AVAILABILITY OF FUNDS: It is understood and agreed between the parties herein that the agencies shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.
- D. CANCELLATION OF CONTRACT: DHRM/OWC and TRS/DRM reserve the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon ninety (90) 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 the cancellation.
- E. PRICE ADJUSTMENTS:
1. The initial price is to be in effect for three years. Subsequent adjustments shall be as determined below. All adjustments will be effective on the contract anniversary or extension date.
 2. The Contractor shall submit written requests for price adjustments to the TRS/DRM and the DHRM/OWC no less than one hundred twenty days (120) prior to the expiration date of the contract. TRS/DRM and DHRM/OWC will notify the Contractor in writing of any increase approved.

3. 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 and the DHRM/OWC.

F. RENEWAL OF CONTRACT: The initial term of this contract is three years. The contract may be renewed by the Commonwealth for two successive one-year periods under the terms and conditions of the original contract. The price may be adjusted for each additional period by written request in accordance with Section IX.E.

X. METHOD OF PAYMENT AND BILLING:

The standard form of payment utilized by the Commonwealth is by EDI (See Appendix 1 for description). Unless a different method is agreed upon through negotiations, the contractor must complete the EDI agreements required by the Department of Accounts.

A. The Contractor's fees shall be paid monthly upon receipt of a valid invoice for services.

B. Invoices for special projects shall be submitted by the Contractor directly to either TRS/DRM or DHRM/OWC for the services provided respectively. All invoices shall show the state contract number, to whom services were provided, and a summary of the services provided for each time period.

C. Invoices shall be submitted to the respective using agency as indicated below:

Department of the Treasury
Division of Risk Management
Attn: Don LeMond
P.O. Box 1879
Richmond, VA 23218-1879

Department of Human Resource Management
Office of Worker's Compensation
Attn: Sue Keener
101 North 14th Street, 6th Floor
Richmond, VA 23219

Appendix 1

ELECTRONIC DATA EXCHANGE (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>