



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER
INS09019

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF
SHELLY MURRAY 304-558-8801

VENDOR

RFQ COPY  
 TYPE NAME/ADDRESS HERE

SHIP TO

INSURANCE COMMISSION  
  
 1124 SMITH STREET  
 CHARLESTON, WV  
 25305-0540 304-558-3707

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B	FREIGHT TERMS
05/28/2009				

BID OPENING DATE: **06/18/2009** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	LS		920-04		
<p style="text-align: center;">----- ADDENDUM NO. 1 -----</p> <p>THIS ADDENDUM IS ISSUED TO ADDRESS THE QUESTIONS AND CONCERNS RAISED PRIOR TO THE QUESTION SUBMISSION DEADLINE OF 05/15/2009.</p> <p>ATTACHMENT: QUESTIONS AND RESPONSES</p> <p>THE BID OPENING DATE IS EXTENDED:</p> <p>FROM: 06/11/2009          TO : 06/18/2009</p> <p>COMPREHENSIVE DATA SYSTEM</p> <p>EXHIBIT 10</p> <p style="text-align: right;">REQUISITION NO.: INS09019</p> <p>ADDENDUM ACKNOWLEDGEMENT</p> <p>I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.</p> <p>ADDENDUM NO.'S:</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS		
SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

**GENERAL TERMS & CONDITIONS  
REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)**

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. All quotations are governed by the *West Virginia Code* and the *Legislative Rules* of the Purchasing Division.
4. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
5. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods, this Purchase Order/Contract becomes void and of no effect after June 30.
6. Payment may only be made after the delivery and acceptance of goods or services.
7. Interest may be paid for late payment in accordance with the *West Virginia Code*.
8. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
9. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
10. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
11. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern all rights and duties under the Contract, including without limitation the validity of this Purchase Order/Contract.
12. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
13. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.
14. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, and available online at the Purchasing Division's web site (<http://www.state.wv.us/admin/purchase/vrc/hipaa.htm>) is hereby made part of the agreement. Provided that, the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
15. **WEST VIRGINIA ALCOHOL & DRUG-FREE WORKPLACE ACT:** If this Contract constitutes a public improvement construction contract as set forth in Article 1D, Chapter 21 of the West Virginia Code ("The West Virginia Alcohol and Drug-Free Workplace Act"), then the following language shall hereby become part of this Contract: "The contractor and its subcontractors shall implement and maintain a written drug-free workplace policy in compliance with the West Virginia Alcohol and Drug-Free Workplace Act, as set forth in Article 1D, Chapter 21 of the West Virginia Code. The contractor and its subcontractors shall provide a sworn statement in writing, under the penalties of perjury, that they maintain a valid drug-free work place policy in compliance with the West Virginia and Drug-Free Workplace Act. It is understood and agreed that this Contract shall be cancelled by the awarding authority if the Contractor: 1) Fails to implement its drug-free workplace policy; 2) Fails to provide information regarding implementation of the contractor's drug-free workplace policy at the request of the public authority; or 3) Provides to the public authority false information regarding the contractor's drug-free workplace policy."

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**INSTRUCTIONS TO BIDDERS**

1. Use the quotation forms provided by the Purchasing Division.
2. **SPECIFICATIONS:** Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Complete all sections of the quotation form.
4. Unit prices shall prevail in case of discrepancy.
5. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
6. **BID SUBMISSION:** All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

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**INSURANCE COMMISSION**

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	NO. 1 .....					
	NO. 2 .....					
	NO. 3 .....					
	NO. 4 .....					
	NO. 5 .....					
<p>I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.</p> <p>VENDOR MUST CLEARLY UNDERSTAND THAT ANY VERBAL REPRESENTATION MADE OR ASSUMED TO BE MADE DURING ANY ORAL DISCUSSION HELD BETWEEN VENDOR'S REPRESENTATIVES AND ANY STATE PERSONNEL IS NOT BINDING. ONLY THE INFORMATION ISSUED IN WRITING AND ADDED TO THE SPECIFICATIONS BY AN OFFICIAL ADDENDUM IS BINDING.</p> <p>..... SIGNATURE</p> <p>..... COMPANY</p> <p>..... DATE</p> <p>REV. 11/96</p> <p>----- END OF ADDENDUM NO. 1 -----</p>						

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# RFP # INS09019

## Addendum #1

1. Is this a new requirement? Or, is there an incumbent vendor? If there is an incumbent vendor, who is the vendor and what was the contract duration and value?
  - a. New requirement
2. Is there an estimated value for a contract result from this RFP?
  - a. There is not a published estimated value.
3. **Section 3.1.2 Producer Licensing – Individuals or Business Entities- Page 17-** Requirement states “Resident License verification for non-resident license applications/renewals +B91”. **What is “B91”?**
  - a. Typo. It was originally part of a table and this is an old cell reference.
4. **Section 4.5 Cost Proposal form/Bid Sheets – Company and Agent Transaction/Membership – 37** Please provide a detailed description of what your expectations are in terms of a cost proposal related to “Company” and “Agent”.
  - a. We are interested in costs which can or will be charged to either a “Company” or an “Agent” when utilizing the new solution. Currently our constituents have minimal financial impact when utilizing our in-state system. Please break down charges with per transaction cost (identifying the actual transaction type) estimated to a yearly fee, as well as any additional membership fees which might be required.
5. Do you expect the industry to fund these costs or is the West Virginia Department expecting to fund these costs in behalf of industry and provide online insurance transactions such as appointments, termination’s, license applications, license renewals, course completions for education, etc. at no cost to the industry?
  - a. The State currently allows online services and has statutory fees established for providing appointments, applications, renewals, etc. the value of the proposals will be evaluated for the proposed cost of the modified services to the state and any costs to the industry which will utilize.
6. You have clearly separated company and agent transaction/membership costs. Are you looking for a flat or single transaction fee that addresses all types of transactions for companies and one for agents? If so, is it your expectation that these transaction fees be paid by the companies and agents?
  - a. See 4a.
7. If we have a concern for a specific statement(s) in the RFP and would like to register an exception, does the state have a preference as to where, in our proposal, we register that exception(s)?

- a. Exceptions to information contained in the RFP are to be included with the Technical Response and clearly identified.

The General Terms & Conditions Request for Quotation (RFQ) Section and Request for Proposal (RFP) Back of Page 1, paragraph 14 references the HIPAA Business Associate Addendum. Specifically, the RFP States:

The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, and available online at the Purchasing Division's web site (<http://www.state.wv.us/admin/purchase/vrc/hipaa/htm>) is hereby made part of the agreement. Provided that, the Agency meets the definition of a Cover Entity (45 CFR§160.103) and will be disclosing Protected Health Information (45 CFR§160.103) to the vendor.

8. What HIPAA protected information does the state of West Virginia expect to be stored in the system that is the basis for this RFP which would in turn be disclosed to the vendor?
  - a. The OIC is not considered a "covered entity" for HIPAA purposes. As a matter of course, state contracts contain the Business Associate Addendum as a part thereof in an attempt to assure privacy and security of individual's personal information. Although the OIC is not a "covered entity" for HIPAA purposes, the OIC may, on a regular basis, receive certain personal health information which needs to be afforded privacy protections and the BAA language is included in state contracts to obligate state vendors of their duty to protect such information as prescribed by our privacy laws and policies.
9. Is the West Virginia Insurance Commission considered a "Covered Entity? As it relates to this provision?
  - a. See 9a

#### Section Instructions for Bidders, Page 3

Paragraph 4 states: The terms and conditions contained in this contract shall supersede any and all subsequent terms and conditions which appear on any attached printed documents such as price lists, order forms, sales agreements, or maintenance agreements, including any electronic medium such as CD-ROM."

Section 1.19.6 Contract Provisions states "After the successful Vendor is selected, a formal contract document will be executed between the State and Vendor. In addition the RFP and the Vendor's response will be included as part of the contract by reference. The order of precedence is the contract, the RFP and the Vendor's proposal in response to the RFP."

10. Please provide clarification. The instructions to Bidders Section on Page 3, Paragraph 4 states that the RFP has the highest precedence while Section 1.19.6 state that the contract has the highest precedence. Which document has the highest precedence: the RFP or the contract?
  - a. The contract which will include the RFP and the Vendors proposal.

#### Section 1.14 Price Quotation, Page 9

Section 1.14 Price Quotation States "The price(s) quoted in the bidder's proposal will not be subject to any increase and will be considered firm for the life of the contract unless specific provisions have been provided for adjustment to the original contract."

11. How does this section apply to vendor services deployed to external customers-including, but not limited to individual and business entity licensees and insurance companies-that are offered and priced on a per transaction basis? Using this model the cost to the user is variable based on their use of the system. Is it appropriate for the vendor to provide a per transaction cost that could be governed by this requirement and would therefore be considered firm and not be subject to any increase for the life of the contract?

a. The response should include the "per transaction fee" and any variable fee schedule for usage.

#### 1.19.8 Compliance with Laws and Regulations, Page 12

Section 1.19.8 states "The vendor shall procure all necessary permits and licenses to comply with all applicable laws, Federal, State, or municipal, along with all regulations, and ordinances of any regulating body.

The Vendor shall pay any applicable sales, use or personal property taxes arising out of this contract and the transactions contemplated thereby. Any other taxes levied upon this contract, the transaction, or the equipment, or services delivered pursuant here to shall be borne by the contractor. It is clearly understood that the State of West Virginia is exempt from any taxes regarding performance of the scope of work of this contract.

12. Will the State of West Virginia provide a specific list of all necessary permits and licenses required to comply with all applicable laws, Federal, State or municipal along with all regulations and ordinances of any regulating body required to meet the specifications of this RFP?

a. It is the vendor's responsibility to ensure proper licensing, etc.

#### Section 3.1 Page 14, Section 3.1.1 Page 16 and Section 4.1 Page 25

Section 3.1 states that the vendor is responsible for providing a system that support Producer Licensing and Education, Company/Agency Licensing, Premium Tax Auditing, Consumer Services and Rates and Forms Processing.

Section 3.1.1 lists the following as required functionality: Producer Licensing, Company Licensing, Continuing Education, Enforcement, Fraud and Revenue.

Section 4.1 includes a functionality matrix for the following system functions: Producer Licensing, Company Licensing, Consumer Complaints/Complaints, CE and Pre-Licensing Education, Enforcement, Rates and Forms and Revenue Management.

13. Should we assume that Premium Tax and Fraud are ultimately not included due to lack of functional requirements? If this is an incorrect assumption, could the State of West Virginia provide a functional matrix describing the requirements for Fraud and Premium Tax Auditing?
- a. The Premium Tax and Fraud requirements are included within the Revenue Management and Enforcement functional sections.

Section 4.1 Vendors Proposal Format Section V – CE and Pre-Licensing Education.

The requirement states “Course Credit Equivalencies.”

14. Please provide more information on how this process works, what it does, and how it's applied to a licensee's CE requirement and how it's determined the action, education level, or professional designation, etc. attained by the student is deemed equivalent to attending CE courses.
- a. Course Credit Hours

The requirement states “Provider Course Auditing.”

15. Please provide more information on the data elements tracked when tracking provider course audits, the scheduling and tracking of completed audits, assignment and tracking of staff performing the audit, etc.? Are these audits performed by State of West Virginia staff or employees of another organization?
- a. Elements
    - Date Audited
    - Audit Scope -
      - Classroom course instruction
      - Course materials
      - Instructor's Presentation
      - Course Records
      - Records of Examination
      - Attendance Rosters
      - Other

Audits can be performed by OIC employees, its designees or the CE program management provider for the state.

The requirement states “Automatically reduce CE requirements based on the length of license.”

16. Please provide more information on this requirement such as how the reduction in CE requirements is applied, based on, for example, License Type / Line of Authority combinations, Years of Licensure, Any past Regulatory Action, etc. How does this process work when a licensee allows their license to lapse and reactivates their license at a later date? Is this a simple process focused entirely on the number or years the licensee has held their license or can the process be impacted by other factors?
- a. Reduced CE requirements for length of service are no longer applicable.

## Section 4.1 Vendors Proposal Format Section XI – Cost

Section 4.1 Section XI – Cost states, “Your proposed fee schedule shall include all applicable fees and associated cost to the Agency or constituents of the Agency.”

17. In Section II Producer Licensing the RFP lists the requirement that NIPR Electronic Resident and Non-Resident Original and Renewal Application Processing, NIPR Appointment Processing, and NIPR Address Change Processing be utilized. Is the vendor required to include applicable NIPR fees and associated costs to the Agency or constituents of the Agency as part of the vendor’s Cost Proposal in support of the requirements listed in Section XI Cost?
  - a. Yes