



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
CHP11001

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF:
**KRISTA FERRELL
 304-558-2596**

RFQ COPY
 TYPE NAME/ADDRESS HERE

VENDOR

SHIP TO

**WEST VIRGINIA CHILDRENS HEALTH
 INSURANCE PROGRAM
 SUITE 209
 1018 KANAWHA BOULEVARD, EAST
 CHARLESTON, WV
 25301 304-558-6655**

DATE PRINTED 07/28/2010	TERMS OF SALE	SHIP VIA	F.O.B	FREIGHT TERMS
-----------------------------------	---------------	----------	-------	---------------

BID OPENING DATE: **08/24/2010** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	LS		946-10		
<p>FQHC/RHC PROSPECTIVE PAYMENT SYSTEM</p> <p>REQUEST FOR QUOTATION (RFQ)</p> <p>THE WEST VIRGINIA STATE PURCHASING DIVISION FOR THE AGENCY, THE WEST VIRGINIA CHILDREN'S HEALTH INSURANCE PROGRAM (WVCHIP), IS SOLICITING BIDS TO PROVIDE THE AGENCY WITH A FEDERALLY QUALIFIED HEALTH CARE/RURAL HEALTH CARE PROSPECTIVE PAYMENT SYSTEM PER THE ATTACHED SPECIFICATIONS.</p> <p>A MANDATORY PRE-BID WILL BE HELD ON MONDAY, AUGUST 9, 2010 AT 10:30 AM IN THE PURCHASING DIVISION CONFERENCE ROOM LOCATED AT 2019 WASHINGTON STREET EAST IN CHARLESTON, WEST VIRGINIA. (BUILDING #15) ALL INTERESTED PARTIES ARE REQUIRED TO ATTEND THIS MEETING. FAILURE TO ATTEND THE MANDATORY PRE-BID SHALL RESULT I DISQUALIFICATION OF THE BID. NO ONE PERSON MAY REPRESENT MORE THAN ONE BIDDER.</p> <p>AN ATTENDANCE SHEET WILL BE MADE AVAILABLE FOR ALL POTENTIAL BIDDERS TO COMPLETE. THIS WILL SERVE AS THE OFFICIAL DOCUMENT VERIFYING ATTENDANCE AT THE MANDATOR PRE-BID. FAILURE TO PROVIDE YOUR COMPANY AND REPRESENTATIVE NAME ON THE ATTENDANCE SHEET WILL RESULT IN DISQUALIFICATION OF THE BID. THE STATE WILL NOT ACCEPT ANY OTHER DOCUMENTATION TO VERIFY ATTENDANCE. THE BIDDER IS RESPONSIBLE FOR ENSURING THEY HAVE COMPLETED THE INFORMATION REQUIRED ON THE ATTENDANCE</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. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
4. 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.
5. Payment may only be made after the delivery and acceptance of goods or services.
6. Interest may be paid for late payment in accordance with the *West Virginia Code*.
7. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
8. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
9. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
10. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern the purchasing process.
11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
12. **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.
13. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at www.state.wv.us/admin/purchase/vrc/hipaa.htm and 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.
14. **CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.
15. **LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, and the West Virginia Insurance Commission. The vendor must provide all necessary releases to obtain information to enable the director or spending unit to verify that the vendor is licensed and in good standing with the above entities.
16. **ANTITRUST:** In submitting a bid to any agency for the State of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the State of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, or person or entity submitting a bid for the same material, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

INSTRUCTIONS TO BIDDERS

1. Use the quotation forms provided by the Purchasing Division. Complete all sections of the quotation form.
2. 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. Unit prices shall prevail in case of discrepancy. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
4. 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
5. Communication during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited (W.Va. C.S.R. §148-1-6.6).



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
CHP11001

PAGE
2

ADDRESS CORRESPONDENCE TO ATTENTION OF:
KRISTA FERRELL 304-558-2596

RFQ COPY
 TYPE NAME/ADDRESS HERE

VENDOR

SHIP TO

WEST VIRGINIA CHILDRENS HEALTH
 INSURANCE PROGRAM
 SUITE 209
 1018 KANAWHA BOULEVARD, EAST
 CHARLESTON, WV
 25301 304-558-6655

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
07/28/2010				

BID OPENING DATE: 08/24/2010 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>SHEET. THE PURCHASING DIVISION AND THE STATE AGENCY WILL NOT ASSUME ANY RESPONSIBILITY FOR A BIDDER-S FAILURE TO COMPLETE THE PRE-BID ATTENDANCE SHEET. IN ADDITION, WE REQUEST THAT ALL POTENTIAL BIDDERS INCLUDE THEIR E-MAIL ADDRESS AND FAX NUMBER.</p> <p>ALL POTENTIAL BIDDERS ARE REQUESTED TO ARRIVE PRIOR TO THE STARTING TIME FOR THE PRE-BID. BIDDERS WHO ARRIVE LATE, BUT PRIOR TO THE DISMISSAL OF THE TECHNICAL PORTION OF THE PRE-BID WILL BE PERMITTED TO SIGN IN. BIDDERS WHO ARRIVE AFTER CONCLUSION OF THE TECHNICAL PORTION OF THE PRE-BID, BUT DURING ANY SUBSEQUENT PART OF THE PRE-BID WILL NOT BE PERMITTED TO SIGN THE ATTENDANCE SHEET.</p> <p>TECHNICAL QUESTION CONCERNING THIS SOLICITATION MUST BE SUBMITTED IN WRITING TO KRISTA FERRELL IN THE WEST VIRGINIA STATE PURCHASING DIVISION VIA MAIL AT THE ADDRESS SHOWN IN THE BODY OF THIS RFQ, VIA FAX AT 3047-558-4115, OR VIA EMAIL AT KRISTA.S.FERRELL@WV.GOV. DEADLINE FOR ALL TECHNICAL QUESTIONS IS 08/12/2010 AT THE CLOSE OF BUSINESS. ANY TECHNICAL QUESTIONS RECEIVED WILL BE ANSWERED BY FORMAL ADDENDUM TO BE ISSUED BY THE PURCHASING DIVISION AFTER THE DEADLINE FOR TECHNICAL QUESTIONS HAS LAPSED.</p> <p>NOTICE TO PROCEED: THIS CONTRACT IS TO BE PERFORMED BY JUNE 14, 2011. THE FULLY EXECUTED PURCHASE ORDER WILL SERVE AS THE NOTICE TO PROCEED ON THIS PROJECT.</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THE STATE MAY DEEM THE CONTRACT NULL AND VOID, AND TERMINATE SUCH CONTRACT</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'



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
CHP11001

PAGE
3

ADDRESS CORRESPONDENCE TO ATTENTION OF:
KRISTA FERRELL 304-558-2596

RFQ COPY
 TYPE NAME/ADDRESS HERE

VENDOR

SHIP TO

WEST VIRGINIA CHILDRENS HEALTH
 INSURANCE PROGRAM
 SUITE 209
 1018 KANAWHA BOULEVARD, EAST
 CHARLESTON, WV
 25301 304-558-6655

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
07/28/2010				

BID OPENING DATE: 08/24/2010 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>WITHOUT FURTHER ORDER.</p> <p>NOTICE</p> <p>A SIGNED BID MUST BE SUBMITTED TO:</p> <p>DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130</p> <p>THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:</p> <p>SEALED BID</p> <p>BUYER: KRISTA FERRELL-FILE 21</p> <p>RFQ. NO.: CHP11001</p> <p>BID OPENING DATE: 08/24/2010</p> <p>BID OPENING TIME: 1:30 PM</p> <p>PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID:</p> <p>-----</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'



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
CHP11001

PAGE
4

ADDRESS CORRESPONDENCE TO ATTENTION OF:
**KRISTA FERRELL
 304-558-2596**

RFQ COPY
 TYPE NAME/ADDRESS HERE

V
E
N
D
O
R

S
H
I
P
T
O

**WEST VIRGINIA CHILDRENS HEALTH
 INSURANCE PROGRAM
 SUITE 209
 1018 KANAWHA BOULEVARD, EAST
 CHARLESTON, WV
 25301 304-558-6655**

DATE PRINTED 07/28/2010	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
-----------------------------------	---------------	----------	--------	---------------

BID OPENING DATE: **08/24/2010** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
CONTACT PERSON (PLEASE PRINT CLEARLY):						

***** THIS IS THE END OF RFQ CHP11001 ***** TOTAL:						_____

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'

West Virginia Children's Health Insurance Agency

Request for Quotation

Federally Qualified Health Center/Rural Health Center Prospective Payment System

Background

The West Virginia Children's Health Insurance Agency (WVCHIP) is the State agency which administers this State's Title XXI program – a separate CHIP that provides health insurance coverage to uninsured children in families with gross household incomes less than or equal to 250% of the current Federal Poverty Level (FPL). WVCHIP serves approximately 25,000 children per month and over 40,000 children per year. Program expenditures total approximately \$46 million annually. The program is funded by both state and federal revenues. The current federal match rate is 81.27%.

The Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) authorizes CHIP through 2015 and ensures that States are able to continue their existing CHIP programs and provides funding to expand health insurance coverage to additional low-income, uninsured children.

Section 503 of CHIPRA amended section 2107(e)(1) of the Social Security Act to make section 1902(bb) of the Act applicable to CHIP in the same manner as it applies to Medicaid. Section 1902(bb) governs payments for federally qualified health centers (FQHCs) and rural health clinics (RHCs). Prior to 2001, Federal law required State Medicaid programs to reimburse FQHCs and RHCs based on reasonable costs. States used Medicare regulations and cost reports to identify the types of allowable costs that would be reimbursed, and established their own definition of what constituted "reasonable costs." However, the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA) changed the payment requirements for FQHCs and RHCs. Section 702 of BIPA ("New Prospective Payment System for Federally Qualified Health Centers and Rural Health Clinics") created a new section 1902 (bb) in the Act. This section requires Medicaid programs to make payments for FQHC/RHC services in an amount calculated on a per-visit basis that is equal to the reasonable cost of such services documented for a baseline period, with certain adjustments, or to use an alternative payment methodology to pay for FQHC and RHC services. BIPA (and now CHIPRA) refers to the payment methodology under section 1902(bb) as a prospective payment system (PPS).

Unlike a cost-based reimbursement system, a PPS establishes a provider's payment rate for a service before the service is delivered – the rate is not dependent on the provider's actual costs or the amount charged for the services. CMS uses PPSs throughout the Medicare program. Most Medicare PPSs are based on the average

costs incurred in furnishing the services by all participating providers of that type (e.g., skilled nursing facilities) and generally include multiple rate adjustment factors. However, the Medicaid PPS specified in section 1902(bb)(3) is determined separately for each individual FQHC or RHC (calculated on a per-visit basis), and does not include any adjustment factors other than a growth rate to account for inflation and a change in the scope of services furnished during that fiscal year.

Medicaid programs, including CHIP programs that were implemented as Medicaid expansions, were required to use the methodologies set forth in section 1902(bb) for all FQHC and RHC services provided on or after January 1, 2001. As a result of section 503, separate CHIP programs – which WVCHIP is one - are now required to use these methodologies for all FQHC and RHC services provided on or after October 1, 2009, and can come into compliance using one of three methods:

- A) Adopting Medicaid PPS Rates
- B) Constructing Separate CHIP PPS Rates
- C) Using an Alternative Payment Methodology (APM)

In order to come into compliance under CHIPRA, WVCHIP established an advisory group consisting of representatives of the Agency, the Primary Care Association, the Public Employees' Health Insurance Agency, Wells Fargo, Third-Party Administrators, and Administrators/Financial Officers of three FQHCs: Cabin Creek Health Systems; E.A. Hawes Health Center; and the New River Health Association. The advisory group decided that separate WVCHIP PPS rates should be established. The planning document developed by this group is attached to this RFP. West Virginia has 28 FQHCs that operate 188 service sites and 53 RHCs throughout the state.

Scope of Work/Deliverables

Work/deliverables to be provided by the awarded bidder under this contract are as follows:

- A) Review Medicare Cost Reports and Uniform Data Set Reports for the baseline period from FQHCs/RHCs within West Virginia to determine Medicare/Medicaid services included in each FQHC/RHC encounter rate for the base time period; and
- B) Develop WVCHIP specific PPS rate methodology, approved by WVCHIP, and provide written documentation of methodology used to calculate PPS rates specific to WVCHIP services/benefits and in accordance with advisory group recommendations, that includes the following:

1. the appropriate and cost-effective modifications, if any, to the WV Medicare/ Medicaid PPS encounter rates to be used in computation of WVCHIP PPS encounter rates; and
 2. the appropriate and cost-effective method to obtain counts of encounters, by type of encounter, of WVCHIP enrolled children at each FQHC/RHC facility and site; and
 3. the appropriate and cost-effective method to compute a WVCHIP PPS rate per encounter, by type of encounter, for each FQHC and RHC facility and site during a relevant time period; and
 4. the appropriate and cost-effective method to compute the total payments of all types by the WVCHIP to each FQHC/RHC facility during the relevant time period; and
- C) Calculate initial FQHC/RHC specific WVCHIP PPS rates that accounts for the services included in the WVCHIP benefit package, as they may be different than the Medicare/Medicaid services included in the Medicare encounter rate; and
- D) Develop methodology, approved by WVCHIP, and provide written documentation of that methodology for WVCHIP to use to calculate and implement future rate updates that includes:
1. the inflation factor to be applied to baseline or current WVCHIP PPS rates to calculate future PPS rates on an annual basis; and
 2. the methodology to update future rates to recognize changes in services delivered at the FQHC/RHC or any changes to WVCHIP's benefit package; and
 3. the methodology that will be used to calculate new PPS rates to recognize any new service sites for existing FQHC or RHCs; and
 4. the methodology to determine PPS rates for any new FQHC or RHC that may be recognized at a future date; and
 5. all other information deemed pertinent by WVCHIP and the awarded bidder to future rate updates; and
- E) Develop database of initial FQHC/RHC PPS rates by encounter type and the services included in each rate for the base period by FQHC/RHC that can be used to calculate future updates. The database will be in a format

mutually agreed to by WVCHIP and the awarded vendor that will include, but is not limited to:

1. FQHC/RHC FEIN and NPI
 2. FQHC/RHC Name
 3. FQHC/RHC service sites location addresses
 4. Medicare/Medicaid base year PPS rates by encounter type
 5. Services included in the Medicare/Medicaid base year rates by encounter type
 6. WVCHIP specific PPS rates by FQHC/RHC by encounter type
 7. Services included in the WVCHIP specific PPS rate by encounter type
- F) Develop written documentation necessary for WVCHIP to establish rates for FQHC/RHC that participate and certified as medical homes – a capitation rate model specific to each FQHC/RHC - if WVCHIP proceeds with this option; and
- G) Develop training materials (Powerpoint Presentation or any other format mutually agreed to by WVCHIP and vendor) for WVCHIP staff to use to calculate future PPS rate updates, as well as any rates under a capitation model. The training material should be thorough enough to allow the user to duplicate the rate update process without further explanation or reference to other information sources.
- H) Vendor will have to present methodology and calculations to WVCHIP and the advisory group. There may also be some additional meetings as necessary.

Technical Requirements/Vendor Eligibility

Potential vendors must have at least three years demonstrable experience with Medicare/Medicaid cost reporting. Vendors must submit with their bid:

1. A profile of your firm which should include: a full listing of the firm's experience applicable to cost reporting using Medicare or Medicaid methodology, with emphasis on prospective payment systems (PPS), disclosing the types of clients, the services provided to each client type, and the duration of the service.

2. The name and qualifications, including Medicare/Medicaid cost reporting experience, of the project leader who would be assigned to provide primary service under this contract and any substitute.
3. References and contact information for three representative clients that are included in the listing provided under number 1.

Pricing Schedule

The bid price will be the total cost for providing the requested services under this Contract.

All charges, including wages and benefits paid to bidder employees, costs of equipment, costs for supervision, overhead, insurance etc. shall be included in the bid price. The bidder may not charge a higher price than that provided in their bid. Travel must be included in the total bid price. Bidders may not submit surcharges of any type, mileage or any other charges. Prices must remain firm for the life of the contract. At no time may a bidder unilaterally change the services or prices of the Contract.

Payments

The awarded Bidder shall submit invoices, in arrears, to the Agency at the address on the face of the purchaser order labeled "Invoice to" pursuant to the terms of the contract. Invoices should be submitted to the Agency identifying completed deliverables. Progress payments will be made as follows:

The awarded Bidder will be entitled to 20% of the total contract amount upon completion of deliverables A and B. The awarded Bidder will be entitled to an additional 30% of the total contract amount upon completion of deliverables C and D. The awarded bidder will receive the remaining 40% upon completion of all the remaining deliverables in the Scope of Work/Deliverables E through H. 10% of the contracted price will be retained until satisfactory completion and approval of ALL deliverables.

VENDOR PREFERENCE CERTIFICATE

Certification and application* is hereby made for Preference in accordance with *West Virginia Code*, §5A-3-37. (Does not apply to construction contracts). *West Virginia Code*, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the *West Virginia Code*. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

1. **Application is made for 2.5% resident vendor preference for the reason checked:**
 Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; **or**,
 Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; **or** 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; **or**,
 Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; **or**,
2. **Application is made for 2.5% resident vendor preference for the reason checked:**
 Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; **or**,
3. **Application is made for 2.5% resident vendor preference for the reason checked:**
 Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; **or**,
4. **Application is made for 5% resident vendor preference for the reason checked:**
 Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; **or**,
5. **Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**
 Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; **or**,
6. **Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**
 Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (West Virginia Code, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: _____ Signed: _____
 Date: _____ Title: _____

*Check any combination of preference consideration(s) indicated above, which you are entitled to receive.

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

West Virginia Code §5A-3-10a states: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceed five percent of the total contract amount.

EXCEPTION: The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (*West Virginia Code* §61-5-3), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

WITNESS THE FOLLOWING SIGNATURE

Vendor's Name: _____

Authorized Signature: _____ Date: _____

State of _____

County of _____, to-wit:

Taken, subscribed, and sworn to before me this ____ day of _____, 20____.

My Commission expires _____, 20____.

AFFIX SEAL HERE

NOTARY PUBLIC _____