



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  
 INS11007

PAGE  
 1

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

RFQ COPY

TYPE NAME/ADDRESS HERE

VENDOR

INSURANCE COMMISSION

SHIP TO

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

DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
01/14/2011				

BID OPENING DATE: 02/11/2011 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
REQUEST FOR PROPOSAL						
<p>THE WEST VIRGINIA PURCHASING DIVISION, FOR THE AGENCY, THE WEST VIRGINIA INSURANCE COMMISSION, IS SOLICITING PROPOSALS FOR AN ENTERPRISE RISK MANAGEMENT CONSULTANT TO ASSIST THE INSURANCE COMMISSION IN FORMULATING A PROGRAM FOR ADDRESSING THE WORKERS' COMPENSATION NEEDS FOR WEST VIRGINIA STATE GOVERNMENT AGENCIES PER THE ATTACHED SPECIFICATIONS.</p> <p>TECHNICAL QUESTIONS MUST BE SUBMITTED IN WRITING TO SHELLY MURRAY IN THE WEST VIRGINIA PURCHASING DIVISION VIA MAIL AT THE ADDRESS SHOWN IN THE BODY OF THIS RFP, VIA FAX AT 304-558-4115, OR VIA E-MAIL AT SHELLY.L.MURRAY@WV.GOV. DEADLINE FOR ALL TECHNICAL QUESTIONS IS 01/28/2011 AT THE CLOSE OF BUSINESS. ALL TECHNICAL QUESTIONS RECEIVED, IF ANY, WILL BE ADDRESSED BY ADDENDUM AFTER THE DEADLINE.</p>						
0001	1	LS		961-20		
CONSULTING (NOT OTHERWISE CLASSIFIED)						
EXHIBIT 3						
LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE UPON AWARD AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
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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](http://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.

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**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).



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BID OPENING DATE: 02/11/2011 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.</p> <p>UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT, THE TERMS, CONDITIONS AND PRICING SET HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.</p> <p>RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)</p> <p>QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

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LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>THE STATE SPENDING UNIT. IT IS UNDERSTOOD AND AGREED THAT THE CONTRACT SHALL COVER THE QUANTITIES ACTUALLY ORDERED FOR DELIVERY DURING THE TERM OF THE CONTRACT, WHETHER MORE OR LESS THAN THE QUANTITIES SHOWN.</p> <p>ORDERING PROCEDURE: SPENDING UNIT(S) SHALL ISSUE A WRITTEN STATE CONTRACT ORDER (FORM NUMBER WV-39) TO THE VENDOR FOR COMMODITIES COVERED BY THIS CONTRACT. THE ORIGINAL COPY OF THE WV-39 SHALL BE MAILED TO THE VENDOR AS AUTHORIZATION FOR SHIPMENT, A SECOND COPY MAILED TO THE PURCHASING DIVISION, AND A THIRD COPY RETAINED BY THE SPENDING UNIT.</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 WITHOUT FURTHER ORDER.</p> <p>THE TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT SHALL SUPERSEDE ANY AND ALL SUBSEQUENT TERMS AND CONDITIONS WHICH MAY 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.</p> <p style="text-align: center;">NOTICE</p> <p>A SIGNED BID MUST BE SUBMITTED TO:</p> <p style="text-align: center;">DEPARTMENT OF ADMINISTRATION          PURCHASING DIVISION          BUILDING 15          2019 WASHINGTON STREET, EAST          CHARLESTON, WV 25305-0130</p>						

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LINE	QUANTITY	UCP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<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: SHELLY MURRAY</p> <p>RFQ. NO.: INS11007</p> <p>BID OPENING DATE: 02/11/2011</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> <p>CONTACT PERSON (PLEASE PRINT CLEARLY):</p> <p>-----</p> <p>***** THIS IS THE END OF RFQ INS11007 ***** TOTAL: _____</p>						

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# REQUEST FOR PROPOSAL

## West Virginia Offices of the Insurance Commissioner

### INS11007

### TABLE OF CONTENTS

- Section 1:** General Information
- Section 2:** Project Specifications
- Section 3:** Vendor Proposal
- Section 4:** Evaluation and Award
- Section 5:** Contract Terms and Conditions

### SECTION ONE: GENERAL INFORMATION

- 1.1 Purpose: The Purchasing Division, hereinafter referred to as the "State," is soliciting proposals pursuant to **West Virginia Code §5A-310b** for the Department of Revenue, Offices of the Insurance Commissioner (OIC), hereinafter referred to as the "Agency," to provide an Enterprise Risk Management consultant to assist the OIC in formulating a program for addressing the Workers' Compensation needs for West Virginia State Government agencies.
- 1.2 By signing and submitting its proposal, the successful Vendor agrees to be bound by all the terms contained in this RFP.

A Request for Proposal (RFP) is generally used for the procurement of services in situations where price is not the sole determining factor and the award will be based on a combination of cost and technical factors (Best Value). Through its proposal, the bidder offers a solution to the objectives, problem, or need specified in the RFP, and defines how it intends to meet (or exceed) the RFP requirements.

- 1.2.1 Compliance with Laws and Regulations: The Vendor shall procure all necessary permits and licenses to comply with all applicable Federal, State, or municipal laws, 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 shall be borne by the Vendor. 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.

- 1.3 Schedule of Events:

Vendor's Written Questions Submission Deadline .....	01/28/2011
Bid Opening Date.....	02/11/2011
Oral Presentation ( <i>Optional</i> ) .....	02/25/2011

- 1.4 **Mandatory Pre-bid Conference:** Not Applicable

- 1.5 **Inquiries:** Inquiries regarding specifications of this RFP must be submitted in writing to the State Buyer with the exception of questions regarding the proposal submission which may be oral. The

deadline for written inquiries is identified in the Schedule of Events, Section 1.3. All inquiries of specification clarification must be addressed to:

Shelly Murray, Senior Buyer  
 Purchasing Division  
 2019 Washington Street, East  
 P.O. Box 50130  
 Charleston, WV 25305-0130  
 Fax: (304) 558-4115

**No contact between the Vendor and the Agency is permitted without the express written consent of the State Buyer.** Violation may result in rejection of the bid. The State Buyer named above is the sole contact for any and all inquiries after this RFP has been released.

- 1.6 **Verbal Communication:** Any verbal communication between the Vendor and any State personnel is **not** binding, including that made at the mandatory pre-bid conference. Only information issued in writing and added to the RFP specifications by an official written addendum by Purchasing is binding.
- 1.7 **Addenda:** If it becomes necessary to revise any part of this RFP, an official written addendum will be issued by the Purchasing Division.

## SECTION TWO: PROJECT SPECIFICATIONS

- 2.1 **Location:** The OIC is located in Charleston, West Virginia.
- 2.2 **Background and Current Operating Environment:**

The Workers' Compensation program for state agencies is currently being administered by a commercial carrier. It is a risk transfer program which expires with an extension on September 1, 2011. The commercial carrier reports the following statistics for the current state agency program:

FY	Payroll	Earned Premium	Incurred Losses
2006	\$ 701,364,704	\$ 12,092,907	\$ 10,619,939
2007	\$ 1,416,741,741	\$ 20,200,502	\$ 8,101,065
2008	\$ 1,478,268,245	\$ 21,010,884	\$ 12,957,378
2009	\$ 1,554,336,647	\$ 21,486,646	\$ 9,813,220
2010	\$ 1,491,845,629	\$ 19,191,112	\$ 13,472,640

**Total \$ 6,642,556,965 \$ 93,982,051 \$ 54,964,243 58.48%**

*2006 is a partial fiscal year  
 2010 Payroll has not yet been audited  
 Losses have not been developed to ultimate*

The OIC will be addressing West Virginia State Agency Workers' Compensation needs in three different and distinct phases.

**Phase I** will be limited to securing the services of a qualified Enterprise Risk Management consultant to help the OIC determine the best methodology for addressing State Agency Workers' Compensation needs. It is anticipated that the consultant will be engaged and

actively working by March 11, 2011.

**Phase II** will be the OIC's actual procurement of Workers' Compensation coverage and/or component services necessary for properly administering a comprehensive Workers' Compensation program for West Virginia State Agencies. The program should be fully operational by September 1, 2011. It is noted that the successful Enterprise Risk Management consultant will be likewise ineligible as a provider of actual Workers' Compensation coverage for this program.

**Phase III** will consist of the Enterprise Risk Management consultant assisting in the organization and implementation of a monitoring program to evaluate the selected risk management technique on an on-going basis.

2.3 **Qualifications and Experience:** Vendors will provide in **Attachment A: Vendor Response Sheet** information regarding their firm and staff qualifications and experience in completing similar projects; references; copies of any staff certifications or degrees applicable to this project; proposed staffing plan; descriptions of past projects completed entailing the location of the project, project manager name and contact information, type of project, and what the project goals and objectives where and how they were met.

2.4 **Project and Goals:** The project goals and objectives are:

2.4.1 Goal/Objective 1:

To find an Enterprise Risk Management consultant to assist the OIC in formulating an optimal program for addressing West Virginia State Agency Workers' Compensation coverage options. The consultant will be able to fully identify and analyze the unique loss exposures associated with West Virginia State Agency Workers' Compensation. To assist the OIC in both examination and selection of the most appropriate risk management and risk financing techniques, including risk transfer with appropriate risk retention; purchasing group formation; as well as any others that may be of benefit to the State. Finally, to assist the OIC in selecting and implementing a monitoring program(s) for the selected risk management technique(s) and recommending how to revise the same as necessary.

2.4.2 Goal/Objective 2:

To find a consultant to assist the OIC who is fully familiar with State and Federal laws and regulations that affect Workers' Compensation coverage for the State of West Virginia and its agencies.

2.4.3 Goal/Objective 3:

To find a consultant to assist the OIC who can analyze previous and on-going State Agency Workers' Compensation program performance and provide written recommendations including pre-and-post loss goals; loss prevention, reduction, and mitigation strategies, etc.

2.4.4 Goal/Objective 4:

To find a consultant to assist the OIC who can compare and contrast State Agency Workers' Compensation plan risk financing options and assist in the selection of the most appropriate technique(s).

2.4.5 Goal/Objective 5:

To find a consultant to assist the OIC in selecting, establishing, administering and evaluating value-added services such as Premium Auditing, Claims Administration, or Return to Work Programs.



#### 2.4.6 Goal/Objective 6:

To find a consultant who can assist the OIC in developing needed policies and procedures for effective administration and evaluation of the program(s) ultimately developed.

### 2.5 **Mandatory Requirements**

The following mandatory requirements must be met by the Vendor as a part of the submitted proposal. Failure on the part of the Vendor to meet any of the mandatory specifications shall result in the disqualification of the proposal. The terms "must", "will", "shall", "minimum", "maximum", or "is/are required" identify a mandatory item or factor. Decisions regarding compliance with any mandatory requirements shall be at the sole discretion of the State.

2.5.1 The vendor must demonstrate that it has the training and experience necessary to meet all the project goals and objectives listed in 2.3.

2.5.2 The vendor must provide the OIC with the names and contact information for other clients for whom the vendor has supplied the same or substantially the same services.

2.5.3 The vendor must provide the OIC with a detailed defensible work-plan demonstrating how it would address the OIC's needs as outlined in this RFP including specific timelines, as the successful program must be up and running by September 1, 2011. The vendor should estimate how many hours it believes will be necessary to complete the work needed from inception of the contract. The vendor should provide the resumes, experience and training of its key staff. The vendor should prepare a proposed timeline with a compilation of the major phases/activities to be accomplished from inception of the consultant contract to implementation of the program, and include proposed deliverables within the timeline.

2.5.4 The vendor must demonstrate its experience in structuring a Workers' Compensation program for at least one State government or other similarly sized project within the past five years.

2.5.5 The vendor must demonstrate its experience in managing risk for a large deductible plan, or a self-insured plan, for a State government or other similarly sized project within the past five years.

2.5.6 The vendor may provide other management consulting services related to this project for the OIC as needed. These additional services may include appearances by personnel of the consultant before legislative and executive bodies or others to respond to questions, give reports, and educate state agencies about the proposed risk management programs. These services may also include the preparation of written reports concerning risk management programs as deemed necessary by the OIC.

2.5.7 The vendor must identify and briefly describe either your ability to provide any of the following services by your firm, or by contracting the same with a third-party on behalf of your client:

1. Insurance Policy Procurement / Marketplace knowledge and experience
2. Claims Administration Services
3. Establish risk pool participation and funding requirements for the Phase II program
4. Loss Control Services
5. Return to Work Programs
6. Rating/Underwriting Evaluation/Consulting

2.6 **Oral Presentations:** State agencies have the option of requiring oral presentations of all Vendors participating in the RFP process. During oral presentations, Vendors may not alter or add to their

submitted proposal, but only clarify information. Oral presentations may be completed via conference call.

## SECTION THREE: VENDOR PROPOSAL

3.1 **Economy of Preparation:** Proposals should be prepared simply and economically providing a straightforward, concise description of the Vendor's abilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of the content.

3.2 **Incurring Cost:** Neither the State nor any of its employees or officers shall be held liable for any expenses incurred by any Vendor responding to this RFP, including but not limited to preparation, delivery, or travel.

3.3 **Proposal Format:** Vendors should provide responses in the format listed below:

**Title Page:** State the RFP subject, number, Vendor's name, business address, telephone number, fax number, name of contact person, e-mail address, and Vendor signature and date.

**Table of Contents:** Clearly identify the material by section and page number.

**Attachment A:** Within the attached response sheet (**Attachment A: Vendor Response Sheet**), provide the following: firm and staff qualifications and experience in completing similar projects; references; copies of any staff certifications or degrees applicable to this project; proposed staffing plan; descriptions of past projects completed entailing the location of the project, project manager name and contact information, type of project, and what the project goals and objectives were and how they were met.

Also, describe the approach and methodology proposed for this project. This should include how each of the goals and objectives listed is to be met.

**Attachment B:** Complete **Attachment B: Mandatory Specification Checklist**. By signing and dating this attachment, the Vendor acknowledges that they meet or exceed each of these specifications as outlined in 2.5 of Section Two: Project Specifications. The State reserves the right to require documentation detailing how each is met at its discretion.

**Attachment C:** Complete **Attachment C: Cost Sheet** included in this RFP and submit in a separate sealed envelope. Cost should be clearly marked.

**Oral Presentations:** If established by the Agency in the Schedule of Events (Section 1.3), all Vendors participating in this RFP will be required to provide an oral presentation, based on the criteria set in Section 2.6. During oral presentations, Vendors may not alter or add to their submitted proposal, but only to clarify information.

3.4 **Proposal Submission:** Proposals must be received in **two distinct parts**: technical and cost.

- **Technical proposals** must not contain any cost information relating to the project.
- **Cost proposal** shall be sealed in a separate envelope and will not be opened initially.

All proposals must be submitted to the Purchasing Division **prior** to the date and time stipulated in the RFP as the opening date. All bids will be dated and time stamped to verify official time and date of receipt.

- 3.4.1 Vendors should allow sufficient time for delivery. In accordance with **West Virginia Code §5A-3-11**, the Purchasing Division cannot waive or excuse late receipt of a proposal, which is delayed or late for any reason. Any proposal received after the bid opening date and time will be immediately disqualified in accordance with State law.

**Vendors responding to this RFP shall submit:**

One original technical and cost proposal plus Four (4) convenience copies to:

Purchasing Division  
2019 Washington Street, East  
P.O. Box 50130  
Charleston, WV 25305-0130

The outside of the envelope or package(s) for both the technical and the cost should be clearly marked:

Vendor:	_____
Buyer:	Shelly Murray
Req #:	INS11007
Opening Date:	02/11/2011
Opening Time:	1:30 p.m.

- 3.5 **Purchasing Affidavit:** **West Virginia Code §5A-3-10a** requires that all bidders submit an affidavit regarding any debt owed to the State. The affidavit must be signed and submitted prior to award. It is preferred that the affidavit be submitted with the proposal.
- 3.6 **Resident Vendor Preference:** In accordance with **West Virginia Code §5A-3-37**, Vendors may make application for Resident Vendor Preference. Said application must be made on the attached Resident Vendor Certification form at the time of proposal submission.
- 3.7 **Technical Bid Opening:** The Purchasing Division will open and announce only the technical proposals received prior to the date and time specified in the Request for Proposal. The technical proposals shall then be provided to the Agency evaluation committee.
- 3.8 **Cost Bid Opening:** The Purchasing Division shall schedule a date and time to publicly open and announce cost proposals once the Agency evaluation committee has completed the technical evaluation and it has been approved by the Purchasing Division.

## SECTION FOUR: EVALUATION AND AWARD

- 4.1 **Evaluation Process:** Proposals will be evaluated by a committee of three (3) or more individuals against the established criteria with points deducted for deficiencies. The Vendor who demonstrates that they meet all of the mandatory specifications required; and has appropriately presented within their written response and/or during the oral demonstration (if applicable) their understanding in meeting the goals and objectives of the project; and attains the highest overall point score of all Vendors shall be awarded the contract. The selection of the successful Vendor will be made by a consensus of the evaluation committee.

- 4.2 **Evaluation Criteria:** All evaluation criteria is defined in the specifications section and based on a 100 point total score. Cost shall represent a minimum of 30 of the 100 total points.

The following are the evaluation factors and maximum points possible for technical point scores:

• Qualifications and experience	35 Points Possible
• Approach and methodology	35 Points Possible
• Cost	<u>30 Points Possible</u>
<b>Total</b>	100 Points Possible

Each cost proposal cost will be scored by use of the following formula for all Vendors who attained the minimum acceptable score:

$$\frac{\text{Lowest price of all proposals}}{\text{Price of Proposal being evaluated}} \times 30 = \text{Price Score}$$

- 4.2.1 **Technical Evaluation:** The Agency evaluation committee will review the technical proposals, deduct points where appropriate, and make a final written recommendation to the Purchasing Division.
- 4.2.2 **Minimum Acceptable Score:** Vendors must score a minimum of 70% (49 points) of the total technical points possible. All Vendors not attaining the minimum acceptable score (MAS) shall be disqualified and removed from further consideration.
- 4.2.3 **Cost Evaluation:** The Agency evaluation committee will review the cost proposals, assign appropriate points, and make a final recommendation to the Purchasing Division.
- 4.3 **Independent Price Determination:** A proposal will not be considered for award if the price in the proposal was not arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to prices with any competitor unless the proposal is submitted as a joint venture.
- 4.4 **Rejection of Proposals:** The State reserves the right to accept or reject any or all proposals, in part or in whole at its discretion. The State further reserves the right to withdraw this RFP at any time and for any reason. Submission of or receipt of proposals by the State confers no rights upon the bidder nor obligates the State in any manner.
- 4.5 **Vendor Registration:** Vendors participating in this process should complete and file a Vendor Registration and Disclosure Statement (Form WV-1) and remit the registration fee. Vendor is not required to be a registered Vendor in order to submit a proposal, but the **successful bidder must** register and pay the fee prior to the award of an actual purchase order or contract.

## SECTION FIVE: CONTRACT TERMS AND CONDITIONS

- 5.1 **Contract Provisions:** The RFP and the Vendor's response will be incorporated into the contract by reference. The order of precedence shall be the contract, the RFP and any addendum, and the vendor's proposal in response to the RFP.
- 5.2 **Public Record:** All documents submitted to the State Purchasing Division related to purchase orders or contracts are considered public records. All bids, proposals, or offers submitted by

Vendors shall become public information and are available for inspection during normal official business hours in the Purchasing Division Records and Distribution center after the bid opening.

5.2.1 Risk of Disclosure: The only exemptions to disclosure of information are listed in **West Virginia Code** §29B-1-4. Any information considered a trade secret must be separated from the Vendor submission and clearly labeled as such. Primarily, only trade secrets, as submitted by a bidder, are exempt from public disclosure. The submission of any information to the State by a Vendor puts the risk of disclosure on the Vendor. The State does not guarantee non-disclosure of any information to the public.

5.2.2 Written Release of Information: All public information may be released with or without a Freedom of Information request; however, only a written request will be acted upon with duplication fees paid in advance. Duplication fees shall apply to all requests for copies of any document. Currently, the fees are 50 cents per page, or a minimum of \$10.00 per request, whichever is greater.

5.3 **Conflict of Interest**: Vendor affirms that neither it nor its representatives have any interest nor shall acquire any interest, direct or indirect, which would compromise the performance of its services hereunder. Any such interests shall be promptly presented in detail to the Agency.

5.4 **Vendor Relationship**: The relationship of the Vendor the State shall be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by this contract. The Vendor as an independent contractor is solely liable for the acts and omissions of its employees and agents.

Vendor shall be responsible for selecting, supervising, and compensating any and all individuals employed pursuant to the terms of this RFP and resulting contract. Neither the Vendor, nor any employees or subcontractors of the Vendor, shall be deemed to be employees of the State for any purpose whatsoever.

Vendor shall be exclusively responsible for payment of employees and contractors for all wages and salaries, taxes, withholding payments, penalties, fees, fringe benefits, professional liability insurance premiums, contributions to insurance and pension, or other deferred compensation plans, including but not limited to, Workers' Compensation and Social Security obligations, licensing fees, *et cetera* and the filing of all necessary documents, forms and returns pertinent to all of the foregoing.

Vendor shall hold harmless the State, and shall provide the State and Agency with a defense against any and all claims including, but not limited to, the foregoing payments, withholdings, contributions, taxes, Social Security taxes, and employer income tax returns.

The Vendor shall not assign, convey, transfer, or delegate any of its responsibilities and obligations under this contract to any person, corporation, partnership, association, or entity without expressed written consent of the Agency.

5.4.1 Subcontracts/Joint Ventures: The Vendor may, with the prior written consent of the State, enter into subcontracts for performance of work under this contract.

5.4.2 Indemnification: The Vendor agrees to indemnify, defend, and hold harmless the State and the Agency, their officers, and employees from and against: (1) Any claims or losses for services rendered by any subcontractor, person, or firm performing or supplying services, materials, or supplies in connection with the performance of the contract; (2) Any claims or losses resulting to any person or entity injured or damaged by the Vendor, its officers, employees, or subcontractors by the publication, translation, reproduction,

delivery, performance, use, or disposition of any data used under the contract in a manner not authorized by the contract, or by Federal or State statutes or regulations; and (3) Any failure of the Vendor, its officers, employees, or subcontractors to observe State and Federal laws including, but not limited to, labor and wage laws.

5.4.3 **Governing Law:** This contract shall be governed by the laws of the State of West Virginia. The Vendor further agrees to comply with the Civil Rights Act of 1964 and all other applicable laws and regulations as provided by Federal, State, and local governments.

5.5. **Term of Contract and Renewals:** This contract will be effective upon award and shall extend for the period of one (1) year, at which time the contract may, upon mutual consent, be renewed. Such renewals are for a period of up to one (1) year, with a maximum of two (2) one-year renewals, or until such reasonable time thereafter as is necessary to obtain a new contract. The "reasonable time" period shall not exceed twelve (12) months. During the "reasonable time" period, Vendor may terminate the contract for any reason upon giving the Agency ninety (90) days written notice. Notice by Vendor of intent to terminate will not relieve Vendor of the obligation to continue providing services pursuant to the terms of the contract.

5.6. **Non-Appropriation of Funds:** If funds are not appropriated for the Agency in any succeeding fiscal year for the continued use of the services covered by this contract, the State may terminate the contract at the end of the affected current fiscal period without further charge or penalty. The State shall give the Vendor written notice of such non-appropriation of funds as soon as possible after the Agency receives notice. No penalty shall accrue to the Agency in the event this provision is exercised.

5.7. **Changes:** If changes to the contract become necessary, a formal contract change order will be negotiated by the State, the Agency, and the Vendor.

As soon as possible, but not to surpass thirty (30) days after receipt of a written change request from the Agency, the Vendor shall determine if there is an impact on price with the change requested and provide the Agency a written Statement identifying any price impact on the contract. The Vendor shall provide a description of any price change associated with the implementation.

**NO CHANGE SHALL BE IMPLEMENTED BY THE VENDOR UNTIL SUCH TIME AS THE VENDOR RECEIVES AN APPROVED WRITTEN CHANGE ORDER FROM THE PURCHASING DIVISION.**

5.8. **Price Quotations:** The price(s) quoted in the Vendor'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 in the original specifications.

5.9. **Invoices and Progress Payments:** The Vendor shall submit invoices, in arrears, to the Agency at the address on the face of the purchase order labeled "Invoice To." Progress payments may be made at the option of the Agency on the basis of percentage of work completed if so defined in the final contract.

5.10. **Liquidated Damages:** Not Applicable

5.11. **Contract Termination:** The State may terminate any contract resulting from this RFP immediately at any time the Vendor fails to carry out its responsibilities or to make substantial progress under the terms of this RFP and resulting contract. The State shall provide the Vendor with advance notice of performance conditions which may endanger the contract's continuation. If after such notice the Vendor fails to remedy the conditions within the established timeframe, the

State shall order the Vendor to cease and desist any and all work immediately. The State shall be obligated only for services rendered and accepted prior to the date of the notice of termination. The contract may be terminated by the State with thirty (30) days prior notice pursuant to **West Virginia Code of State Rules § 148-1-7.16.2.**

5.12 **Special Terms and Conditions:**

5.12.1 Bid and Performance Bonds: Not Applicable

5.12.2 Insurance Requirements: Prior to award of a contract, the successful vendor must provide Professional Liability Insurance certificates in the amount of \$500,000 per occurrence. The State of West Virginia must be the certificate holder.

5.12.3 License Requirement: Successful vendor must demonstrate that they have any license required to conduct their business.

5.12.4 Protest Bond: Not Applicable

5.13 **Record Retention (Access and Confidentiality):** Vendor shall comply with all applicable Federal and State rules, regulations, and requirements governing the maintenance of documentation to verify any cost of services or commodities rendered under this contract by the Vendor. The Vendor shall maintain such records a minimum of five (5) years and make such records available to Agency personnel at the Vendor's location during normal business hours upon written request by the Agency within ten (10) days after receipt of the request.

Vendor shall have access to private and confidential data maintained by the Agency to the extent required for the Vendor to carry out the duties and responsibilities defined in this contract. Vendor agrees to maintain confidentiality and security of the data made available and shall indemnify and hold harmless the State and the Agency against any and all claims brought by any party attributed to actions of breach of confidentiality by the Vendor, subcontractors, or individuals permitted access by the Vendor.

# Attachment A: Vendor Response Sheet

*Provide a response regarding the following: firm and staff qualifications and experience in completing similar projects; references; copies of any staff certifications or degrees applicable to this project; proposed staffing plan; descriptions of past projects completed entailing the location of the project, project manager name and contact information, type of project, and what the project goals and objectives were and how they were met.*

*List project goals and objectives contained in Section 2.4:*

## 2.4.1 Goal/Objective 1:

To find an Enterprise Risk Management consultant to assist the OIC in formulating an optimal program for addressing West Virginia State Agency Workers' Compensation coverage options. The consultant will be able to fully identify and analyze the unique loss exposures associated with West Virginia State Agency Workers' Compensation. To assist the OIC in both examination and selection of the most appropriate risk management and risk financing techniques, including risk transfer with appropriate risk retention; purchasing group formation; as well as any others that may be of benefit to the State. Finally, to assist the OIC in selecting and implementing a monitoring program(s) for the selected risk management technique(s) and recommending how to revise the same as necessary.

Vendor Response:

## 2.4.2 Goal/Objective 2:

To find a consultant to assist the OIC who is fully familiar with State and Federal laws and regulations that affect Workers' Compensation coverage for the State of West Virginia and its agencies.

Vendor Response:

## 2.4.3 Goal/Objective 3:

To find a consultant to assist the OIC who can analyze previous and on-going State Agency Workers' Compensation program performance and provide written recommendations including pre-and-post loss goals; loss prevention, reduction, and mitigation strategies, etc.

Vendor Response:

## 2.4.4 Goal/Objective 4:

To find a consultant to assist the OIC who can compare and contrast State Agency Workers' Compensation plan risk financing options and assist in the selection of the most appropriate technique(s).

Vendor Response:

## 2.4.5 Goal/Objective 5:

To find a consultant to assist the OIC in selecting, establishing, administering and evaluating value-added services such as Premium Auditing, Claims Administration, or Return to Work Programs.

Vendor Response:



**2.4.6 Goal/Objective 6:**

To find a consultant who can assist the OIC in developing needed policies and procedures for effective administration and evaluation of the program(s) ultimately developed.

Vendor Response:

## Attachment B: Mandatory Specification Checklist

*List mandatory specifications contained in Section 2.5:*

2.5.1 The vendor must demonstrate that it has the training and experience necessary to meet all the project goals and objectives listed in 2.3.

Vendor Response:

2.5.2 The vendor must provide the OIC with the names and contact information for other clients for whom the vendor has supplied the same or substantially the same services.

Vendor Response:

2.5.3 The vendor must provide the OIC with a detailed defensible work-plan demonstrating how it would address the OIC's needs as outlined in this RFP including specific timelines, as the successful program must be up and running by September 1, 2011. The vendor should estimate how many hours it believes will be necessary to complete the work needed from inception of the contract. The vendor should provide the resumes, experience and training of its key staff. The vendor should prepare a proposed timeline with a compilation of the major phases/activities to be accomplished from inception of the consultant contract to implementation of the program, and include proposed deliverables within the timeline.

Vendor Response:

2.5.4 The vendor must demonstrate its experience in structuring a Workers' Compensation program for at least one State government or other similarly sized project within the past five years.

Vendor Response:

2.5.5 The vendor must demonstrate its experience in managing risk for a large deductible plan, or a self-insured plan, for a State government or other similarly sized project within the past five years.

Vendor Response:

2.5.6 The vendor may provide other management consulting services related to this project for the OIC as needed. These additional services may include appearances by personnel of the consultant before legislative and executive bodies or others to respond to questions, give reports, and educate state agencies about the proposed risk management programs. These services may also include the preparation of written reports concerning risk management programs as deemed necessary by the OIC.

Vendor Response:

2.5.7 The vendor must identify and briefly describe either your ability to provide any of the following services by your firm, or by contracting the same with a third-party on behalf of your client:

1. Insurance Policy Procurement / Marketplace knowledge and experience
2. Claims Administration Services

- 3. Establish risk pool participation and funding requirements for the Phase II program
- 4. Loss Control Services
- 5. Return to Work Programs
- 6. Rating/Underwriting Evaluation/Consulting

Vendor Response:

I certify that the proposal submitted meets or exceeds all the mandatory specifications of this Request for Proposal. Additionally, I agree to provide any additional documentation deemed necessary by the State of West Virginia to demonstrate compliance with said mandatory specifications.

\_\_\_\_\_  
(Company)

\_\_\_\_\_  
(Representative Name, Title)

\_\_\_\_\_  
(Contact Phone/Fax Number)

\_\_\_\_\_  
(Date)

## Attachment C: Cost Sheet

Cost information below as detailed in the Request for Proposal and submitted in a separate sealed envelope. Cost should be clearly marked.

Cost should include an all-inclusive dollar per hour cost inclusive of travel, supplies, reports, etc. for each level of participation. This total amount should mirror the total number of hours proposed to complete the project.

For example:

Partner/Principal 150 hours @ \$ \_\_\_\_\_ /hour = \$ \_\_\_\_\_

Manager/Supervisor 350 hours @ \$ \_\_\_\_\_ /hour = \$ \_\_\_\_\_

Support Staff 400 hours @ \$ \_\_\_\_\_ /hour = \$ \_\_\_\_\_

Other 100 hours @ \$ \_\_\_\_\_ /hour = \$ \_\_\_\_\_

Total Cost Proposal \$ \_\_\_\_\_

If applicable, sign and submit the attached Resident Vendor Preference Certificate with the proposal.

RFQ No. \_\_\_\_\_

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** \_\_\_\_\_

State of West Virginia

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.