



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

SHIP TO

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

DATE PRINTED <b>02/03/2011</b>	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
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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
ADDENDUM NO. 1						
THIS ADDENDUM IS ISSUED TO ADDRESS THE QUESTIONS SUBMITTED PRIOR TO THE QUESTION SUBMISSION DEADLINE OF 1/28/2011.						
0001	1	LS		961-20		
CONSULTING (NOT OTHERWISE CLASSIFIED)						
EXHIBIT 10						
REQUISITION NO.: INS11007						
ADDENDUM ACKNOWLEDGEMENT						
I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.						
ADDENDUM NO.'S:						
NO. 1 .....						
NO. 2 .....						
NO. 3 .....						
NO. 4 .....						
NO. 5 .....						
I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.						

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](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.

**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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<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>NOTE: THIS ADDENDUM ACKNOWLEDGEMENT SHOULD BE SUBMITTED WITH THE BID.</p> <p>----- END OF ADDENDUM NO. 1 -----</p> <p>***** THIS IS THE END OF RFQ INS11007 ***** TOTAL: _____</p>						

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SIGNATURE	TELEPHONE	DATE
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**INS11007**

**Addendum #1**

1. Please clarify if the RFP prohibits the Enterprise Risk Management (ERM) consultant from directly providing or subcontracting for specific services in Phase II and III or if the RFP is permitting the ERM to submit a proposal for Phase II services as a general contractor and program manager over all service providers who are subcontractors to the ERM consultant?

**Response:** The successful ERM consultant under this RFP (INS11007) may not submit a proposal under any subsequent RFP, if any, for Phase II (coverage) and/or Phase III (program evaluation) so as to eliminate any conflict of interest. Accordingly, the successful ERM consultant's compensation will be limited solely to consultant fees for the State. The successful ERM Consultant's involvement in Phase II will be limited to developing the criteria for the program and assisting the State with necessary procurement to implement the program. It is also intended that the ERM actively engage in service under Phase III (program evaluation) to assist in the development of necessary audit and management processes.

2. Under the **GENERAL TERMS & CONDITIONS REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL**, Item 1 states: "Awards will be made in the best interest of the State of West Virginia." Section 2.2 states that "the successful Enterprise Risk Management consultant will be likewise ineligible as a provider of actual workers' compensation coverage for this program."

**Question:** In Section 2.2, does the term "coverage" mean a workers' compensation insurance policy?

**Response:** The term "coverage" means one, or more than one, workers' compensation insurance policy, or potentially a program of self-insurance, dependent upon the ultimate methodology selected for addressing State Agency Workers' Compensation needs.

Section 2.5.7 states: "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

**Question:** In Section 2.5.7 which relates to services, does this mean that the ERM consultant may bid for providing any of items 1-6 above for either an insured or self-insured workers' compensation program?

**Response:** As noted in the response to question 1, the successful ERM consultant's compensation will be limited solely to consultant fees for the State. However, keeping in mind that the State of West Virginia is a large diverse organization this section of the RFP is intended to evaluate competency on providing these services or upon establishing these types of programs as the successful ERM consultant must advise the State in procuring services in this manner. The ERM consultant must identify and describe their ability to provide each of the 6 services as part of their proposal for this RFP (INS11007). The ERM consultant must specify whether items 1-6 could be handled by the ERM consultant themselves, or via a third party contract.

3. If the proposer responding to Phase I of this RFP uses subcontractors to meet some the services in this RFP, are these subcontractors excluded from bidding or being included in a bid on Phase II of the proposed program?

**Response:** So as to avoid any conflict of interest, for the successful ERM consultant who is awarded the contract and any of their subcontractors, yes.

4. Is there an advisory or other role assumed by the ERM consultant in Phase II, such as assisting in: writing the RFP; evaluating the proposals and; negotiating a contract for Phase III? Should these activities be specified in the Cost Sheet?

**Response:** The successful ERM consultant will be expected to assist in drafting the RFP for Phase II; serve in an advisory capacity during the evaluation of Phase II proposals; and is intended to provide on-going consulting services to assist in the development of necessary audit and management processes under Phase III. These activities should be contemplated within the Cost Sheet.

5. Attachment C - Cost Sheet – Does this Attachment apply only to Phase I? How will pricing be included should the ERM consultant be involved in Phase II? In Phase III? If the bidder uses a subcontractor for part of the services proposed, how should that service be listed separately with the associated pricing?

**Response:** This attachment applies to all Phases, including pricing for any subcontractors of the ERM consultant. Services at all Phases are to be billed at the rate schedule proposed. As per section 2.5.3, resumes and experience of subcontractors used by the consultant should also be provided.

6. Section 2.5.6 references the need for *possible* additional services that may be required of the ERM consultant in Phase I. How should these services be included on the Cost Sheet?

**Response:** All services agreed upon are to be billed at the hourly rate utilizing the proposed fee schedule (Section C, Cost Sheet).

7. Will the State provide the loss information data required for the ERM consultant to complete the analysis and program design recommendations? If not, will the State provide the data analysis required by the ERM consultant to make program recommendations?

**Response:** The State will provide loss, payroll and premium information data, as available, from the current carrier as required for the ERM consultant to complete the analysis and program design recommendations. In addition, the State will make available the services of its currently contracted actuarial firm.

8. The RFP makes no reference to the cost of obtaining quotes for insurance that may be involved in the recommended risk financing package. How should the cost of obtaining these quotes be included on the Cost Sheet?

**Response:** It is currently contemplated that a subsequent RFP for Phase II will be the culmination of Phase I. The cost of obtaining and evaluating these quotes should be contemplated in the hourly rate on the Cost Sheet. Further, the State will bear any cost for publishing any RFP materials.