

**STATE OF WEST VIRGINIA  
BOARD OF RISK AND  
INSURANCE MANAGEMENT**

**REQUEST FOR PROPOSAL  
RFP# 05122010**

**Fiscal Year 2011**

# TABLE OF CONTENTS

Part 1 - Informational.....	3
Part 2 - Operating Environment.....	8
Part 3 - Procurement Specifications.....	9
Part 4 - Vendor Proposal.....	17

**Attachments: This RFP and all attachments are available on BRIM website [www.state.wv.us/brim](http://www.state.wv.us/brim)**

- 1 Copy of Expiring Excess Policy (the current excess policy excludes sexual abuse and molestation coverage and it is anticipated the successful bidder will exclude sexual abuse and molestation coverage as well).
- 2 Copy of Underlying Policy.
- 3 Listing of losses in excess of \$300,000 FY2004-FY2010.
- 4 Listing of losses incurred by the Excess Carrier as of 03-31-2010.
- 5 Exposure data showing number of vehicles, number of employees, budget and number of students for FY 2010.
- 6 Premium history for Excess Coverage FY2004-FY2010.
- 7 WV-96.

# **PART 1 - INFORMATIONAL**

## **1.1 PURPOSE**

The West Virginia Board of Risk and Insurance Management (BRIM) is soliciting proposals from qualified firms to provide an Excess Liability insurance program applicable to the West Virginia County Boards of Education for fiscal year beginning July 1, 2010. The proposal should provide following form coverage; however, we will entertain alternative coverage and/or loss financing arrangements. Consideration will be given to risk transfer options; fronting and/or deductible options.

This RFP supersedes and replaces any previously issued request for proposal or any previous reservation of market. Our intent is that no market may be reserved or restricted prior to release of this RFP.

The successful bidder's proposal must meet the mandatory requirements of this Request for Proposal (RFP).

## **1.2 PROJECT**

BRIM is located at 90 MacCorkle Avenue S.W., Suite 203, South Charleston, West Virginia 25303. BRIM administers a multi-faceted insurance program for all state agencies, all West Virginia Boards of Education and many West Virginia Political Subdivisions, charitable or public service organizations, or emergency services organizations. The program is described below. The successful bidder will provide a following form Excess Liability Policy for the West Virginia County Boards of Education.

## **1.3 RFP FORMAT**

This RFP has four parts:

- a. Part 1 contains information about BRIM and this RFP.
- b. Part 2 describes the background and working environment of BRIM.
- c. Part 3 states the specifications for the services requested pursuant to this RFP, contractual requirements, general terms and conditions.

- d. Part 4 explains how the successful bidder is to format any response to the RFP and describes the criteria BRIM will use in evaluating proposals.

## **1.4 ISSUING OFFICE**

This RFP is issued by the Board of Risk and Insurance Management of the West Virginia Department of Administration.

## **1.5 INQUIRIES**

Any bidder requiring additional information regarding this RFP must submit questions in writing to the Issuing Office. The deadline for inquiries is identified in the Schedule of Events, §1.17. The identity of the bidder submitting a question will not be disclosed. Responses to all inquiries will be provided on the BRIM website pursuant to the schedule in section 1.17. For convenience, submit inquiries via e-mail with BOE RFP as the subject. All inquiries must be addressed to:

**Mr. Charles E. Jones, Jr., Executive Director**  
**Board of Risk and Insurance Management**  
**90 MacCorkle Avenue, S.W., Suite 203**  
**South Charleston, West Virginia 25303**  
**Fax: (304) 744-7120**  
**E-mail:charles.e.jones@wv.gov**

## **1.6 VENDOR REGISTRATION**

All bidders participating in the competitive bid process should complete and file a Vendor Registration and Disclosure Statement, Form WV-1 and remit a registration fee. The apparent successful bidder must be registered prior to the award of an actual purchase order/contract. It is not necessary to be registered to submit a bid.

## **1.7 ORAL COMMITMENT**

Potential bidders should clearly understand that any verbal representations made or assumed to be made during any oral discussions held between representatives of potential bidders and any

state agency are not binding on the State of West Virginia. Only that information requested in writing and added to the Request for Proposal via an addendum is binding on the State.

## **1.8 ECONOMY OF PREPARATION**

Proposals should be prepared simply and economically, providing a straightforward, concise description of bidder capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.

## **1.9 LABELING OF RFP SECTIONS**

This RFP contains instructions governing the proposal and the material to be included therein. Those mandatory sections included in Parts 3 and 4 of this RFP require a response from the bidder. They describe the minimum requirements requested in this RFP. Any specification or statement containing the word “must,” “will” or “shall” are considered mandatory. The successful bidder is required to meet the intent of these mandatory specification requirements to be eligible for consideration. A simple “yes” or “no” response to these sections may not be adequate. Failure to meet a mandatory requirement shall result in disqualification of the bidder’s proposal and further evaluation of that proposal will be terminated. Compliance with the intent of a mandatory requirement will be determined by BRIM.

Several sections below detail the contractual terms and conditions under which BRIM can enter into a contract.

Parts 1 and 2 of this RFP do not require a response. They are intended to assist in structuring an effective proposal capable of meeting the needs of the issuing agency.

## **1.10 PROPOSAL FORMAT AND SUBMISSION**

Bidders must complete a response to all sections where a response is required. Each proposal must be formatted as outlined in Part 4 of this RFP. No other distribution of the proposal may be made by the bidder. Failure to respond to specific requirements detailed in the RFP may be a basis for disqualification of a proposal. BRIM reserves the right to waive any informality in the proposal format.

The original and copies must be submitted to BRIM prior to the date and time stated herein. Bidders that are mailing proposals should allow sufficient mail delivery time to ensure timely arrival of their proposals.

Requests for time extensions may be granted if the request is received in a timely fashion and the request is determined to be justified by BRIM. BRIM cannot waive or excuse late receipt of a proposal that is delayed for any reason. Any proposal received after the bid opening date and time will be immediately disqualified in accordance with State law.

Submit one original and two copies of the proposal to:

**Mr. Charles E. Jones, Jr., Executive Director  
Board of Risk and Insurance Management  
90 MacCorkle Avenue, S.W., Suite 203  
South Charleston, West Virginia 25303**

The outside envelope/package(s) should be clearly marked:

**RFP# 05122010  
State of West Virginia Boards of Education Excess Liability Request for Proposal**

## ***1.11 REJECTION OF PROPOSALS***

It is BRIM's intent to select the most cost-effective solution based on the evaluation of responses to this RFP. However, BRIM reserves the right to accept or reject any or all proposals, in part or in their entirety, received as a result of this RFP if it is felt to be in the best interest of BRIM.

BRIM reserves the right to withdraw this RFP at any time and for any reason. Receipt of proposal materials by BRIM or submission of a proposal to BRIM confers no rights upon the bidder nor obligates BRIM in any manner.

A contract based on the RFP, may or may not be awarded. Any contract resulting in an award from this RFP is not valid until properly approved and executed by the West Virginia Board of Risk and Insurance Management and other state agencies as may be required. Any agreements shall be construed and interpreted according to the laws of the State of West Virginia.

## **1.12 INCURRING COSTS**

The State of West Virginia is not liable for any expense incurred in the preparation and presentation of vendor proposals.

## **1.13        ADDENDA TO THE REQUEST FOR PROPOSAL**

If it becomes necessary to revise any part of the RFP, every attempt will be made to ensure that addenda are provided to all bidders who received the original RFP and to any other interested parties.

## **1.14 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 such prices with any competitor or offeror.

## **1.15 PRICE QUOTATIONS**

The price quoted in the bidder's proposal will not be subject to any increase and will be firm for the life of the contract unless specific provisions have been provided for adjustment in the original contract.

## **1.16 PUBLIC RECORD**

All BRIM records related to purchase orders/contracts are considered public records. All bids, proposals, or offers submitted by bidders shall become public information and are available for inspection during normal business hours. All public information may be released with or without a Freedom of Information request. The only exemptions to disclosure of information are listed in *West Virginia Code* §29B-1-4. Primarily, trade secrets as submitted by a bidder are the only exemption to public disclosure by BRIM.

The submission of any information by a bidder puts the risk of disclosure on the bidder. BRIM will make a reasonable effort not to disclose information that is within the guidelines of §29B-1-4 and is labeled "proprietary information not for public disclosure." BRIM does not guarantee nondisclosure of any information to the public.

## **1.17 SCHEDULE OF EVENTS**

Table 1-17 sets forth the schedule of events leading to the July 1, 2010 effective date of Boards of Education Excess coverage.

Table 1-17  
**RFP Schedule**

<b>Activity</b>	<b>Target Completion Date</b>
Date of RFP	May 12, 2010
Mandatory Pre Bid Conference	N/A
Last Day to Ask Questions	May 28, 2010
Written response to Questions	June 1, 2010
Bids Due 2:00 P.M.	June 14, 2010
Policy effective and binder delivery	July 1, 2010

## **PART 2 - OPERATING ENVIRONMENT**

### **2.1 LOCATION**

The West Virginia Board of Risk and Insurance Management is located at 90 MacCorkle Avenue S.W., Suite 203, South Charleston, West Virginia 25303.

### **2.2 BACKGROUND**

BRIM administers a multifaceted insurance program including liability and property insurance for all state agencies and County Boards of Education, and for many West Virginia Political Subdivisions, charitable or public service organizations or emergency services organizations. BRIM also acts as the re-insurance vehicle for the West Virginia Mine subsidence fund.



This RFP is specifically for an excess liability program for West Virginia County Boards of Education.

BRIM currently purchases \$5,000,000 Excess Following Form Liability insurance coverage for all County Boards of Education. There are a total of 55 County Boards in the State.

## **2.3 SPECIAL TERMS AND CONDITIONS**

BRIM is seeking \$5,000,000 Following Form Excess liability insurance coverage with at least a \$10,000,000 Annual Aggregate. This coverage is to be excess of a \$1,000,000 per occurrence underlying layer of insurance. The Underlying insurance is written without an annual aggregate and is written on a manuscript occurrence form. While BRIM prefers following form excess liability coverage, enhancements or limitations, i.e., an exclusion for sexual abuse and molestation must be clearly delineated in the response. Additional methods of risk financing such as a fronting arrangement or deductibles will also be considered.

## **PART 3 - PROCUREMENT SPECIFICATIONS**

### **3.0 GENERAL REQUIREMENTS**

BRIM is soliciting proposals for a \$5,000,000 following form Excess liability insurance program for West Virginia Boards of Education. Sexual abuse and molestation coverage is excluded from the excess coverage currently in force.

### **3.1 SCOPE OF WORK**

#### **A. Deadline**

One original and two copies of your proposal must be submitted to Mr. Charles E. Jones, Jr. no later than 2:00 p.m. on June 14, 2010, at the following address:

**Mr. Charles E. Jones, Jr., Executive Director  
West Virginia Board of Risk and Insurance Management  
90 MacCorkle Avenue, S.W., Suite 203  
South Charleston, West Virginia 25303**

## **B. Inquires**

Any questions regarding the program for which quotations are requested, or requests for additional information should be directed to BRIM at the above address, or submitted via email as stipulated in section 1.5. All inquiries must be in writing. No verbal inquiries are allowed. Any significant changes or clarifications to the RFP as a result of any questions will be provided electronically on the BRIM website.

## **C. Adherence to Specifications**

You should address each area of these specifications. No specific program structure is required.

## **D. Coverage Term**

Coverage is to commence on July 1, 2010. Contract terms will be for one year with up to four annual renewals.

## **E. Insurer Financial Rating**

All insurers must be acceptable to BRIM and must be identified by:

1. Full name.
2. Financial rating according to the latest edition of *A.M. Best's Key Rating Guide*. BRIM requires insurers have a Best's rating of at least A.

## **F. Delivery Of Binders**

The successful bidder will be required to deliver written binders within five working days of carrier proposal acceptance.

### **3.2.1 BOND REQUIREMENTS**

Not applicable.

### **3.2.2 INSURANCE REQUIREMENTS**

The successful bidder must provide a certificate of insurance including comprehensive general liability, including products and completed operations coverage and E & O liability coverage in the minimum amount of \$1,000,000 each occurrence and \$3,000,000 annual aggregate.

### **3.2.3 LICENSE REQUIREMENTS**

Successful bidder must be an admitted carrier according to West Virginia Insurance regulations.

## **3.3 GENERAL TERMS AND CONDITIONS**

By signing and submitting their proposals, the successful bidder agrees to be bound by the terms contained in this section of the RFP.

### **3.3.1 CONFLICT OF INTEREST**

The successful bidder shall covenant that it, its officers or members or employees presently have no interest and shall not acquire any interest, direct or indirect which would conflict or compromise in any manner or degree with the performance or its services hereunder. The successful bidder further covenants that in the performance of the Contract, the successful bidder shall periodically inquire of its officers, members and employees concerning such interests. Any such interests discovered shall be promptly presented in detail to BRIM.

### **3.3.2 PROHIBITION AGAINST GRATUITIES**

The successful bidder shall warrant that it has not employed any company or person other than a bona fide employee working solely for the bidder or a company regularly employed as its

marketing agent to solicit or secure the contract and that it has not paid or agreed to pay any company or person any fee, commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award of the contract.

For breach or violation of this warranty, BRIM shall have the right to annul this contract without liability or, at its discretion or to pursue any other remedies available under this contract or by law.

### **3.3.3 CERTIFICATIONS RELATED TO LOBBYING**

The successful bidder shall certify that no funds have been paid or will be paid, by or on behalf of the company or an employee thereof, to any person for the purposes of influencing or attempting to influence an officer or employee of any state agency, or a member of the state Legislature in connection with the awarding of any state contract.

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee or any state agency, a member of the state Legislature in connection with this state contract, the bidder shall complete and submit a disclosure form to report lobbying.

### **3.3.4 CONTRACTOR RELATIONSHIP**

The relationship of the successful bidder to the State will be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by the parties to any agreement. The successful bidder as an independent contractor is solely liable for the acts and omissions of its employees and agents.

The successful bidder 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 successful bidder, nor any employees or contractors of the successful bidder, shall be deemed to be employees of BRIM, for any purposes whatsoever. Additionally, neither the successful bidder, nor any employees or contractors of the successful bidder, shall be eligible to participate in any benefit program provided by BRIM for its employees. The successful bidder shall be exclusively responsible for the payment to his/her employees and contractors of 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, and licensing fees, etc. and the filing of all necessary documents, forms and returns pertinent to all of the foregoing.

The successful bidder shall not bring any claims against and shall hold BRIM harmless and provide BRIM with a defense against any and all claims, including but not limited to, the foregoing payments, withholdings, contractions, taxes, Social Security taxes and employer income tax returns.

The successful bidder shall not assign, convey, transfer or delegate any of its responsibilities and obligations under this agreement to any person, corporation, partnership, association or entity without prior written permission of BRIM.

### **3.3.5 INDEMNIFICATION**

The successful bidder agrees to indemnify, defend and hold harmless the State of West Virginia and BRIM, its officers, and employees from and against:

- 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.
- Any claims or losses resulting to any person or entity injured or damaged by the successful bidder, 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;
- Any failure of the successful bidder, its officers, employees or subcontractors to observe State and Federal laws, including but not limited to labor and minimum wage laws.

### **3.3.6 CONTRACT PROVISIONS**

It is anticipated that after the successful bidder is selected, a formal contract will be executed between the State and the successful bidder. In addition, the RFP and the successful bidder's response will be included as part of the Contract. The order of precedence is the Contract, the Request for Proposal and the successful bidder's Proposal in Response to the Request for Proposal.

### **3.3.7 GOVERNING LAWS**

The successful bidder must be governed by the laws of the State of West Virginia and if a contract is awarded must complete an Agreement Addendum WV-96. The successful bidder further agrees to comply with the *Civil Rights Act* of 1964 and all other applicable federal, state and local government regulations.

### **3.3.8 COMPLIANCE WITH LAW AND REGULATIONS**

This contract is subject to the laws of the State of West Virginia including the terms of WV-96 agreement addendum attached and, where applicable, federal law.

The successful bidder shall procure all necessary permits and licenses and abide by all applicable laws, regulations, and ordinances of the United States, the State of West Virginia and political subdivision in which work under this contract is performed.

The successful bidder shall pay any sales, use and personal property taxes arising out of this contract and the transactions contemplated thereby. Any other taxes levied upon this contract, the transaction, or the equipment, or services delivered pursuant hereto shall be borne by the successful bidder.

The successful bidder must be in compliance with all applicable provisions of law and other rules and regulations of any and all governmental authorities relating to licensure and regulation of personnel and to the operation of BRIM.

### **3.3.9 SUBCONTRACTS**

The successful bidder is solely responsible for all work performed under the contract. The successful bidder is required to assume prime contractor responsibility for all services offered and products to be delivered. BRIM will consider the successful bidder to be the sole point of contact with regard to all contractual matters.

The successful bidder may, with the prior written consent of BRIM, enter into written subcontracts for performance of work under this contract. The successful bidder is responsible for payment to the subcontractor.

### **3.3.10 TERM OF CONTRACT**

The contract will be effective from July 1, 2010 and extend until July 1, 2011, at which time the contract may, at BRIM's option, be renewed for a period of one year, with a maximum of four one year renewals.

Notwithstanding the foregoing, changes in federal and state law that affect the availability of funds or changes in federal law that affect the authority of the bidder to carry out this project shall be viewed by both parties as binding factors that may force a change in the term of the contract.

Any change in federal or state law, or court actions which constitute binding precedent in West Virginia, and that significantly alters the successful bidder's required activities or any change in the availability of funds, shall be viewed as binding and shall warrant good faith renegotiations of the compensation paid to the successful bidder by BRIM and of such other provisions of the contract that are thus affected. If such renegotiation proves unsuccessful, the contract may be terminated on written notice of either party to the other party at least 90 days' prior to termination.

### **3.3.11 NON-APPROPRIATION OF FUNDS**

If BRIM is not allotted funds in any succeeding fiscal year for the continued use of the service covered by this contract, BRIM may terminate the contract at the end of the affected current fiscal period without further charge or penalty. BRIM shall give the vendor written notice of such non-allocation of funds as soon as possible after the agency receives notice of such non-allocation. No penalty shall accrue to BRIM in the event this provision is exercised.

### **3.3.12 CONVENIENCE OUT**

The State reserves the right to discontinue use of the services and cancel said contract for convenience by providing the successful bidder with 30 days' written notice.

### **3.3.13 TERMINATION OF THE CONTRACT**

BRIM may terminate a contract resulting from this RFP at any time that the successful bidder fails to carry out its responsibilities or to make substantial progress under the terms of this RFP and resulting contract.

BRIM shall provide the successful bidder with notice of conditions endangering performance. If after such notice the successful bidder fails to remedy the conditions contained in the notice within the time period contained in the notice, BRIM shall issue the successful bidder an order to stop all work immediately. BRIM shall be obligated only for services rendered and accepted prior to the date of the notice of termination.

The Contract may also be terminated upon mutual agreement of the parties with 90 days' prior notice.

### **3.3.14 CHANGES IN SCOPE**

Formal contract amendments and change orders will be negotiated by BRIM with the successful bidder, whenever necessary, to address changes to the terms and conditions, costs of, or scope of work included under the Contract. An approved contract amendment means one approved by BRIM and all other applicable State agencies prior to the effective date of such amendment. An approved contract amendment is required whenever the change affects the payment provision and the scope of the work. Such changes may be necessitated by new and amended Federal and State regulations and requirements. No changes in scope are to be conducted except at the approval of BRIM.

As soon as possible after receipt of a written change request, but in no event more than 30 days thereafter, the successful bidder shall provide BRIM a written statement that the change has no price impact on the Contract or if there is a price impact, provide a description of the price increase or decrease involved in implementing the change. Any contract changes will be in accordance with the fee rates established in the contract.

The Contractor will implement no changes in scope to the project until such time as an approved change order is received and approved.



### **3.3.15 INVOICES AND PAYMENTS**

The successful bidder shall submit invoices to BRIM for all services provided pursuant to the terms of the contract.

## **PART 4 - VENDOR PROPOSAL**

### **4.0 VENDOR PROPOSAL FORMAT**

This part of the RFP outlines the format the successful bidder must follow and the information the successful bidder must include when preparing the proposal. The proposal must be formatted in the same order, providing the information requested below:

1. **Title Page.** The title page must state the RFP subject and number, the name of the bidder, bidder's business address, telephone number, name of authorized contact person to speak on behalf of the bidder and the date.
2. **Table of Contents.** Clearly identify the material by section and page number.
3. **A.M. Best Financial Rating.**
4. **Approach to Excess Liability Program.** Provide a sample policy with all forms to be used including exclusions and conditions, clearly indicating all deviations or enhancements from the primary policy.
5. **Required Certifications.** Provide all certifications required in this RFP.

If applicable, sign and submit a Resident Vendor Preference Certificate with the proposal. This preference only applies to the insurer.

## **4.2 EVALUATION CRITERIA**

Proposals will be evaluated by a committee of three or more individuals in accordance with the criteria given below.

The selection of the apparent successful bidder(s) will be by consensus score of the Evaluating Committee and will be based on the following criteria using the point weights specified:

The following are the factors and point values:

**(A) Coverage and Clarity of proposal. (40 points)**

A statement that the coverage is following form or a clear and concise explanation of any deviations or enhancements to the primary coverage must be included as well as a sample copy of proposed policy.

**(B) Financial Rating (10 points)**

**(C) Cost (50 points)**

It is the intention of the State to select the most appropriate and cost-effective proposal(s) based on an evaluation of bidder responses to this RFP. However, BRIM reserves the right to accept or reject any or all of these proposals, in whole or in part, if to do so is felt to be in the best interests of the BRIM. Bidder's failure to provide complete and accurate information may be considered grounds for disqualification.

BRIM reserves the right to ask bidders for additional information to clarify their proposals. Nothing may be added to alter the writing of any proposal after the bid opening.