

# **REQUEST FOR PROPOSAL**

**Property Insurance Program**

**Through**

**The Office of Risk Management**

**For**

**The State of Louisiana**

**All State Departments, Agencies, Boards and Commissions**



**File Number: T28682EP**

**Solicitation Number: 2253398**

**Proposal Opening Date: June 7, 2013**

**Proposal Opening Time: 10:00 A.M. CST**

**State of Louisiana  
Office of State Purchasing**

**Issued: May 10, 2013**

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**Separate Documents Found at ORM Website <http://doa.louisiana.gov/orm/rfp.htm>:**

Schedule of Property Values (buildings and contents)  
Total Insurable Values Summary  
Underlying Self-Insurance Policy (BP20132014)  
Self-Insured Property Loss History (7/1/2007 to present)  
Self-Insured Boiler Loss History (7/1/2007 to present)  
Loss Experience Summary  
LSU Hospital Privatization Report

**REQUEST FOR PROPOSAL (RFP)  
FOR  
Property Insurance Program  
For  
The State of Louisiana  
All State Departments, Agencies, Boards and Commissions**

**NOTICE:** This RFP supersedes any and all market submissions made for State of Louisiana property coverage prior to the release of this RFP. Any outstanding broker-of-record letters are deemed null and void with the release of this RFP.

**PART I: ADMINISTRATIVE AND GENERAL INFORMATION**

**1.1 Background**

The Office of Risk Management (ORM) is procuring commercial property insurance and related services for buildings, business personal property, and boiler and machinery for the State of Louisiana all State Departments, Agencies, Boards and Commissions (excluding Louisiana State University and Agricultural and Mechanical College). This coverage is currently being provided under a statewide property program with an expiration date of July 1, 2013.

The Office of Risk Management was created within the Office of the Governor, Division of Administration by LA R.S. 39:1527, et seq, in order to provide a comprehensive risk management program for the State. The mission of ORM is to develop, direct, achieve and administer a cost effective comprehensive risk management program for all agencies, boards and commissions of the State of Louisiana and for any other entity for which the State has an equity interest, in order to preserve and protect the assets of the State of Louisiana. R.S. 39:1527, et seq, further designates ORM to be solely responsible for all property and casualty and workers' compensation insurance purchased by ORM or self-insured by ORM for all State Departments, Agencies, Boards and Commissions. The ORM website can be found at <http://doa.louisiana.gov/orm>.

The LSU charity hospitals are being privatized beginning July 1, 2013. Depending on the progression of transitions, this date may be adjusted. Once the privatization is finalized, ORM will not be responsible for insuring the hospitals' buildings. See the LSU Hospital Privatization Report on the ORM website at <http://doa.louisiana.gov/orm/rfp.htm>.

F.A. Richard & Associates, Inc. (FARA) is the contracted third-party administrator for ORM property claims. Claims below the self-insured threshold will be adjusted through FARA. The dedicated ORM-FARA website can be found at <http://www.laorm.com>.

### 1.1.1 Purpose

The purpose of this RFP is to obtain competitive proposals as allowed by Louisiana Revised Statute 39:1540 from bona fide, qualified Proposers who are interested in providing a commercial property insurance program and related services for the State of Louisiana all State Departments, Agencies, Boards and Commissions (excluding Louisiana State University and Agricultural and Mechanical College), as described in Attachment 1, Scope of Services.

### 1.1.2 Goals and Objectives

The purpose of this RFP is to structure a reasonable and cost-effective excess property insurance program for the State of Louisiana all State Departments, Agencies, Boards and Commissions (excluding Louisiana State University and Agricultural and Mechanical College) and provide related services with regard to this program. The successful Proposer will be expected to bind coverage based on the program recommended in their proposal and provide, through a subcontractor if necessary, all required services as defined in this RFP.

## 1.2 Definitions

- A. Shall – The term “shall” denotes mandatory requirements per RS: 39:1556(24).
- B. Must - The term “must” denotes mandatory requirements.
- C. May - The term “may” denotes an advisory or permissible action.
- D. Should – The term “should” denotes a desirable action.
- E. Contractor – Any person having a contract with a governmental body.
- F. State - The State of Louisiana.
- G. Discussions - For the purposes of this RFP, a formal, structured means of conducting written or oral communications/presentations with responsible Proposers who submit proposals in response to this RFP.
- H. RFP – Request for Proposal.
- I. ORM – The State of Louisiana, Office of Risk Management who, for the purposes of this RFP, is acting on behalf of the State of Louisiana all State Departments, Agencies, Boards and Commissions to procure the insurance and services requested herein.
- J. OSP – The State of Louisiana, Office of State Purchasing who, for the purposes of this RFP, is providing the RFP administrative services on behalf of ORM.
- K. FARA - F.A. Richard & Associates, Inc., third-party administrator for ORM.

L. SIR - Self Insured Retention; amount of loss that will be self-insured by the State through ORM.

### 1.3 Schedule of Events

Event	Date	Time (CST)
RFP Release Date on ORM Website	May 10, 2013	10:00 A.M.
Deadline to Receive Written Inquiries	May 17, 2013	
Deadline to Answer Written Inquiries	May 24, 2013	
Proposal Opening Date (deadline for submitting proposals)	June 7, 2013	10:00 A.M.
Discussions with Proposers	To be Scheduled	
Notice of Intent to Award to be mailed	To be Scheduled	
Contract Initiation	To be Scheduled	

**NOTE: The State of Louisiana reserves the right to revise this schedule. Any such revision will be formalized by the issuance of an addendum to the RFP.**

### 1.4 Proposal Submittal

This RFP is available in electronic form at the Office of Risk Management (ORM) website <http://doa.louisiana.gov/orm/rfp.htm>. It is available in PDF format or in printed form by submitting a written request to the RFP Contracting Officer with the Office of State Purchasing.

It is the Proposer's responsibility to check the ORM website frequently for any possible addenda that may be issued. The Office of State Purchasing is not responsible for a Proposer's failure to download any addenda documents required to complete a Request for Proposal.

All proposals shall be received by the Office of State Purchasing **no later than the date and time shown in the Schedule of Events.**

**Important - - Clearly mark outside of envelope, box or package with the following information and format:**

1. **Proposal Name:** Property Insurance Program through the Office of Risk Management for the State of Louisiana all State Departments, Agencies, Boards and Commissions
2. **File Number:** T28682EP, Solicitation Number: 2253398
3. **Proposal Opening Date:** June 7, 2013 at 10:00 A.M. CST

Proposers are hereby advised that the U. S. Postal Service does not make deliveries to our physical location.

Proposals may be mailed through the U. S. Postal Service to our box at:

Office of State Purchasing  
P. O. Box 94095  
Baton Rouge, LA 70804-9095

Proposals may be delivered by hand or courier service to our physical location at:

Office of State Purchasing  
1201 North 3<sup>rd</sup> St.  
Suite 2-160  
Baton Rouge, LA 70802

Proposer is solely responsible for ensuring that its courier service provider makes inside deliveries to our physical location. The Office of State Purchasing is not responsible for any delays caused by the Proposer's chosen means of proposal delivery.

Proposers should be aware of security requirements for the Claiborne building and allow time to be photographed and presented with a temporary identification badge.

Proposer is solely responsible for the timely delivery of its proposal. Failure to meet the proposal opening date and time shall result in rejection of the proposal.

**Proposals shall be opened publicly at the physical location identified above and only Proposers submitting proposals shall be identified aloud. Prices shall not be read.**

## **1.5 Mandatory Requirements**

Proposers of this RFP must meet the following mandatory requirements. Failure to respond to or comply with any of the following will result in disqualification of the proposal.

1. The Proposer must satisfy at least one of the criteria below. This RFP requires evidence of authority to sign and submit proposals to the State of Louisiana. Provide documentation to support which of the following applies to the signer of this proposal:
  - a. The signer of the proposal is either a corporate officer who is listed on the most current annual report on file with the LA Secretary of State or a member of a partnership or partnership in commendam as reflected in the most current partnership records on file with the LA Secretary of State. **A copy of the annual report or partnership record must be attached to the proposal.**
  - b. The signer of the proposal is a representative of the Proposer authorized to submit this proposal as evidenced by documents such as, corporate resolution, certification as to corporate principal, etc. **A copy of the resolution, certification or other supportive documents must be attached to the proposal.**
  - c. The Proposer has filed with the LA Secretary of State an affidavit or resolution or other acknowledged/authentic document indicating that the signer is authorized

to submit proposals for public contracts. **A copy of the applicable document must be attached to the proposal.**

- d. The signer of the proposal has been designated by the Proposer as authorized to submit proposals on the Proposer's vendor registration on file with the Office of State Purchasing. **A statement confirming such registration must be attached to the proposal.**
2. The Proposer must have experience in structuring, placing, binding, and servicing complex property insurance programs. Two (2) specific examples of such experience must be included as part of the proposal. One (1) example must be a public entity. Both referenced programs must have Total Insurable Values (TIV) of at least \$1 Billion each. Reference information must be listed for each example and should include the organization name, contact name, title, telephone number, and email address.
3. Paper copies of the three (3) most recently completed annual financial statements, completed within the last five (5) years, with at least one audited by an independent CPA (with management letter attached), must be included. One set of financial statements may be submitted with your proposal and must be clearly labeled. The financial statements should be detailed enough to analyze and assess the Proposer's financial position. Financial statements of the parent company are acceptable. If a parent company's financial statements are submitted, a document verifying the relationship between the parent company and the Proposer must also be submitted.
4. Proposer must complete and sign Attachment 2, Total Cost Proposal Form, which identifies the maximum total cost for all services required as described in Attachment 1, Scope of Services.

## 1.6 Proposal Response Format

Proposals submitted for consideration should follow the format and order of presentation described below. Headings and subheadings should be separated by tabs.

- A. **Cover Letter:** The cover letter should exhibit the Proposer's understanding and approach to the project. It should contain a summary of Proposer's ability to perform the services described in the RFP and confirm that Proposer is willing to perform those services and enter into a contract with the State.

The cover letter should also

- Identify the submitting Proposer and provide their federal tax identification number;
- Identify the name, title, address, telephone number, fax number, and email address of each person authorized by the Proposer to contractually obligate the Proposer;
- Identify the name, address, telephone number, fax number, and email address of the contact person for technical and contractual clarifications throughout the evaluation period.

**B. Mandatory Requirements**

See Section 1.5 Mandatory Requirements. Each qualification must be addressed separately with appropriate documentation as required.

**C. Qualifications and Experience**

1. The Proposer and/or its parent company should give a brief description of their company including the following: a brief history, a clearly-defined company structure and organizational chart, number of years in business, size, scope, capability, and areas of specialization. The parent company or other entities with significant financial interest in the Proposer should be identified and a brief description of relationship to the Proposer should be included.
2. Identify the primary point of contact and backup point of contact that will service the contract.
3. Identify the location, and the hours of operation, of the office that will service the contract.
4. Identify by name and provide resumes describing the education and work experience for each of the key staff who would be assigned to the contract. Provide titles, professional designations, area(s) of expertise, and number of years of experience.
5. If subcontractor(s) will be used to perform the Minimum Services Required, as defined in Attachment 1, Scope of Services, clearly identify any subcontractor arrangements. Information required of the Proposer, as described in 1. through 4. above, is also required for each proposed subcontractor.

**D. Technical Proposal**

**1. Proposed Solution/Technical Response**

The Proposer should address how the firm will meet all the requirements of this RFP, with particular attention to the details outlined in Attachment 1, Scope of Service and Exhibit A, Insurance Program Specifications, Exhibit B, Innovative Concepts-Alternatives and Options and Exhibit C, Requested Commercial Insurance Program Coverages, Sublimits, and Policy Information. The methodology that was used or would be used to structure and place the insurance program should be described in detail. Examples of information that should be included are how Proposer has analyzed data for the State of Louisiana all State Departments, Agencies, Boards and Commissions, how they have or would approach the market using that analysis, which insurers have or would be approached and why, etc.

- a) All available documentation related to the proposed commercial insurance program should be included, including insurance company names, schedule of non-concurrent layers (if applicable), premiums per layer, A.M. Best ratings, etc.
- b) Each Minimum Service Required as defined in Attachment 1, Scope of Services should be addressed with any suggested plans or procedures that may be implemented to fulfill those required services. Any additional services to be provided should be described in detail.

## 2. **Innovative Concepts**

Alternative options, creative ideas, and/or cost-saving measures are expected and encouraged. Please clearly denote alternative insurance options available in the marketplace and specific suggested services separate from the requirements in Attachment 1, Scope of Services. Points in this technical section of the evaluation will be considered for those Proposers who provide alternatives and/or additional services.

Costs associated with Exhibit B, Innovative Concepts-Alternatives and Options will not be considered as part of the financial evaluation of this RFP.

## E. **Financial Proposal**

A total cost must be clearly stated in Attachment 2 Total Cost Proposal Form. The total cost proposed must fulfill the requirements found in Attachment 1, Scope of Services and the Exhibit A, Insurance Program Specifications. Costs associated with Exhibit B, Innovative Concepts-Alternatives and Options will not be considered as part of the financial evaluation of this RFP. Costs will be subject to the terms below:

1. Surplus lines taxes and/or fees shall not be included as part of the cost proposal. Documented taxes and/or fees, if applicable, will be paid in addition to the base premium cost.
2. The Contractor shall be compensated with a combination of a fee and capped commission as outlined below.
  - A. The Proposer shall quote a flat annual fee for all services.
  - B. The Contractor shall pay any domestic wholesaler that assists in the placement from the annual fee.
  - C. Commissions are acceptable for foreign wholesalers and will be capped at a maximum of 10%. Commission rates should be indicated per company per layer.
3. The Contractor is prohibited from accepting any contingent income, profit sharing, enhanced commission, or other forms of hidden income associated with this contract.
4. Premium rates must remain unchanged for the term of the contract.

### **1.6.1 Number of Response Copies**

Each Proposer shall submit one (1) signed original response. Six (6) additional copies of the proposal should be provided, as well as one (1) redacted copy, if applicable (See Section 1.7).

### **1.6.2 Legibility/Clarity**

Responses to the requirements of this RFP in the formats requested are desirable with all questions answered in as much detail as practicable. The Proposer's response is to demonstrate an understanding of the requirements. Proposals prepared simply and economically, providing a straightforward, concise description of the Proposer's ability to meet the requirements of the RFP is also desired. Each Proposer is solely responsible for the accuracy and completeness of its proposal.

## **1.7 Confidential Information, Trade Secrets, and Proprietary Information**

The designation of certain information as trade secrets and/or privileged or confidential proprietary information shall only apply to the technical portion of the proposal. The cost proposal will not be considered confidential under any circumstance. Any proposal copyrighted or marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse.

For the purposes of this procurement, the provisions of the Louisiana Public Records Act (La. R.S. 44.1 et. seq.) will be in effect. Pursuant to this Act, all proceedings, records, contracts, and other public documents relating to this procurement shall be open to public inspection. Proposers are reminded that while trade secrets and other proprietary information they submit in conjunction with this procurement may not be subject to public disclosure, protections must be claimed by the Proposer at the time of submission of its Technical Proposal. Proposers should refer to the Louisiana Public Records Act for further clarification.

The Proposer must clearly designate the part of the proposal that contains a trade secret and/or privileged or confidential or proprietary information as "confidential" in order to claim protection, if any, from disclosure. The Proposer shall mark the cover sheet of the proposal with the following legend, specifying the specific section(s) of his proposal sought to be restricted in accordance with the conditions of the legend:

*"The data contained in pages xx of the proposal have been submitted in confidence and contain trade secrets and/or privileged or confidential information and such data shall only be disclosed for evaluation purposes, provided that if a contract is awarded to this Proposer as a result of or in connection with the submission of this proposal, the State of Louisiana shall have the right to use or disclose the data therein to the extent provided in the contract. This restriction does not limit the State of Louisiana's right to use or disclose data obtained from any source, including the Proposer, without restrictions."*

Further, to protect such data, each page containing such data shall be specifically identified and marked "CONFIDENTIAL".

Proposers must be prepared to defend the reasons why the material should be held confidential. If a competing Proposer or other person seeks review or copies of another Proposer's confidential data, the state will notify the owner of the asserted data of the request. If the owner of the asserted data does not want the information disclosed, it must agree to indemnify the state and hold the state harmless against all actions or court proceedings that may ensue (including attorney's fees), which seek to order the state to disclose the information. If the owner of the asserted data refuses to indemnify and hold the state harmless, the state may disclose the information.

The State reserves the right to make any proposal, including proprietary information contained therein, available to OSP personnel, the Office of the Governor, or other state agencies or organizations for the sole purpose of assisting the State in its evaluation of the proposal. The State shall require said individuals to protect the confidentiality of any specifically identified proprietary information or privileged business information obtained as a result of their participation in these evaluations.

If your proposal contains confidential information, you should also submit a redacted copy along with your proposal. If you do not submit the redacted copy, you will be required to submit this copy within 48 hours of notification from the Office of State Purchasing. When submitting your redacted copy, you should clearly mark the cover as such - "REDACTED COPY" - to avoid having this copy reviewed by an evaluation committee member. The redacted copy should also state which sections or information has been removed.

## **1.8 Proposal Clarifications Prior to Submittal**

### **1.8.1 Pre-Proposal Conference**

NOT REQUIRED FOR THIS RFP

### **1.8.2 Proposer Inquiry Periods**

The state shall not and cannot permit an open-ended inquiry period, as this creates an unwarranted delay in the procurement cycle and operations of our ORM. The state reasonably expects and requires responsible and interested Proposers to conduct their in-depth proposal review and submit inquiries in a timely manner.

An inquiry period is hereby firmly set for all interested Proposers to perform a detailed review of the proposal documents and to submit any written inquiries relative thereto. *Without exception*, all inquiries MUST be submitted in writing by an authorized representative of the Proposer, clearly cross-referenced to the relevant solicitation section. All inquiries must be received by the Deadline to Receive Written Inquiries date set forth in Section 1.3 Schedule of Events in this RFP. Only those inquiries received by the established deadline shall be considered by the State. Inquiries received after the established deadline shall not be entertained.

Inquiries concerning this solicitation may be delivered by mail, express courier, e-mail, hand, or fax to:

Office of State Purchasing  
Attention: Janelle Brown  
P. O. Box 94095  
Baton Rouge, LA 70804-9095

1201 North Third St.  
Claiborne Bldg., Suite 2-160  
Baton Rouge, LA 70802

E-Mail: [Janelle.Brown@la.gov](mailto:Janelle.Brown@la.gov)

Phone: (225)219-7839/ Fax: (225)342-8688

An addendum will be issued and posted at the ORM website <http://doa.louisiana.gov/orm/rfp.htm>, to address all inquiries received and any other changes or clarifications to the solicitation. Thereafter, all proposal documents, including but not limited to the specifications, terms, conditions, plans, etc., will stand as written and/or amended by any addendum. No negotiations, decisions, or actions shall be executed by any Proposer as a result of any oral discussions with any state employee or state consultant. It is the Proposer's responsibility to check the ORM website frequently for any possible addenda that may be issued. The Office of State Purchasing is not responsible for a Proposer's failure to download any addenda documents required to complete a Request for Proposal.

Any person aggrieved in connection with the solicitation or the specifications contained therein, has the right to protest in accordance with R.S. 39:1671. Such protest shall be made in writing to the Director of State Purchasing at least two days prior to the deadline for submitting proposals.

## **1.9 Errors and Omissions in Proposal**

The State will not be liable for any error in the proposal. Proposer will not be allowed to alter proposal documents after the deadline for proposal submission except under the following condition: The State reserves the right to make corrections or clarifications due to patent errors identified in proposals by the State or the Proposer. The State, at its option, has the right to request clarification or additional information from the Proposer.

## **1.10 Proposal Guarantee**

NOT REQUIRED FOR THIS RFP

## **1.11 Performance Bond**

NOT REQUIRED FOR THIS RFP

## **1.12 Changes, Addenda, Withdrawals**

The State reserves the right to change the Schedule of Events or issue Addenda to the RFP at any time. The State also reserves the right to cancel or reissue the RFP.

Prior to the proposal opening, if the Proposer needs to submit changes or addenda, such shall be submitted in writing, signed by an authorized representative of the Proposer, cross-

referenced clearly to the relevant proposal section, and must be submitted in a sealed envelope. Such shall meet all requirements for the proposal.

### **1.13 Withdrawal of Proposal**

A Proposer may withdraw a proposal that has been submitted at any time up to the proposal closing date and time. To accomplish this, a written request signed by the authorized representative of the Proposer must be submitted to the Office of State Purchasing.

### **1.14 Material in the RFP**

Proposals shall be based only on the material contained in this RFP. The RFP includes official responses to questions, addenda, and other material, which may be provided by the State pursuant to the RFP.

### **1.15 Waiver of Administrative Informalities**

The State reserves the right, at its sole discretion, to waive administrative informalities contained in any proposal.

### **1.16 Proposal Rejection**

Issuance of this RFP in no way constitutes a commitment by the State to award a contract. The State reserves the right to accept or reject any or all proposals submitted or to cancel this RFP if it is in the best interest of the State to do so.

In accordance with the provisions of R.S. 39:2192, in awarding contracts after August 15, 2010, any public entity is authorized to reject a proposal or bid from, or not award the contract to, a business in which any individual with an ownership interest of five percent or more, has been convicted of, or has entered a plea of guilty or nolo contendere to any state felony or equivalent federal felony crime committed in the solicitation or execution of a contract or bid awarded under the laws governing public contracts under the provisions of Chapter 10 of Title 38 of the Louisiana Revised Statutes of 1950, professional, personal, consulting, and social services procurement under the provisions of Chapter 16 of Title 39, or the Louisiana Procurement Code under the provisions of Chapter 17 of Title 39.

### **1.17 Ownership of Proposal**

All materials (paper content only) submitted in response to this request become the property of the State. Selection or rejection of a response does not affect this right. All proposals submitted will be retained by the State and not returned to Proposers. Any copyrighted materials in the response are not transferred to the State.

### **1.18 Cost of Offer Preparation**

The State is not liable for any costs incurred by prospective Proposers or Contractors prior to issuance of or entering into a Contract. Costs associated with developing the proposal, preparing for oral presentations, and any other expenses incurred by the Proposer in responding to the RFP are entirely the responsibility of the Proposer, and shall not be reimbursed in any manner by the State of Louisiana.

### **1.19 Non-Negotiable Contract Terms**

Non-negotiable contract terms include but are not limited to taxes, assignment of contract, audit of records, EEOC and ADA compliance, record retention, content of contract/order of precedence, contract changes, governing law, claims or controversies, and termination based on contingency of appropriation of funds.

### **1.20 Taxes**

Any taxes, other than state and local sales and use taxes from which the state is exempt, shall be assumed to be included within the Proposer's cost. Surplus lines taxes and/or fees shall not be included as part of the Proposer's cost.

### **1.21 Proposal Validity**

All proposals shall be considered valid for acceptance until such time an award is made up to a maximum of 60 days. However, the State reserves the right to reject a proposal if the Proposer's acceptance period is unacceptable and the Proposer is unwilling to extend the validity of its proposal.

### **1.22 Prime Contractor Responsibilities**

The selected Proposer shall be required to assume responsibility for all items and services offered in his proposal whether or not he produces or provides them. The State shall consider the selected Proposer to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract.

### **1.23 Use of Subcontractors**

Each Contractor shall serve as the single prime Contractor for all work performed pursuant to its contract. That prime Contractor shall be responsible for all deliverables referenced in this RFP. This general requirement notwithstanding, Proposers may enter into subcontractor arrangements. Proposers may submit a proposal in response to this RFP, which identifies subcontract(s) with others, provided that the prime Contractor acknowledges total responsibility for the entire contract.

If it becomes necessary for the prime Contractor to use subcontractors, the State urges the prime Contractor to use Louisiana vendors, including small and emerging businesses, a small

entrepreneurship or a veteran or service-connected disabled veteran-owned small entrepreneurship, if practical. In all events, any subcontractor used by the prime should be identified to the State.

Information required of the prime Contractor under the terms of this RFP, is also required for each subcontractor and the subcontractors must agree to be bound by the terms of the contract. The prime Contractor shall assume total responsibility for compliance.

#### **1.24 Written or Oral Discussions/Presentations**

In accordance with LA R.S. 39:1540, where there is more than one Proposer, written or oral discussions shall be conducted with at least the three, or two if there are only two, highest qualified Proposers who submit proposals determined in writing to be reasonably susceptible of being selected for award.

Any commitments or representations made during these discussions may become formally recorded in the final contract.

#### **1.25 Acceptance of Proposal Content**

The mandatory RFP requirements shall become contractual obligations if a contract ensues. Failure of the successful Proposer to accept these obligations shall result in the rejection of the proposal.

#### **1.26 Evaluation and Selection**

All responses received as a result of this RFP are subject to evaluation by the State Evaluation Committee for the purpose of selecting the Proposer with whom the State shall contract.

To evaluate all proposals, a committee whose members have expertise in various areas has been selected by ORM.

The committee will recommend for award to ORM the responsible Proposer whose proposal meets the requirements and criteria set forth in the RFP and whose proposal is most beneficial to the State of Louisiana, considering the price and the evaluation factors set forth in the RFP. If ORM approves the recommendation, then ORM will submit a written recommendation for award to the Director of State Purchasing.

The committee may reject any or all proposals if none is considered in the best interest of the State.

#### **1.27 Notice of Intent to Award**

Upon review and approval of the evaluation committee's and ORM's recommendation for award, OSP will issue a "Notice of Intent to Award" letter and a "Broker of Record" letter executed by ORM to the apparent successful Proposer. A contract shall be completed and signed by all parties concerned on or before the date indicated in the "Schedule of Events." If

this date is not met, through no fault of the State, the State may elect to cancel the “Notice of Intent to Award” letter and make the award to the Proposer whose proposal is the next most beneficial to the State of Louisiana.

OSP will also notify all unsuccessful Proposers as to the outcome of the evaluation process. The evaluation factors, points, evaluation committee member names, and the completed evaluation summary and recommendation report will be made available to all interested parties after the “Notice of Intent to Award” letter has been issued.

Any person aggrieved by the proposed award has the right to submit a protest in writing, in accordance with RS: 39:1671, to the Director of State Purchasing, within fourteen days of the award/intent to award.

### **1.28 Contract Negotiations**

Negotiation with the Proposer whose proposal is recommended for award by the Evaluation Committee may include revision of non-mandatory terms, conditions, and requirements. OSP must approve the final contract form and issue a purchase order, if applicable, to complete the process. If for any reason the Proposer whose proposal is recommended for award by the Evaluation Committee does not agree to a contract, that proposal shall be rejected and the State may negotiate with the Proposer whose proposal is the next most beneficial to the State of Louisiana.

### **1.29 Contract Content and Execution**

The RFP, including any addenda, and the proposal of the selected Contractor will become part of any contract initiated by the State.

Proposers are discouraged from submitting their own standard terms and conditions with their proposals. Proposers should address the specific language in the sample contract in Attachment 4 of this RFP and submit any exceptions or deviations the Proposer wishes to negotiate. The proposed terms will be negotiated before a final contract is entered. Mandatory terms and conditions are not negotiable. If applicable, a Proposer may submit or refer to a Master Agreement entered into by the Contractor and the State in accordance with R.S. 39:198(e).

If the contract negotiation period exceeds thirty (30) days or if the selected Proposer fails to sign the contract within **seven calendar** days of delivery of it, the State may elect to cancel the award and award the contract to the Proposer whose proposal is the next most beneficial to the State of Louisiana.

### **1.30 Debriefings**

Debriefings may be scheduled by the participating Proposers after the “Notice of Intent to Award” letter has been issued by scheduling an appointment with the Office of State Purchasing. Contact may be made by phone at (225) 219-7839 or E-mail to: [Janelle.Brown@la.gov](mailto:Janelle.Brown@la.gov).

### **1.31 Insurance Requirements**

Contractor shall furnish insurance as shown in Attachment 3, Contractor Insurance Requirements.

### **1.32 Subcontractor Insurance**

The Contractor shall ensure that all subcontractors satisfy the same insurance requirements stated herein for the Contractor.

### **1.33 Indemnification and Limitation of Liability**

See Attachment 3, Contractor Insurance Requirements and language below.

Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under the contract.

Neither party shall be liable to the other for special, indirect or consequential damages even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.

The State may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due Contractor, or may proceed against the performance and payment bond, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

### **1.34 Fidelity Bond Requirements**

NOT REQUIRED FOR THIS RFP

### **1.35 Payment**

#### **1.35.1 Payment for Services**

The Contractor shall invoice the State for premium payments prior to the inception date of the program. Other costs may be invoiced at a mutually-agreed upon interval throughout the contract term. Payments will be made by ORM within approximately thirty (30) days after receipt of a properly executed invoice and approval by ORM. Invoices shall include the contract number and description of program or services for which invoice is submitted. Invoices submitted without documentation will not be approved for payment until the required information is provided.

### **1.35.2 Late Payments**

Interest due by the State for late payments shall be in accordance with R.S. 39:1695 and 13:4202.

## **1.36 Termination**

### **1.36.1 Termination of the Contract for Cause**

The State may terminate the contract for cause based upon the failure of the Contractor to comply with the terms and/or conditions of the contract, or failure to fulfill its performance obligations pursuant to the contract, provided that the State shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) days after receipt of such notice, the Contractor shall not have corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct such failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Contractor in default and the contract shall terminate on the date specified in such notice.

The Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms and conditions of the contract, provided that the Contractor shall give the State written notice specifying the State's failure and a reasonable opportunity for the State to cure the defect.

### **1.36.2 Termination of the Contract for Convenience**

The State may terminate the contract at any time by giving thirty (30) days written notice to the Contractor of such termination or negotiating with the Contractor an effective date.

The Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

### **1.36.3 Termination for Non-Appropriation of Funds**

The continuance of the contract is contingent upon the appropriation of funds to fulfill the requirements of the contract by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act or Title 39 of the Louisiana Revised Statutes of 1950 to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

### **1.37 Assignment**

The Contractor shall not assign any interest in the contract by assignment, transfer, or novation, without prior written consent of the State. This provision shall not be construed to prohibit the Contractor from assigning his bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State.

### **1.38 No Guarantee of Quantities**

NOT APPLICABLE TO THIS RFP

### **1.39 Audit of Records**

The State legislative auditor, federal auditors and internal auditors of the Office of Risk Management, Division of Administration, or others so designated by the DOA, shall have the option to audit all accounts directly pertaining to the resulting contract for a period of five (5) years from the date of final payment or as required by applicable State and Federal law. Records shall be made available during normal working hours for this purpose.

### **1.40 Civil Rights Compliance**

The Contractor agrees to abide by the requirements of the following as applicable: Title VI and Title VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and Contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990. Contractor agrees not to discriminate in its employment practices, and will render services under the contract and any contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities. Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of the contract.

### **1.41 Record Retention**

The Contractor shall maintain all records in relation to the contract for a period of at least five (5) years after final payment.

### **1.42 Record Ownership**

All records, reports, documents, or other material related to any contract resulting from this RFP and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of the State and shall, upon request, be returned by Contractor to the State, at Contractor's expense, at termination or expiration of the contract.

#### **1.43 Content of Contract/ Order of Precedence**

In the event of an inconsistency between the contract, the RFP and/or the Contractor's Proposal, the inconsistency shall be resolved by giving precedence first to the final contract, then to the RFP and subsequent addenda (if any) and finally, the Contractor's Proposal.

#### **1.44 Contract Changes**

No additional changes, enhancements, or modifications to any contract resulting from this RFP shall be made without the prior approval of OSP.

Changes to the contract include any change in: compensation; beginning/ ending date of the contract; scope of work; and/or Contractor change through the Assignment of Contract process. Any such changes, once approved, will result in the issuance of an amendment to the contract.

#### **1.45 Substitutions**

If, during the term of the contract, the Contractor requests an insurance company or subcontractor substitution, that substitution shall meet or exceed the requirements stated herein. Prior approval of substitution must be granted by ORM before the substitution takes effect.

#### **1.46 Governing Law**

All activities associated with this RFP process shall be interpreted under Louisiana Law. All proposals and contracts submitted are subject to provisions of the laws of the State of Louisiana including but not limited to L.R.S. 39:1527-1736; purchasing rules and regulations; executive orders; standard terms and conditions; special terms and conditions; and specifications listed in this RFP.

Venue of any action brought with regard to this contract shall be in the Nineteenth Judicial District Court, parish of East Baton Rouge, State of Louisiana.

#### **1.47 Claims or Controversies**

Any claims or controversies shall be resolved in accordance with the Louisiana Procurement Code, LA R.S. 39:1673.

#### **1.48 Proposer's Certification of OMB A-133 Compliance**

Certification of no suspension or debarment: By signing and submitting any proposal for \$25,000 or more, the Proposer certifies that their company, any subcontractors, or principals are not suspended or debarred by the General Services Administration (GSA) in accordance with the requirements in OMB Circular A-133.

A list of parties who have been suspended or debarred can be viewed via the internet at <http://www.sam.gov>.

**1.49 Anti-Kickback Clause**

The Contractor hereby agrees to adhere to the mandate dictated by the Copeland "Anti-Kickback" Act which provides that each Contractor or subgrantee shall be prohibited from inducing, by any means, any person employed in the completion of work, to give up any part of the compensation to which he is otherwise entitled.

**1.50 Clean Air Act**

NOT REQUIRED FOR THIS RFP

**1.51 Energy Policy and Conservation Act**

NOT REQUIRED FOR THIS RFP

**1.52 Clean Water Act**

NOT REQUIRED FOR THIS RFP

**1.53 Anti-Lobbying and Debarment Act**

The Contractor will be expected to comply with Federal statutes required in the Anti-Lobbying Act and the Debarment Act.

## **PART II: SCOPE OF WORK/SERVICES**

### **2.1 Scope of Work/Service**

See Attachment 1, Scope of Services in this RFP

### **2.2 Period of Agreement**

The period of any contract resulting from this RFP is tentatively scheduled to begin on or about **July 1, 2013** and end **July 1, 2014**, with a one-year option to renew at the same rates, terms and conditions.

### **2.3 Price Schedule**

Total cost should be clearly stated on Attachment 2, Total Cost Proposal Form. See Section 1.6 Proposal Response Format, E. Financial Proposal.

### **2.4 Deliverables**

See Attachment 1, Scope of Services in this RFP.

### **2.5 Proposal Elements**

#### **2.5.1 Qualification and Experience**

See Section 1.6 Proposal Response Format, C. Qualifications and Experience in this RFP.

#### **2.5.2 Technical**

See Section 1.6 Proposal Response Format, D. Technical Proposal in this RFP.

#### **2.5.3 Veteran-Owned and Service-Connected Disabled Veteran-Owned Small Entrepreneurships (Veteran Initiative) and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) Programs Participation**

Each Proposer should address how the firm will meet the following:

The State of Louisiana Veteran and Hudson Initiatives are designed to provide additional opportunities for Louisiana-based small entrepreneurships (sometimes referred to as LaVet's and SE's respectively) to participate in contracting and procurement with the state. A certified Veteran-Owned and Service-Connected Disabled Veteran-Owned small entrepreneurship (LaVet) and a Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) small entrepreneurship

are businesses that have been certified by the Louisiana Department of Economic Development. All eligible vendors are encouraged to become certified. Qualification requirements and online certification are available at [https://smallbiz.louisianaforward.com/index\\_2.asp](https://smallbiz.louisianaforward.com/index_2.asp).

If a Proposer is not a certified small entrepreneurship as described herein, but plans to use certified small entrepreneurship(s), Proposer shall include in their proposal the names of their certified Veteran Initiative or Hudson Initiative small entrepreneurship subcontractor(s), a description of the work each will perform, and the dollar value of each subcontract.

During the term of the contract and at expiration, the Contractor will also be required to report Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each.

The statutes (R.S 39:2171 *et. seq.*) concerning the Veteran Initiative may be viewed at <http://legis.la.gov/lss/lss.asp?doc=671504>; and the statutes (R.S 39:2001 *et. seq.*) concerning the Hudson Initiative may be viewed at <http://legis.la.gov/lss/lss.asp?doc=96265>. The rules for the Veteran Initiative (LAC 19:VII. Chapters 11 and 15) and for the Hudson Initiative (LAC 19:VIII Chapters 11 and 13) may be viewed at <http://www.doa.louisiana.gov/osp/se/se.htm>.

A current list of certified Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurships may be obtained from the Louisiana Economic Development Certification System at [https://smallbiz.louisianaforward.com/index\\_2.asp](https://smallbiz.louisianaforward.com/index_2.asp). Additionally, a list of Hudson and Veteran Initiative small entrepreneurships, which have been certified by the Louisiana Department of Economic Development and who have opted to register in the State of Louisiana LaGov Supplier Portal [https://lagoverpvendor.doa.louisiana.gov/irj/portal/anonymous?guest\\_user=self\\_reg](https://lagoverpvendor.doa.louisiana.gov/irj/portal/anonymous?guest_user=self_reg) may be accessed from the State of Louisiana Procurement and Contract (LaPAC) Network <http://wwwprd1.doa.louisiana.gov/osp/lapac/vendor/vndpubmain.cfm?tab=2>. When using this site, determine the search criteria (i.e. alphabetized list of all certified vendors, by commodities, etc.) and select Smalle, VSE, or DVSE.

#### **2.5.4 Financial**

See Section 1.6 Proposal Response Format, E. Financial Proposal in this RFP.

## **PART III: EVALUATION**

### **3.1 Mandatory Requirements Review**

All proposals will be reviewed to determine compliance with the mandatory requirements as specified in Section 1.5 of this RFP. Proposals found not to be in compliance will be rejected from further consideration.

### **3.2 Clarification of Proposals**

ORM reserves the right to seek clarification of any proposal for the purpose of identifying and eliminating minor irregularities or informalities.

### **3.3 Evaluating for Content**

ORM will evaluate each proposal based on the content and specificity supplied in the proposal. Each will be evaluated in light of the material and the substantiating evidence presented to the State, not on the basis of what may be inferred. Proposers should ensure that their proposals contain sufficient information for ORM to make its determination by presenting clear and acceptable evidence for each section described in 1.6 Proposal Response Format.

### **3.4 Evaluation Criteria**

Proposals that pass Section 3.1 Mandatory Requirements Review will be evaluated based on the information and content provided in the proposal. The evaluation committee shall assign points as follows:

<b>EVALUATION CRITERIA</b>	<b>POSSIBLE POINTS</b>
Qualifications and Experience (Section 3.6):	20
<b>Qualifications and Experience Subtotal</b>	<b>20</b>
Technical Proposal (Section 3.7)	20
Innovative Concepts (Section 3.7.1)	10
Veteran and Hudson Initiative (Section 3.7.2)	11
Financial Proposal (Section 3.8)	50
<b>Technical, Veteran/Hudson, and Financial Subtotal</b>	<b>80</b>
<b>Total Points</b>	<b>111</b>

The subtotal scores for the Qualifications and Experience and Technical, Veteran/Hudson, and Financial will be combined to determine the Total Points.

### **3.5 Evaluation Procedure**

Per 1.24 Written or Oral Discussions/Presentations, the highest qualified proposers and then those susceptible of being selected for award will be determined in sequence as follows:

- a. Each proposal will be subject to the Mandatory Requirements Review (3.1). If any one of the requirements are not met, then the proposal requires no further consideration.

- b. If all requirements are met, each proposal will then be evaluated and assigned points for Qualifications and Experience (3.6). Thereafter, these proposals will then be evaluated on their Technical and Financial portions (3.7, 3.7.1, 3.8).
- c. The highest Total Points for each proposal will determine the top three (3) proposals (or two (2) proposals if only two remain) reasonably susceptible of being selected for award and those Proposers will be subject to the required discussions. Discussions may be in the form of email, telephone, or physical meetings, as determined by ORM.
- d. After discussions, the Technical, Veteran/Hudson, and Financial Subtotal points may be reviewed and adjusted.
- e. The proposal with the highest Total Points will be recommended for award.

### **3.6 Qualifications and Experience**

The following criteria are of importance and relevance to the evaluation of this RFP which include but are not limited to the following:

- Proposer Qualifications based on company history, number of years in business, size, capabilities, specializations, education and work experience of key staff
- Proposer Experience with public entity accounts
- Subcontractor Qualifications and Experience

### **3.7 Technical Proposal**

The following criteria are of importance and relevance to the evaluation of this RFP which include but are not limited to the following:

- Proposed Methodology, including detailed description of data analysis, marketing, and structuring of the program
- Plans/Procedures to fulfill required services

#### **3.7.1 Innovative Concepts**

The following criteria are of importance and relevance to the evaluation of this RFP which include but are not limited to the following:

- Response to options requested in Exhibit B
- Alternative options, creative ideas, and/or cost saving measures

#### **3.7.2 Veteran-Owned and Service-Connected Disabled Veteran-Owned Small Entrepreneurships (Veteran Initiative) and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) Programs Participation**

Ten percent (10%) of the total evaluation points on this RFP are reserved for Proposers who are themselves a certified Veteran or Hudson Initiative small entrepreneurship or who will

engage the participation of one or more certified Veteran or Hudson Initiatives small entrepreneurships as subcontractors.

Reserved points shall be added to the applicable Proposers' evaluation score as follows:

Proposer Status and Reserved Points

- Proposer is a certified small entrepreneurship: Full amount of the reserved points
- Proposer is not a certified small entrepreneurship but has engaged one or more certified small entrepreneurships to participate as subcontractors or distributors. Points will be allocated based on the following criteria:
  - the necessity of the services to fulfill Attachment 1 Scope of Services
  - the number of certified small entrepreneurships to be utilized
  - the experience and qualifications of the certified small entrepreneurship(s)
  - the anticipated earnings to accrue to the certified small entrepreneurship(s)

If the Proposer is not a certified small entrepreneurship as described herein, but plans to use certified small entrepreneurship(s), Proposer shall include in their proposal the names of their certified Veteran Initiative or Hudson Initiative small entrepreneurship subcontractor(s), a description of the work each will perform, and the dollar value of each subcontract.

**3.8 Financial Proposal**

The following financial criteria will be evaluated: Total Cost as described in Section 2.5.4 and stated on Attachment 2, Total Cost Proposal Form.

The information provided in response to this section will be used in the Financial Evaluation to calculate lowest evaluated cost.

A Proposer's base cost score will be based on the cost information provided on Attachment 2, Total Cost Proposal Form and computed as follows:

$$BCS = (LPC/PC \times 50)$$

Where:        BCS = Computed cost score (points) for Proposer being evaluated  
                  LPC = Lowest proposed cost of all Proposers  
                  PC = Total cost of Proposer being evaluated

## **PART IV: PERFORMANCE STANDARDS**

### **4.1 Performance Requirements**

See Attachment 1, Scope of Services, 4, Deliverables in this RFP.

### **4.2 Performance Measurement/Evaluation**

The following criteria will be used for the evaluation of the contract:

- A. Contractor bound insurance as proposed and agreed upon by ORM not exceeding the maximum total cost figure shown on Attachment 2 Total Cost Proposal Form of the Contractor's proposal.
- B. Contractor reviewed and delivered all policies within ninety (90) days of binding.
- C. The required and requested reports were submitted accurately and timely.
- D. All services were performed as stated in this RFP and the Contractor's awarded proposal.
- E. The Contractor's annual statement identified all income earned by each party participating in the placement of the insurance program.

### **4.3 Veteran-Owned and Service-Connected Disabled Veteran-Owned Small Entrepreneurships (Veteran Initiative) and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) Programs Reporting Requirements**

During the term of the contract and at expiration, the Contractor will be required to report Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each.

## ATTACHMENT 1 - SCOPE OF SERVICES

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### 1. Overview

The purpose of this RFP is to structure a reasonable and cost-effective excess property insurance program for the State of Louisiana all State Departments, Agencies, Boards and Commissions (excluding Louisiana State University and Agricultural and Mechanical College) and provide related services with regard to this program. The successful Proposer will be expected to bind coverage based on the program recommended in their proposal and provide, through a subcontractor if necessary, all required services. ORM encourages the use of admitted, surplus lines, mutual companies, and direct-write companies. **ORM reserves the right to work directly with direct-write insurance companies.**

The Contractor shall provide an excess property insurance program and qualified personnel to perform the services indicated below.

### 2. Insurance Program

- Analyze Exhibit A, Insurance Program Specifications and structure an insurance program within its parameters. The methodology that was used or would be used to structure and place the insurance program should be described in detail. Examples of information that should be included are how Proposer has analyzed the data of the State of Louisiana all State Departments, Agencies, Boards and Commissions, how they have or would approach the market using that analysis, which insurers have or would be approached and why, etc.
- Insurance program options outside of the parameters shown in Exhibit A, Insurance Program Specifications are listed in Exhibit B, Innovative Concepts – Alternatives and Options. Additional ideas and options are also encouraged.

### 3. Minimum Services Required

#### A. Boiler and Machinery Jurisdictional Inspections and Testing

- 1) The Contractor, or a subcontractor, must have the capability of making all jurisdictional inspections required by the State of Louisiana on a timely basis. The Contractor will assure no jurisdictionally-mandated operating certificates shall be allowed to have expired by more than sixty (60) days without the boiler or vessel having received a renewal inspection. Any certificates expired more than sixty (60) days will be reviewed by the State Fire Marshal's Office. Any fees assessed by the State Fire Marshal's Office due to a failure of timely inspection will be assumed by the Contractor or subcontractor. A copy of current expiration dates will be furnished to successful Contractor upon request. Contractor will be responsible for adhering to procedures established by the State Fire Marshal's Office as regards the certificate fees. The inspectors must hold valid and current National Board of Boiler and Pressure Vessel Inspector Commissions. Proof of such should be submitted in the proposal or must be received within five (5) days of request to the Office of State Purchasing.

Boiler markets will be allowed to inspect the insured premises prior to the proposal opening date. Send the following information no later than May 24, 2013 to

[Janelle.Brown@la.gov](mailto:Janelle.Brown@la.gov) :

1. Name of the person and company that will be present for inspection.
2. Identify the buildings by name and/or equipment to be inspected.
3. Date and time vendor would like to schedule an appointment.

**Once an appointment has been accepted and confirmed you will receive confirmation through an email with further instructions.**

- 2) The Contractor, or a subcontractor, shall provide 1) annual Transformer Oil Gas Analysis (TOGQ) Testing on all filled transformers rated at 5000KVA and higher and 2) Infrared Scanning five (5) days annually (each policy year) at locations agreed upon by ORM . The infrared scanning inspections must be conducted by a qualified Level II Thermographer per ASNTC-TC-IA. All detailed reports of the findings shall be sent to ORM.
- 3) Contractor, or a subcontractor, shall maintain a schedule of covered equipment. The schedule shall be provided in Excel spreadsheet format and provided to ORM upon request. Schedule should include all jurisdictional objects, major systems, and covered equipment which may produce losses of \$100,000 or greater.
- 4) The Contractor, or a subcontractor, shall provide three (3) training seminars each policy year, which include training aids and student material, on different topics relating to loss prevention/safety for equipment breakdown protection coverage in force. Each seminar will be at least seven (7) hours in duration. Seminar content and scheduling must be approved and coordinated by FARA.

#### B. Claims Adjusting Service

##### 1. Property

The Contractor, or subcontractor, shall be responsible for the handling of property claims above the self-insured threshold to their conclusion in a timely and professional manner. Should the contract expire or terminate, the Contractor shall remain responsible for occurrences that take place during the policy period.

##### 2. Boiler and Machinery/Equipment Breakdown

The Contractor, or subcontractor, shall be responsible for the handling of all boiler and machinery/equipment breakdown claims, including those within the self-insured retention, to their conclusion in a timely and professional manner. Should the contract expire or terminate, the Contractor shall remain responsible for occurrences that take place during the policy period.

#### 4. Deliverables

- A. Upon award, Contractor shall bind insurance as proposed and agreed upon by ORM. Company signature pages may be required to validate the placement of the program.
- B. At the time coverage is bound, rates per company per layer must be provided to ORM.
- C. Contractor shall review and deliver all policies within ninety (90) days of binding.

- D.** Claims history and loss runs shall be submitted quarterly and upon request by ORM.
- E.** The Minimum Required Services shall be performed as stated in this RFP and the Contractor's awarded proposal. ORM reserves the right to request verification and/or reports at any time.
- F.** Premium rates and commission rates shall be reported per company per layer on the bound insurance program within thirty (30) days of binding. The preferred method of reporting is an Excel spreadsheet.
- G.** The costs in the awarded proposal are subject to audit. The Contractor shall submit an annual statement identifying all income earned by each party participating in the placement of the insurance program.
- H.** FARA, ORM's third-party administrator, shall report claims to the Contractor and the Contractor will be responsible for the reporting of all claims to the insurer.

## Exhibit A - Insurance Program Specifications

The following parameters are required in the commercial insurance program. All options in addition to or differing from these parameters will be evaluated separately from the base program. ORM reserves the right to choose any combination of options presented.

1. The underlying self-insurance policy contained herein is the preferred scope of coverage. Although following form coverage is preferred, ORM will accept non-concurrent, but comparable, coverage.
2. If a layered program is developed, non-concurrent program structure and pricing are required.
3. The First Named Insured is as follows:
 

State of Louisiana, all State Departments, Agencies, Boards and Commissions  
c/o Office of Risk Management  
P.O. Box 91106  
Baton Rouge, LA 70821-9106
4. It is the States intent for the inception date of the commercial program to be July 1, 2013 and the expiration date to be July 1, 2014. ORM reserves the right to modify these dates.
5. Minimum program limit: \$200,000,000 excess of self-insured retention (SIR). ORM reserves the right to purchase a lower limit.
6. Participating insurance companies must have an A.M. Best rating of A-, VIII or higher and be licensed to do business in the State of Louisiana.
7. In the event an insurance company (or companies) fails to perform, ORM shall allow substitution for such company (or companies) if the new company (or companies) sought to be substituted meets all criteria set forth in this RFP.
8. Exhibit C contains specific coverages, sub-limits and policy information requested to be included in the commercial property insurance program.
9. SIR & Limits:

<b>Policy Provisions</b>	<b>Commercial Excess Placement</b>
<b>Limits of Liability/Policy Limit:</b>	\$200,000,000
Limit Per Occurrence including BI/EE for all perils <b>except</b> Earthquake and Flood	Subject to Limits of Liability/Policy Limit
<b>Boiler &amp; Machinery/Equipment Breakdown</b>	Included within Limits of Liability/Policy Limit
<b>Earthquake</b>	Included within Limits of Liability/Policy Limit
<b>Flood (All zones)</b>	\$100,000,000 per occurrence / aggregate
<b>Self-Insured Retentions:</b>	
All Other Perils (includes unnamed windstorm)	\$10,000,000 per occurrence/aggregate
Flood	\$50,000,000 per occurrence/aggregate

Earthquake	\$10,000,000 per occurrence/aggregate
Boiler & Machinery/Equipment Breakdown	\$1,000,000 per occurrence/aggregate
Named Windstorm	\$50,000,000 per occurrence

\$1,000,000 maintenance/trailing deductible shall apply for all aggregated perils once individual Self-Insured Retention aggregates have been met or exceeded. For Boiler & Machinery/Equipment Breakdown, a \$50,000 maintenance/trailing deductible shall apply once the individual Self-Insured Retention aggregate has been met or exceeded.

10. The following coverage found in the underlying self-insurance policy is NOT required in the excess program:

- a) Newly-Acquired Property
- b) Course of Construction
- c) LPFA/Third-Party Financing Endorsement # 1
- d) Animals
- e) Contamination Cleanup, pollution of land and water
- f) Mold, Mildew or Fungus, with the exception as part of Decontamination
- g) Service Interruption

11. The following wording, or its equivalent, is required in the commercial insurance policy:

A. Priority of Payments

The amount of loss from any one occurrence for which this Insurer's liability is excess shall be determined by the combined loss, damage or expense as insured under the underlying insurance.

In any one occurrence where loss or damage is caused by more than one peril insured against under this policy, or at more than one location, or building insured under this policy, the insured shall have the right to separate the loss amount by peril, location, or building, for the purposes of application of the SIR/deductible, notwithstanding any references to (2) two or more SIRS/deductibles and the policy limits.

Any recovery made under the underlying insurance shall be treated as applying first in satisfaction of the perils insured, coverage provided and/or locations not insured by this Insurer and thereafter in satisfaction of the perils insured, coverages provided and/or locations insured by this Insurer.

B. Step Down

Except with respect to specified coverage not required in the excess policy, in the event of the reduction or exhaustion of aggregate Limits of Liability, if any, applying to a Policy Year in the underlying insurance, this Insurer shall pay excess of the reduced aggregate or, in the event of exhaustion, continue in force as primary insurance, but only for the perils or coverages provided herein and only for property insured by this Insurer.

### C. Appraisal

If ORM, as the primary property insurer, and any other insurance company or excess insurance company fail to agree as to which policy covers the loss, or as to settlement of coverage that overlaps, or as to the value of the property or the amount of loss, ORM or the insurance company may make written demand for an appraisal of the matter in disagreement. ORM and the insurance company will then select a competent and impartial appraiser and notify the other of the appraiser selected within twenty (20) days of the demand.

The (2) two appraisers will select a competent and impartial umpire. The appraisers will then identify the policy under which the loss is insured, and if necessary state separately the value of the property and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision or an award in writing of any (2) two shall determine the policy under which the loss is insured and if necessary the value of the property and amount of loss.

ORM and the insurance company will pay its chosen appraiser and bear other expenses of the appraisal and umpire equally.

ORM and the insurance company(ies) concerned agree that the decision of the appraisers and the umpire (if an umpire is required) will be binding and final and that neither party will resort to litigation nor institute a lawsuit. If there is an appraisal, ORM still retains the right to deny the claim.

### D. Cancellation Provisions

ORM may cancel the policy by giving the company thirty (30) days advance notice of the date cancellation is to take effect. The insurance company(ies) may cancel or non-renew the policy(ies) by notifying the Contractor, who is then responsible to notify ORM in writing at least:

One hundred twenty (120) days notice if cancellation or non-renewal is due to any reason other than non-payment of premium; or

Ten (10) days before the effective date of cancellation if cancellation is due to non-payment of premium.

If this insurance is cancelled by the Insurer, the Insurer shall retain the pro-rata proportion of the premium earned from the date of inception to the date of cancellation. If this insurance is cancelled by the Insured, the Insurer shall retain the pro-rata proportion of the premium earned from the date of inception to the date of cancellation.

Payment or tender of any unearned premium by the Insurer shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.

E. Errors and Omissions

Any error or inadvertent omission made by the Insured shall not void or impair the insurance hereunder provided the Insured reports such error or inadvertent omission as soon as reasonably possible after discovery by the First Named Insured.

F. Additional Insureds, Loss Payees and Mortgagees

***Note: Certificates of Insurance issued for excess commercial placement are expected to be minimal.***

All third parties having an interest in property insured by this Policy, as required by lease, contract, or agreement, shall automatically be Additional Insureds hereunder.

All other third parties including, but not limited to, Loss Payees and Mortgagees who have an interest in the property insured by this Policy shall be automatically named as Loss Payees or Mortgagees, and loss, if any, under this Policy shall be adjusted with the Insured and payable to the Insured and the Additional Insureds, Loss Payees or Mortgagees according to their respective insurable interests.

G. The following standard clauses are included: Other Insurance and Permission for Excess.

H. Erosion of Primary SIR

The erosion of the SIR due to loss or damage from flood, including high hazard and earthquake is recognized and approved.

## Exhibit B - Innovative Concepts – Alternatives and Options

Alternative options, creative ideas, and/or cost-saving measures are expected and encouraged. **Please clearly denote alternative programs and options separate from the requirements in Attachment 1, Scope of Services.** Points in the technical section of the RFP evaluation will be considered for those proposers who provide alternatives and/or additional services.

The following are some options that ORM has identified and that the Proposer should specifically address and supply premium costs, if available:

1. Increased Flood Limit:

Policy Provisions	Commercial Excess Placement
Flood (All zones)	\$150,000,000 per occurrence / aggregate

2. Extended Limit for Fire Only:

Policy Provisions	Commercial Excess Placement
Fire	Additional \$100,000,000 above \$200,000,000 policy limit per occurrence

3. Aggregate Total SIR with Trailing Deductible:

Total annual SIR is capped at \$50,000,000 (for ALL perils including Named Windstorm, excluding Boiler & Machinery/Equipment Breakdown) with a \$1,000,000 per occurrence deductible for all subsequent claims above the cap.

If Named Windstorm cannot be aggregated, please designate clearly that Named Windstorm is not included. If Named Windstorm is available as part of the aggregate and ORM chooses the option, the SIR for Named Windstorm will be aggregated in the underlying policy.

4. Additional layers above policy limit

\$25,000,000 layers up to the limit available in the market.

**Exhibit C - Requested Commercial Insurance Program Coverages, Sublimits, and Policy Information**

<b>Policy Provisions</b>	<b>Commercial Excess Placement</b>
<b>Scheduled Locations</b>	Blanket
<b>Valuation</b>	Various - Per manuscript form
<b>Vacancy Provision Granted For Certain Properties</b>	No vacancy restrictions
<b>Extensions / Sublimits</b>	
Accounts Receivable	\$25,000,000 per occurrence
Brands and Labels/Control of Damaged Property	\$10,000,000 per occurrence
Business Income	Included within Limits of Liability/Policy Limit
Business Personal Property (excludes Employee Theft)	Included within Limits of Liability/Policy Limit
Civil Authority	Included within Limits of Liability/Policy Limit, subject to a maximum of 45 consecutive days; 5 mile limitation; no waiting period
Consequential Loss	\$10,000,000 per occurrence
Contingent BI	\$25,000,000 per occurrence
Contractors, Subcontractors, and Vendors	Included within Limits of Liability/Policy Limit
Course of Construction	No coverage required in excess
Debris Removal / Cost of Cleanup	25% of the property damage or \$50,000,000 per occurrence whichever is greater
Decontamination Costs (see underlying policy)	\$25,000,000 per occurrence
Deferred Payments	\$1,000,000 per occurrence
Defense Payments	\$5,000,000 per occurrence
Demolition & Increased Cost of Construction	Included within Limits of Liability/Policy Limit
Destruction of Property at the Order of Public Authority	\$10,000,000 per occurrence
Electronic Data	\$25,000,000 per occurrence
Emergency Vacating Expense	\$5,000,000 per occurrence
Errors and Omissions	\$5,000,000 per occurrence
Extra Expense	Included within Limits of Liability/Policy Limit
Expediting Expense	See Extra Expense
Extended Period of Indemnity - Business Income Other than Rental Value	None
Extended Period of Indemnity - Rental Value	None
Fine Arts	Included within Limits of Liability/Policy Limit
Fire Department Service Charges	Included within Limits of Liability/Policy Limit
Fungus, Mold or Mildew	No coverage required in excess
Improvements & Betterments	Included within Limits of Liability/Policy Limit
Ingress/Egress	Included within Limits of Liability/Policy Limit, subject to a maximum of 45 consecutive days; 5 mile limitation; no waiting period
Interruption of Computer Operations	Excluded
Land Improvements (including Landscaping)	Excluded
Library Books	Included within Limits of Liability/Policy Limit
Loss of Tuition & Fees	Included under Business Interruption
Miscellaneous Unnamed Locations	Excluded
Money & Securities	Excluded
Newly Acquired Property	No coverage required in excess
Ordinary Payroll	Excluded

Ordinance or Law	Included within Demolition & Increased Cost of Construction sublimit
Professional Fees	\$1,000,000 per occurrence
Protection & Preservation of Property (Property Removed to Safety)	Included within Limits of Liability/Policy Limit
Protection Systems	\$5,000,000 per occurrence
Pollution & Cleanup Removal	No coverage required in excess
Removal	\$25,000,000 per occurrence
Research & Development	Included within Limits of Liability/Policy Limit
Service Interruption (PD & BI combined)	No coverage required in excess
Soft Costs	Included within Limits of Liability/Policy Limit
Terrorism (Certified)	Included within Limits of Liability/Policy Limit
Transit	\$1,000,000 per occurrence
Valuable Papers & Records	\$50,000,000 per occurrence

## ATTACHMENT 2 – TOTAL COST PROPOSAL FORM

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Provide the maximum contract amount for the required services identified in Attachment I, Scope of Services.

Proposer Name: \_\_\_\_\_

Total Cost: \_\_\_\_\_

**The total cost proposed fulfills the requirements found in Attachment 1, Scope of Services and Exhibit A, Insurance Program Specifications.**

**If awarded, the maximum total cost billed to ORM for the requirements found in Attachment 1, Scope of Services and Exhibit A, Insurance Program Specifications must not exceed the figure shown above.**

**The above proposed cost must be firm for sixty (60) days.**

Authorized Signature: \_\_\_\_\_

Printed Name and Title: \_\_\_\_\_

## **ATTACHMENT 3 - CONTRACTOR INSURANCE REQUIREMENTS**

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The Contractor shall purchase and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder.

### **A. MINIMUM SCOPE AND LIMITS OF INSURANCE**

1. **Workers Compensation**

Workers Compensation insurance shall be in compliance with the Workers Compensation law of the state of the Contractor's headquarters. Employers Liability is included with a minimum limit of \$500,000 per accident/per disease/per employee. A.M. Best's insurance company rating requirement may be waived for workers compensation coverage only.

2. **Commercial General Liability**

Commercial General Liability insurance, including Personal and Advertising Injury Liability, shall have a minimum limit per occurrence of \$1,000,000 and a minimum general aggregate of \$2,000,000. The Insurance Services Office (ISO) Commercial General Liability occurrence coverage form CG 00 01, or equivalent, is to be used in the policy. Claims-made form is unacceptable.

3. **Professional Liability (Errors and Omissions)**

Professional Liability (Error & Omissions) insurance, which covers the professional errors, acts, or omissions of the Contractor, shall have a minimum limit of \$5,000,000. Claims-made coverage is acceptable.

### **B. DEDUCTIBLES AND SELF-INSURED RETENTIONS**

Any deductibles or self-insured retentions should be declared. The Contractor shall be responsible for all deductibles and self-insured retentions.

### **C. OTHER INSURANCE PROVISIONS**

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability Coverage

a. The Office of Risk Management (ORM) its officers, agents, employees and volunteers, shall be named as additional insureds as regards negligence by the Contractor. ISO Form CG 20 10, or equivalent, is to be used when applicable. The coverage shall contain no special limitations on the scope of protection afforded to the additional insureds.

b. The Contractor's insurance shall be primary as respects ORM its officers, agents, employees and volunteers. Any insurance or self-insurance maintained by ORM and shall be excess and non-contributory of the Contractor's insurance.

c. The Contractor's insurance shall apply separately to each insured against whom

claim is made or suit is brought, except with respect to the policy limits.

## 2. Workers Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against ORM and its officers, agents, employees and volunteers for losses arising from work performed by the Contractor under this contract.

## 3. All Coverages

- a. Coverage shall not be canceled, suspended, or voided by either party (the Contractor or the insurer) or reduced in coverage or in limits except after 30 days written notice has been given to ORM. Ten-day written notice of cancellation is acceptable for non-payment of premium. Notifications shall comply with the standard cancellation provisions in the Contractor's policy.
- b. Neither the acceptance of the completed work nor the payment thereof shall release the Contractor from the obligations of the insurance requirements or indemnification agreement.
- c. The insurance companies issuing the policies shall have no recourse against ORM for payment of premiums or for assessments under any form of the policies.
- d. Any failure of the Contractor to comply with reporting provisions of the policy shall not affect coverage provided to the ORM and its officers, agents, employees and volunteers.

## **D. ACCEPTABILITY OF INSURERS**

All required insurance shall be provided by a company or companies lawfully authorized to do business in Louisiana. Insurance shall be placed with insurers with a A.M. Best's rating of **A:-VIII or higher**. This rating requirement may be waived for workers compensation coverage only.

If at any time an insurer issuing any such policy does not meet the minimum A.M. Best rating, the Contractor shall obtain a policy with an insurer that meets the A.M. Best rating and shall submit another Certificate of Insurance as required in the contract.

## **E. VERIFICATION OF COVERAGE**

Contractor shall furnish the ORM with Certificates of insurance reflecting proof of required coverage. The Certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The Certificates are to be received and approved by ORM before work commences and upon any contract renewal thereafter. ORM reserves the right to request complete certified copies of all required insurance policies at any time.

Upon failure of the Contractor to furnish, deliver and maintain such insurance as above provided, this contract, at the election of ORM, may be suspended, discontinued or terminated. Failure of the Contractor to purchase and/or maintain any required insurance shall not relieve the Contractor from any liability or indemnification under the contract.

**F. SUBCONTRACTORS**

Contractor shall be responsible for verifying and maintaining the Certificates provided by each subcontractor. Subcontractors shall be subject to all of the requirements stated herein. ORM reserves the right to request copies of subcontractor's Certificates at any time.

**G. WORKERS COMPENSATION INDEMNITY**

In the event Contractor is not required to provide or elects not to provide workers compensation coverage, the parties hereby agree that Contractor, its owners, agents and employees will have no cause of action against, and will not assert a claim against, the State of Louisiana, its departments, agencies, agents and employees as an employer, whether pursuant to the Louisiana Workers Compensation Act or otherwise, under any circumstance. The parties also hereby agree that the State of Louisiana, its departments, agencies, agents and employees shall in no circumstance be, or considered as, the employer or statutory employer of Contractor, its owners, agents and employees. The parties further agree that Contractor is a wholly independent contractor and is exclusively responsible for its employees, owners, and agents. Contractor hereby agrees to protect, defend, indemnify and hold the State of Louisiana, its departments, agencies, agents and employees harmless from any such assertion or claim that may arise from the performance of this contract.

**H. INDEMNIFICATION/HOLD HARMLESS AGREEMENT**

Contractor agrees to protect, defend, indemnify, save, and hold harmless ORM and its officers, agents, servants, employees, and volunteers, from and against any and all claims, damages, expenses, and liability arising out of injury or death to any person or the damage, loss or destruction of any property which may occur, or in any way grow out of, any act or omission of Contractor, its agents, servants, and employees, or any and all costs, expenses and/or attorney fees incurred by Contractor as a result of any claims, demands, suits or causes of action, except those claims, demands, suits, or causes of action arising out of the negligence of ORM and its officers, agents, servants, employees and volunteers.

## ATTACHMENT 4 - SAMPLE GENERIC CONTRACT

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STATE OF LOUISIANA  
PARISH OF \_\_\_\_\_

File No. T28682EP

### CONTRACT

Be it known, that effective upon approval by the Director of State Purchasing, as evidenced by the Director's signature on this document, the (*Agency Name*) (hereinafter sometimes referred to as "State") and (*Contractor's name and legal address including zip code*) (hereinafter sometimes referred to as "Contractor") do hereby enter into contract under the following terms and conditions.

### SCOPE OF SERVICE

Contractor hereby agrees to furnish the insurance program and services in accordance with the RFP Solicitation Number 2253398, Addendums, and Contractor's proposal.

### CONTRACT MODIFICATIONS

No amendment or variation of the terms of this contract shall be valid unless made in writing, signed by the parties and approved as required by law. No oral understanding or agreement not incorporated in the contract is binding on any of the parties.

Changes to the contract include any change in a) compensation; b) beginning/ending date of the contract; c) scope of work; and/or d) contractor change through the assignment of contract process. Any such changes, once approved, will result in the issuance of an amendment to the contract.

### FUND USE

Contractor agrees not to use contract proceeds to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition on any election ballot or a proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority.

### HEADINGS

Descriptive headings in this contract are for convenience only and shall not affect the construction of this contract or meaning of contractual language.

## **PAYMENT TERMS**

The Contractor shall invoice the State Agency directly and payment shall be made by the State Agency directly to the Contractor in accordance with the payment terms agreed to under this Contract.

## **LATE PAYMENTS**

Interest due by the State Agency for late payments shall be in accordance with R.S. 39:1695 and 13:4202.

## **DELIVERABLES**

Contractor will deliver the insurance program and services as stated in the RFP and the Contractor's awarded proposal.

## **TAXES**

Contractor agrees that all applicable taxes are included in the schedule pricing. State agencies are exempt from all state and local sales and use taxes.

## **TERMINATION OF THIS CONTRACT FOR CAUSE**

The State may terminate this contract for cause based upon the failure of Contractor to comply with the terms and/or conditions of the contract, or failure to fulfill its performance obligations pursuant to this contract, provided that the State shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) days after receipt of such notice, the Contractor shall not have corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct such failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Contractor in default and the contract shall terminate on the date specified in such notice.

The Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms and conditions of this contract, provided that the Contractor shall give the State written notice specifying the State's failure and a reasonable opportunity for the State to cure the defect.

## **TERMINATION OF THIS CONTRACT FOR CONVENIENCE**

The State may terminate this Contract at any time by giving thirty (30) days written notice to the Contractor of such termination or negotiating with the Contractor an effective date.

The Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

## **TERMINATION FOR NON-APPROPRIATION OF FUNDS**

The continuation of this contract is contingent upon the appropriation of funds to fulfill the requirements of the contract by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act or Title 39 of the Louisiana Revised Statutes of 1950 to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

## **OWNERSHIP**

All records, reports, documents, or other material related to this contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of State, and shall, upon request, be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract.

## **USE OF AGENCY'S FACILITIES**

Any property of the State furnished to the Contractor shall, unless otherwise provided herein, or approved by the State and/or Agency, be used only for the performance of this contract.

The Contractor shall be responsible for any loss or damage to property of the State and/or State Agency which results from willful misconduct or lack of good faith on the part of the Contractor or which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management practices, to ensure that the property will be returned to the State and/or State Agency in like condition, except for normal wear and tear, to that in which it was furnished to the Contractor. Upon the happening of loss, or destruction of, or damage to property of the State, the Contractor shall notify the State thereof and shall take all reasonable steps to protect that property from further damage.

The Contractor shall surrender to the State and/or State Agency all property of the State and/or State Agency prior to settlement upon completion, termination, or cancellation of this contract. All reference to the Contractor under this section shall include any of its employees, agents, or subcontractors.

## **WAIVER**

Waiver of any breach of any term or condition of this contract shall not be deemed a waiver of any prior or subsequent breach. No term or condition of this contract shall be held to be waived, modified or deleted except by the written consent of both parties.

## **WARRANTIES**

Contractor warrants that all services shall be performed in a workmanlike manner, and according to its current description (including any completion criteria) contained in the scope of service.

## **INDEMNIFICATION AND LIMITATION OF LIABILITY**

See Attachment 3 in the RFP, Contractor Insurance Requirements and the language below.

Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under the contract.

Neither party shall be liable to the other for special, indirect or consequential damages even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.

The State may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due Contractor, or may proceed against the performance and payment bond, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

## **INSURANCE**

Contractor will be required to provide the State of Louisiana with Certificates of adequate insurance indicating coverage required, as shown in Attachment 3 in the RFP.

## **LICENSES AND PERMITS**

Contractor shall secure and maintain all licenses and permits, and pay inspection fees required to do the work required to complete this contract, if applicable.

## **SEVERABILITY**

If any term or condition of this contract or the application thereof is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application; to this end the terms and conditions of this contract are declared severable.

## **SUBCONTRACTORS**

The Contractor may enter into subcontracts with third parties, as provided in the RFP document, for the performance of any part of the Contractor's duties and obligations. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to the State

and/or State Agency for any breach in the performance of the Contractor's duties. The Contractor will be the single point of contact for all subcontractor work.

## **SUBSTITUTION OF PERSONNEL**

If, during the term of this contract, the Contractor or subcontractor cannot provide the personnel as proposed and requests a substitution, that substitution shall meet or exceed the requirements stated herein. A detailed resume of qualifications and justification is to be submitted to the State for approval prior to any personnel substitution. It shall be acknowledged by the Contractor that every reasonable attempt shall be made to assign the personnel listed in the Contractor's proposal.

## **ASSIGNMENT**

Contractor shall not assign any interest in this contract by assignment, transfer, or novation, without prior written consent of the State. This provision shall not be construed to prohibit the contractor from assigning his bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State.

## **CODE OF ETHICS**

The contractor acknowledges that Chapter 15 of Title 42 of the Louisiana Revised Statutes (R.S. 42:1101 et. seq., Code of Governmental Ethics) applies to the Contracting Party in the performance of services called for in this contract. The contractor agrees to immediately notify the state if potential violations of the Code of Governmental Ethics arise at any time during the term of this contract.

## **CONFIDENTIALITY**

The following provision will apply unless the state agency statement of work specifically indicates that all information exchanged will be non-confidential:

All financial, statistical, personal, technical and other data and information relating to the State's operations which are designated confidential by the State and made available to the Contractor in order to carry out this contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this paragraph. The Contractor shall not be required under the provisions of the paragraph to keep confidential any data or information, which is or becomes publicly available, is already rightfully in the Contractor's possession, is independently

developed by the Contractor outside the scope of the contract, or is rightfully obtained from third parties.

## **CONTRACT CONTROVERSIES**

Any claim or controversy arising out of this contract shall be resolved by the provisions of Louisiana Revised Statute 39:1673.

## **RIGHT TO AUDIT**

The State Legislative Auditor, federal auditors and internal auditors of the Division of Administration (DOA), or others so designated by the DOA, shall have the option to audit all accounts directly pertaining to the contract for a period of five (5) years from the date of final payment or as required by applicable State and Federal Law. Records shall be made available during normal working hours for this purpose.

## **SECURITY**

Contractor's personnel will comply with all security regulations in effect at the State's premises, and externally for materials and property belonging to the State or to the project. Where special security precautions are warranted (e.g., correctional facilities), the State shall provide such procedures to the Contractor, accordingly. Contractor is responsible for promptly reporting to the State any known breach of security.

## **TERM OF CONTRACT**

This Contract is effective \_\_\_\_\_ and will end no later than twelve (12) months following this date, unless otherwise terminated in accordance with the termination provision of this Contract. The State has the option, upon acceptance by the Contractor, to renew for an additional one (1) year period at the same rates, terms and conditions.

## **COMMENCEMENT OF WORK**

No work shall be performed by Contractor and the State shall not be bound until such time as this Contract is fully executed between the State and the Contractor and all required approvals are obtained.

## **COMPLIANCE WITH CIVIL RIGHTS LAWS**

The Contractor agrees to abide by the requirements of the following as applicable: Title VI and Title VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and Contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990. Contractor agrees not to discriminate in its

employment practices, and will render services under this contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities. Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

**ANTI-KICKBACK CLAUSE**

The Contractor hereby agrees to adhere to the mandate dictated by the Copeland "Anti-Kickback" Act which provides that each Contractor or subgrantee shall be prohibited from inducing, by any means, any person employed in the completion of work, to give up any part of the compensation to which he is otherwise entitled.

**CLEAN AIR ACT**

Not Required.

**ENERGY POLICY AND CONSERVATION ACT**

Not Required.

**CLEAN WATER ACT**

Not Required.

**ANTI-LOBBYING AND DEBARMENT ACT**

The Contractor will be expected to comply with Federal statutes required in the Anti-Lobbying Act and the Debarment Act.

**GOVERNING LAW**

This Contract shall be governed by and interpreted in accordance with the laws of the State of Louisiana. Venue of any action brought with regard to this Contract shall be in the Nineteenth Judicial District Court, parish of East Baton Rouge, State of Louisiana.

**COMPLETE CONTRACT**

This is the complete Contract between the parties with respect to the subject matter and all prior discussions and negotiations are merged into this contract. This contract is entered into with neither party relying on any statement or representation made by the other party not embodied in this contract and there are no other agreements or understanding changing or modifying the terms. This Contract includes RFP Solicitation Number 2253398, Addendums, and Contractor's proposal which are attached hereto by reference.

**ORDER OF PRECEDENCE**

The Request for Proposals (RFP) for the Property Insurance Program for the State of Louisiana all State Departments, Agencies, Boards and Commissions, dated \_\_\_\_\_, and the Contractor's Proposal, dated \_\_\_\_\_, are attached hereto and, incorporated into this Contract as though fully set forth herein. In the event of an inconsistency between this Contract, the RFP and/or the Contractor's Proposal, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence first to this Contract, then to the RFP and finally, the Contractor's Proposal.

THUS DONE AND SIGNED at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_, 2013, and, IN WITNESS WHEREOF, the parties have executed this Contract.

WITNESSES' SIGNATURES:	CONTRACTOR'S NAME CONTRACTOR SIGNATURE:
_____	By: _____
_____	Title: _____

THUS DONE AND SIGNED at Baton Rouge, Louisiana on this \_\_\_\_\_ day of \_\_\_\_\_, 2013, and, IN WITNESS WHEREOF, the parties have executed this Contract.

WITNESSES' SIGNATURES:	NAME OF STATE AGENCY STATE AGENCY SIGNATURE:
_____	By: _____
_____	Title _____
	Phone No.: _____

Approved by:

\_\_\_\_\_  
Director of State Purchasing

Date: \_\_\_\_\_